Section 1: 10-K (SENSIENT TECHNOLOGIES CORPORATION 10-K 12-31-2011)

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

FORM 10-K

T ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2011
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:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
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 T 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 T

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 T 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 T 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 T	Accelerated filer ☐	Non-accelerated filer ☐	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 T

The aggregate market value of the voting Common Stock held by non-affiliates of the Registrant as of June 30, 2011, was $1,829,709,405. 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 50,284,023 shares of Common Stock outstanding as of February 16, 2012.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of: (1) the Company’s Annual Report to Shareholders for the fiscal year ended December 31, 2011 (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, 2012 (see Part III of this Form 10-K).

SENSIENT TECHNOLOGIES CORPORATION—FORM 10-K FOR YEAR ENDED DECEMBER 31, 2011 INDEX

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 19-20 of the Company’s 2011 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 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, Corporate Governance Guidelines, our Policy on Recovery of Incentive Compensation From Executives and our Directors and Officers Stock Ownership 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 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 36 through 38 of the Company's 2011 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. The Group's principal manufacturing plants are located in California, Missouri, New Jersey, Brazil, Canada, Mexico, France, Germany, Hungary, Italy, Switzerland and the United Kingdom.

The Color Group operates under the following trade names:

- Sensient Food Colors (food and beverage colors);
- Sensient Pharmaceutical Coating Systems (pharmaceutical colors and coatings);
- Sensient Cosmetic Technologies (cosmetic colors and ingredients and systems); and
- Sensient Industrial 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 India, Indonesia, Korea, Singapore and Thailand.

The China Group’s operations in China include the Group headquarters, a manufacturing facility 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. The Company employed 621 people in research and development, quality assurance, quality control and lab technician positions as of December 31, 2011.

Expenditures for research and development related to continuing operations in calendar year 2011 were $33.2 million, compared with $30.6 million in the year ended December 31, 2010, and $29.3 million in the year ended December 31, 2009. 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, Belgium, Canada, France, Germany, Italy, Mexico, the Netherlands, Spain and the United Kingdom, 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 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, 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 generally 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.

- *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 9 to the Consolidated Financial Statements of the Company, which appears on page 38 of the 2011 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, 2011, the Company employed 3,887 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. Current compliance is not expected to have a material adverse effect in the next two years. 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 15 through 22 of the 2011 Annual Report to Shareholders and “Forward Looking Statements” on page 22 of the 2011 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, 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.

• *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, cosmetics 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. Our customers, particularly those in the pharmaceutical industry, are also subject to laws and regulations which may impose costs on or create risk for us.

• *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. 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. 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.

• *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 conflict in Afghanistan, the situations in North Korea, Iran and elsewhere in the Middle East and the financial stresses in Europe, 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, R&D and field/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 colors
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

INTERNATIONAL (continued)		
Belgium		
Brussels*	Flavors & Fragrances	Production and sales/natural health ingredients
Heverlee	Flavors & Fragrances	Production, R&D and sales/ingredients and flavors
Brazil		
Jundiaí*	Color	Production, R&D and sales/food colors and flavors
São Paulo*	Color	Sales/cosmetic colors
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 and 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
Colombia		
Bogota*	Flavors & Fragrances	Sales/flavors and fragrances
Costa Rica		
San Jose*	Flavors & Fragrances	Production and sales/flavors
Czech Republic		
Prague*	Color	Sales/food colors
Denmark		
Nyborg*	Flavors & Fragrances	Sales/flavors
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

INTERNATIONAL (continued)		
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	Sales/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, warehouse, 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 and essential oils
The Netherlands		
Elburg	Flavors & Fragrances	Production/dehydrated flavors
Naarden*	Flavors & Fragrances	Sales/food colors and dehydrated and other flavors
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		
Poznań*	Color	Sales & warehouse/cosmetics
Warsaw*	Color	Sales/food colors
Warsaw*	Flavors	Sales/flavors

INTERNATIONAL (continued)		
Romania		
Bucharest*	Flavors	Sales/flavors
Morazia*	Color	Sales/food colors
Singapore		
Singapore*	Asia Pacific	R&D and sales/food colors, flavors and dehydrated flavors
South Africa		
Johannesburg*	Color	Production, R&D and sales/food colors
Rivonia*	Flavors	Sales/flavors
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 (2)*	Asia Pacific	Production, R&D and sales/colors and flavors
Turkey		
Istanbul	Flavors & Fragrances	Sales/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 inkjet 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 had ceased at indicated facility and property was sold in 2011.

Item 3. Legal Proceedings.
Commercial Litigation

Cherry Blossom Litigation

Cherry Blossom LLC, a Traverse City, Michigan contractor that had produced cherry products for the Company, ceased operations in May 2009. At the time, Cherry Blossom had physical possession of brined cherries belonging to the Company with a book value of approximately $0.5 million. Despite the Company's demands, Cherry Blossom refused to permit the Company to take possession of the cherries for processing elsewhere.

In June 2009, the Company sued Cherry Blossom in the Circuit Court of Grand Traverse County, Michigan, seeking an order for return of the cherries. Cherry Blossom's asset based lender, Crossroads Financial (which claimed to be owed $1.4 million) ("Crossroads"), intervened and claimed a senior lien on the cherries. The Circuit Court denied the Company's request for immediate possession and permitted Cherry Blossom to retain and process the cherries. The Circuit Court later held that Crossroads held a senior lien on the cherries and was entitled to receive the proceeds from the sale of the cherries. The Circuit Court also denied the Company's cross claims against Crossroads to recoup certain overpayments that the Company made to Cherry Blossom/Crossroads and to recoup payments made by the Company to the United States Department of Labor on Cherry Blossom's/Crossroads' behalf. The Company has appealed these adverse decisions of the Circuit Court.

Crossroads asserted a claim against the Company for money damages in an undetermined amount. Crossroads claimed that it has a lien on all of Cherry Blossom's accounts receivable from the Company and that the Company had performed a number of offsets against its accounts payable to Cherry Blossom in derogation of Crossroads' rights as lienholder. The Circuit Court denied Crossroads' claims for money damages against the Company. Crossroads has appealed this decision of the Circuit Court.

The Company and Crossroads have completed briefing on their respective appeals. The appellate court will now decide whether, and if so when, to grant oral argument. The appellate court is likely to make a decision regarding oral argument in early 2012.

Cherry Blossom counterclaimed against the Company, alleging that Cherry Blossom had purchased exclusive rights to certain proprietary cherry processing formulas used in the Company's cherry product. Cherry Blossom sought a preliminary injunction against the Company's delivery of copies of the formulas to any third party. The Court denied Cherry Blossom's motion regarding the formulas and eventually dismissed Cherry Blossom's claims. The Company also initiated a suit against Cherry Blossom in the United States District Court for the Western District of Michigan seeking a declaratory judgment that the Company has the right to use the cherry processing formulas. Because Cherry Blossom subsequently filed a petition in bankruptcy, the Federal District Court closed the matter. This closing was for administrative purposes only and did not constitute a decision on the merits.

Christopher Hubbell, a principal of Cherry Blossom, has personally filed a petition for bankruptcy. The Company has opposed the bankruptcy petition to the extent Mr. Hubbell seeks a discharge of the Company's alleged damages arising from his own fraudulent acts connected to Cherry Blossom's granting of an allegedly superior interest in the Company's cherries to Crossroads Financial.

Hubbell has moved the bankruptcy court to dismiss the Company's adverse claims against him. Hubbell argued that the bankruptcy court should dismiss the Company's adverse claims because the Company has not had to pay Crossroads money as a result of Crossroads' claims against the Company. At a hearing on January 20th, 2012, the bankruptcy court denied Hubbell's motion to dismiss and scheduled a trial for the third week of August, 2012.

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. A response to the complaint was filed on October 1, 2010. 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. SDF has since closed and then sold 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.

While trial of the matter was originally set for October 31, 2011, the trial date was vacated because the S.A.M. plaintiffs' counsel obtained new employment and could no longer represent the plaintiffs. The S.A.M plaintiffs, after some delay and a threat of sanctions from the court, have obtained new counsel. A case management conference was held on February 17, 2012. The court set the case for jury trial to commence on April 23, 2012. The court also directed the parties to attend a settlement conference on March 9, although it is anticipated that this conference may be delayed until discovery is conducted.

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.

At a hearing on May 4, 2011, Daito's counsel indicated that she would no longer represent Daito in this case due to a conflict of interest. On September 14, 2011, new counsel appeared for Daito at a hearing and filed slightly amended pleadings contending that SCT had not suffered any loss as a result of the termination. SCT responded to the amended pleadings confirming the extent of its losses at a hearing on November 9, 2011. At a hearing on February 1, 2012, SCT re-asserted its claims against Daito and again requested dismissal of Daito's counter claims. No trial date has been set.

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. Mine Safety Disclosure.

Not Applicable

Executive Officers of the Registrant

The executive officers of the Company and their ages as of March 1, 2012, are as follows:

Name	Age	Position
Kenneth P. Manning	70	Chairman, President and Chief Executive Officer
John F. Collopy	42	Vice President and Treasurer
Christopher M. Daniels	38	Vice President, Human Resources
John L. Hammond	65	Senior Vice President, General Counsel and Secretary
Richard F. Hobbs	64	Senior Vice President and Chief Financial Officer
Jeffrey T. Makal	48	Vice President, Controller & Chief Accounting Officer
Richard J. Malin	45	Assistant Controller
Paul Manning	37	President, Color Group
James P. McCarthy	59	President, Flavors & Fragrances Group
Stephen J. Rolfs	47	Vice President, Administration
Robert J. Wilkins	55	President, Asia Pacific Group

The Company has employed all of the individuals named above, in substantively their current positions, for at least the past five years except as follows. 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. 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. 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. 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 2010 and 2011 appearing under "Common Stock Prices and Dividends" on page 44 of the 2011 Annual Report to Shareholders are incorporated by reference. In 2011, 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 21, 2012, 2,243,704 shares had been repurchased under the latter authorization. The Company did not repurchase any shares during the fourth quarter of 2011.

The number of shareholders of record on February 16, 2012 was 2,853.

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 report.

The graph found on page 44 of the Company’s 2011 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 page 45 of the 2011 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 15 through 22 of the 2011 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 20 and 21 of the 2011 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 23 through 41 and page 45 of the 2011 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, President and Chief Executive Officer and its Senior Vice President and Chief Financial Officer, of the effectiveness, as of December 31, 2011, 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, President 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, 2011.

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, 2011. 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, 2011. Management’s report on internal control over financial reporting, which appears on page 41 of the 2011 Annual Report to Shareholders, is incorporated by reference.

The Company’s internal control over financial reporting as of December 31, 2011, 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 43 of the 2011 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.

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, 2011, 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, 2012 (“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 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 Director Independence.

Kenneth Manning is the father of Paul Manning. There are no other 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. 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, 2011, through December 31, 2011, 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

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, 2011 and 2010, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2011, and the effectiveness of the Company's internal control over financial reporting as of December 31, 2011, and have issued our reports thereon dated February 27, 2012. Such consolidated financial statements and reports are included in your 2011 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 27, 2012

Schedule II
Valuation and Qualifying Accounts (in thousands); Years Ended December 31, 2011, 2010, 2009

Valuation Accounts Deducted in the Balance Sheet From the Assets to Which They Apply	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Additions Recorded During Acquisitions	Deductions (A)	Balance at End of Period
2009					
Allowance for losses:	$ 4,295	$ 1,264	$ 0	$ 2,132	$ 3,427
Trade accounts receivable					
2010					
Allowance for losses:	$ 3,427	$ 1,326	$ 0	$ 754	$ 3,999
Trade accounts receivable					
2011					
Allowance for losses:	$ 3,999	$ 747	$ 0	$ 1,158	$ 3,588
Trade accounts receivable					

(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 27, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below as of February 27, 2012, 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, President 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
2011 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference from	Filed Herewith
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 July 22, 2010	Exhibit 3.2 to Current Report on Form 8-K dated July 22, 2011 (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 Company 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 Agreement 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”) (superseded)	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 Amendments to Executive Change in Control Agreement (superseded)	Exhibit 10.1 to Current Report on Form 8-K dated March 23, 2010 (Commission File No. 1-7626)	
10.1(b)(3)	Form of Change of Control Employment and Severance Agreement		X
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
2011 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference from	Filed Herewith
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 on 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 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)(l) to Annual Report on 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
2011 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)	Exhibit 10.1(s)(2) to Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (Commission file No. 1-7626)	
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)	

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2011 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference From	Filed Herewith
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)	Exhibit 10.1(t)(2) to Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (Commission File No. 1-7626)	
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)	
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)	
10.1(v)	Sensient Technologies Corporation Policy on Recovery of Incentive Compensation from Executives effective January 1, 2012	Exhibit 10.1 to Current Report on Form 8-K dated December 8, 2011 (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, 2011		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, President 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, President and Chief Executive Officer and Senior Vice President and Chief Financial Officer, pursuant to 18 United States Code § 1350		X

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Exhibit Number	**Description**	**Filed Herewith**
101.INS*	Instance Document	X
101.SCH*	XBRL Taxonomy Extension Schema Document	X
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document	X

*The following financial information formatted in XBRL (eXtensible Business Reporting Language) and furnished electronically herewith: (i) Consolidated Statements of Earnings for the twelve months ended December 31, 2011, December 31, 2010, and December 31, 2009; (ii) Consolidated Balance Sheets as of December 31, 2011 and December 31, 2010; (iii) Consolidated Statements of Shareholder's Equity for the twelve months ended December 31, 2011, December 31, 2010, and December 31, 2009; (iv) Consolidated Statements of Cash Flow for the twelve months ended December 31, 2011, December 31, 2010, and December 31, 2009; and (v) Notes to Consolidated Financial Statements.

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Section 2: EX-10.1(B)(3) (EXHIBIT 10.1(B)(3))

EXHIBIT 10.1(b)(3)

CHANGE OF CONTROL
EMPLOYMENT AND SEVERANCE AGREEMENT

AGREEMENT by and between Sensient Technologies Corporation, a Wisconsin corporation (the "Company"), and (the "Executive"), as of the _____ day of _________________, 20___.

WHEREAS, the Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section l(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date of this Agreement, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date of this Agreement, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation by the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity (a "Business Combination"), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company taxed under Section 331 of the Code or with the approval of a bankruptcy court pursuant to Section 503(b)(1)(A) of Title II of the U.S. Bankruptcy Code.

(e) Notwithstanding the foregoing, a Change of Control as defined in this Section 2 shall not be treated as a Change of Control for purposes of this Agreement unless it constitutes a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5) or results in a termination or liquidation of a plan within the meaning of Treasury Regulation Section 1.409A-3(j)(4)(ix)(A) or (B) (as applicable).

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed and increased a minimum of 3% no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement and shall be commensurate with increases given to peer executives. Annual Base Salary shall not be reduced after any such increase and the term "Annual Base Salary" as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the greater of the highest bonus, if any, paid to the Executive under the Company's Management Incentive Plan for Division Presidents or the Company's Incentive Compensation Plan for Elected Corporate Officers, or any comparable bonus under any predecessor or successor plan, on: any one of the last five annual bonus payment dates immediately preceding the Effective Date; or any one annual bonus payment date coinciding with or following the date on which the Executive attains age 50 and preceding the Effective Date (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than March 15th of the fiscal year following the fiscal year for which the Annual Bonus is earned.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all qualified and nonqualified incentive (cash and stock related), savings and retirement plans, and/or comparable practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(ix) Change of Control.

A. In the event of a Change of Control, for purposes of calculating the Executive's benefit under the Company's Supplemental Executive Retirement Plan A (effective January 1, 2005) and the Company's Supplemental Executive Retirement Plan B (effective as of January 1, 2005), each as amended from time to time (collectively, the "SERP"), if the Executive is a SERP participant, the Executive will be deemed to have received three additional years of base salary in amounts equal to the Executive's Annual Base Salary as of the Effective Date as increased for purposes of this subparagraph in each of such three years by the percentage increase (if positive) in the Executive's Annual Base Salary from the year prior to the year which the Effective Date occurs to the year in which the Effective Date occurs. Notwithstanding anything in the SERP or in the Company's Executive Income Deferral Plan, as amended from time to time (the "EIDP") to the contrary, in the event of a Change of Control, for purposes of determining the "annual bonus" amount for Final Compensation under the SERP, the measurement period shall be the greater of any one of the last five annual bonus payment dates immediately preceding the Effective Date or any one annual bonus payment date coinciding with or following the date on which the Executive attains age 50 and preceding the Effective Date as set forth in Section 4(b)(ii) of this Agreement and the lump sum distribution payments under the SERP and the EIDP shall be made as soon as administratively feasible, but no later than 5 business days after the Effective Date, subject to the 6-Month Delay Period (as defined under Section 12 below) only if and to the extent such delay is required under Section 409A of the Code and the regulations thereunder.

B. If upon a Change of Control, the Executive vests in any of the Executive's restricted stock grants under any of the Company's equity plans or arrangements and becomes subject to income and/or employment taxes as a result of such vesting (the "Vesting Taxes") and the executive's restricted stock agreement provides for a tax gross-up payment, the Company shall pay to the Executive additional payments (a "Restricted Stock Reimbursement") in amounts such that after payment by the Executive of all income, employment, state, local or foreign taxes imposed on such Restricted Stock Reimbursement, the Executive Retains an amount of the Restricted Stock Reimbursement equal to the Vesting Taxes. The Restricted Stock Reimbursement will be paid as soon as administratively feasible, but no later than 5 business days after the Effective Date, subject to the 6-Month Delay Period (as defined under Section 12 below) only if and to the extent such delay is required under Section 409A of the Code and the regulations thereunder.

5. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 13(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the Disability determination date (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" means that (i) the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (ii) the Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering the Executive. The determination of Disability shall be made by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for performance is delivered to the Executive by the Chief Executive Officer of the Company which specifically identifies the manner in which the Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail. Any termination of the Executive's employment by the Company during the Employment Period (other than a termination under Section 5(a)) shall be deemed to be a termination other than for Cause unless it meets all requirements of this Section 5(b).

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities (whether or not occurring solely as a result of the Company's ceasing to be a publicly traded entity), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 1l(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason. Anything in this Agreement to the contrary notwithstanding, if the Executive terminates employment for Good Reason after the second anniversary of the Effective Date of the Change of Control, the definition of Good Reason shall be deemed modified so as to qualify as an "involuntary separation from service" within the meaning of Treasury Regulation Section 1.409A-1(n).

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. “Date of Termination” means (i) if the Executive’s employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive’s employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (iii) if the Executive’s employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination.

(a) Good Reason, Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive’s employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash on or within 5 business days (after the expiration of the 6-Month Delay Period (as defined under Section 12 below) if and to the extent such delay is required under Section 409A of the Code and the regulations thereunder) following the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive’s Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the: “Highest Annual Bonus”) and (y) a fraction, the numerator of which is the number of days in the current fiscal year of the Company through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the “Accrued Obligations”); and

B. the amount equal to the product of (1) three and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus; and

C. the amount equal to the product of (x) three and (y) the highest aggregate annual amount contributed by the Company (as a Company contribution, and not a salary reduction) on behalf of the Executive, during the last three full fiscal years prior to the Effective Date, to the Company's Transition Retirement Plan, Savings Plan, Retirement Employee Stock Ownership Plan, and Supplemental Benefits Plan, or any successor or replacement defined contribution plans.

(ii) for three years after the Executive's Date of Termination, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families; provided that if any of the welfare benefits provided during the period the Executive is considered a "specified employee" or "key employee" under Section 12 of this Agreement are not subject to an exemption under Section 409A of the Code, such benefits will be provided at the Executive's cost and may be submitted for reimbursement after such period; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer-provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until three years after the Date of Termination and to have retired on the last day of such period;

(iii) for three years after the Executive's Date of Termination, the Company shall continue fringe benefits and perquisites for the Executive and/or the Executive's family equal to those that, as of the Executive's Date of Termination, were in effect in accordance with the plans, programs, practices and policies described in Section 4(b)(vi) of this Agreement; provided that if any of the fringe benefits and perquisites provided during the period the Executive is considered a "specified employee" or "key employee" under Section 12 of this Agreement are not subject to an exemption under Section 409A of the Code, such benefits will be provided at the Executive's cost and may be submitted for reimbursement after such period;

(iv) the Company shall, at its sole expense as incurred, provide the Executive with reasonable outplacement services the scope and provider of which shall be selected by the Executive in his sole discretion;

(v) the exercise period for each outstanding stock option held by the Executive (or by any transferee of the Executive) under any of the Company's equity plans or arrangements shall continue for two years after the Executive's Date of Termination, or for such longer period provided for with respect to such stock option, provided, that such exercise period shall not extend beyond the scheduled exercise period or term of the stock option; and

(vi) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided, or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify (provided, that the Executive hereby waives any right to participate in any severance plan, program, or policy of the Company during the Employment Period), nor, subject to Section 13(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits, or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination, shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligations to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement. Each and every payment made hereunder by the Company shall be final, and the Company will not seek to recover all or any part of such payment from the Executive for any reason. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Certain Limitation on Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive the Payments unless the after-tax amount that would be retained by the Executive (after taking into account any and all applicable federal, state and local excise, income or other taxes payable by the Executive, including the Excise Tax) is less than the after-tax amount that would be retained by the Executive (after taking into account any and all applicable federal, state and local excise, income or other taxes payable by the Executive) if the Executive were instead to be paid or provided, as the case may be, the maximum amount of the Payments that the Executive could receive without being subject to the Excise Tax (the "Reduced Payments"), in which case the Executive shall be entitled only to the Reduced Payments. The reduction of the amounts payable hereunder, if applicable, shall be made by first reducing the payments under paragraph 6(a)(i), unless an alternative method of reduction is elected by the Executive and permitted by Section 409A, and shall be made in such a manner as to maximize the value of all Payments actually made to the Executive. For purposes of reducing the Payments, only amounts payable under this Agreement (and no other Payments) shall be reduced.

(b) All determinations required to be made under this Section 9, including the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there will be a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Section 409A of the Code.

(a) This Agreement is intended to comply with Section 409A of the Code and shall be interpreted, operated and administered in a manner that conforms to the requirements of Section 409A of the Code and the regulations thereunder.

(b) If, at the time of Executive's "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h) other than by reason of death, Executive is deemed to be a "specified employee" of a public company within the meaning of Treasury Regulation Section 1.409A-1(i), any amount constituting deferred compensation under Code Section 409A to which Executive otherwise would have been entitled to under any provision of this Agreement shall not be paid until the date that is 6 months following Executive's separation from service (or, if earlier, the date of Executive's death) (the "6-Month Delay Period"), if and to the extent such delay is required under Section 409A of the Code and the regulations thereunder.

(i) If Executive is considered to be a "specified employee" as set forth above and payments and benefits are subject to the 6-Month Delay Period, the Company shall make an irrevocable contribution to Rabbi Trust A within 5 business days following the Date of Termination in an amount that is sufficient to pay Executive the payments and benefits to which Executive is entitled under this Agreement, *plus*, interest (calculated at the prime rate as published in the Wall Street Journal on the Date of Termination plus 1%) for the period beginning on the earlier of Executive's Date of Termination or "separation from service" as set forth above, and ending on the later of: (A) the last day of the 6-Month Delay Period; or (B) the payment date under subsection 12(c) below.

(ii) The amounts described in Section 12(b)(i) shall be paid to the Executive on the first business day after the end of the 6-Month Delay Period.

(c) In the event that any payment under this Agreement is delayed due to a disputed payment or refusal to pay under Treasury Regulation Section 1.409A-3(g), such payment shall be deemed to be paid as of the date that is specified as the payment date under the relevant provision of this Agreement. If under this Agreement, an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii).

(d) The Company shall indemnify the Executive, as provided in this subsection (d), if the Executive incurs additional tax under Section 409A of the Code as a result of a violation of Section 409A of the Code (each an "Indemnified Section 409A Violation") that occurs as a result of (1) the Company's clerical error (other than an error cause by erroneous information provided to the Company by the Executive), (2) the Company's failure to administer this Agreement or any benefit plan or program in accordance with its written terms (such written terms, the "Plan Document"), or (3) following December 31, 2008, the Company's failure to maintain the Plan Documents in compliance with Section 409A of the Code; provided, that the indemnification set forth in clause (3) shall not be available to the Executive if (x) the Company has made a reasonable, good faith attempt to maintain the applicable Plan Document in compliance with Code Section 409A but has failed to do so or (y) the Company has maintained the applicable Plan Document in compliance with Section 409A of the Code but subsequent issuance by the Internal Revenue Service or the Department of the Treasury of interpretive authority results in the applicable Plan Document not (or no longer) complying with Section 409A of the Code (except that, if the Company is permitted by such authority or other authority to amend the Plan Document to bring the Plan Document into compliance with Section 409A of the Code and fails to do so, then such indemnification shall be provided).

(i) In the event of an Indemnified Section 409A Violation, the Company shall reimburse the Executive for (1) the 20% additional income tax described in Section 409A(a)(1)(B)(i)(II) of the Code (to the extent that the Executive incurs the 20% additional income tax as a result of the Indemnified Section 409A Violation), and (2) any interest or penalty that is assessed with respect to the Executive's failure to make a timely payment of the 20% additional income tax described in clause (1), provided that the Executive pays the 20% additional income tax promptly upon being notified that the tax is due (the amounts described in clause (1) and clause (2) are referred to collectively as the "Section 409A Tax").

(ii) In addition, in the event of an Indemnified Section 409A Violation, the Company shall make a payment (the "Section 409A Gross-Up Payment") to the Executive such that the net amount the Executive retains, after paying any federal, state, or local income tax or FICA tax on the Section 409A Gross-Up Payment, shall be equal to the Section 409A Tax. The Company shall have the right to contest the Section 409A Tax and the Executive shall reasonably cooperate with measures identified by the Company that are intended to mitigate the Section 409A Tax to the extent that such measures do not materially reduce or delay the payments and benefits to the Executive hereunder.

13. Miscellaneous.

(a) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Notices given pursuant to this Agreement shall be in writing and shall be deemed given when actually received by the Executive or actually received by the Company's secretary. If mailed, such notices shall be mailed by United States registered or certified mail, return receipt requested, addressee only, postage prepaid, if to the Company, to Attention: Secretary (or President, if the Executive is then Secretary), or if to the Executive, at the address set forth below the Executive's signature to this Agreement, or to such other address as the party to be notified shall have theretofore given to the other party in writing.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section l(a) hereof, prior to the Effective Date, the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

14. Governing Law; Resolution of Disputes. This Agreement and the rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Wisconsin. Any dispute arising out of this Agreement shall, at the Executive's election, be determined by arbitration under the rules of the American Arbitration Association then in effect (in which case both parties shall be bound by the arbitration award) or by litigation. Whether the dispute is to be settled by arbitration or litigation, the venue for the arbitration or litigation shall be in the judicial district encompassing the city in which the Executive resides; provided that, if the Executive is not then residing in the United States, the election of the Executive with respect to such venue shall be Wisconsin. The parties consent to personal jurisdiction in each trial court in the selected venue having subject matter jurisdiction, and each party irrevocably consents to service of process in the manner provided hereunder for the giving of notices.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name and on its behalf, all as of the day and year first above written.

SENSIENT TECHNOLOGIES CORPORATION

By: ______________________________
Kenneth P. Manning
Chairman, President & Chief Executive Officer

____
(Executive)

Address:

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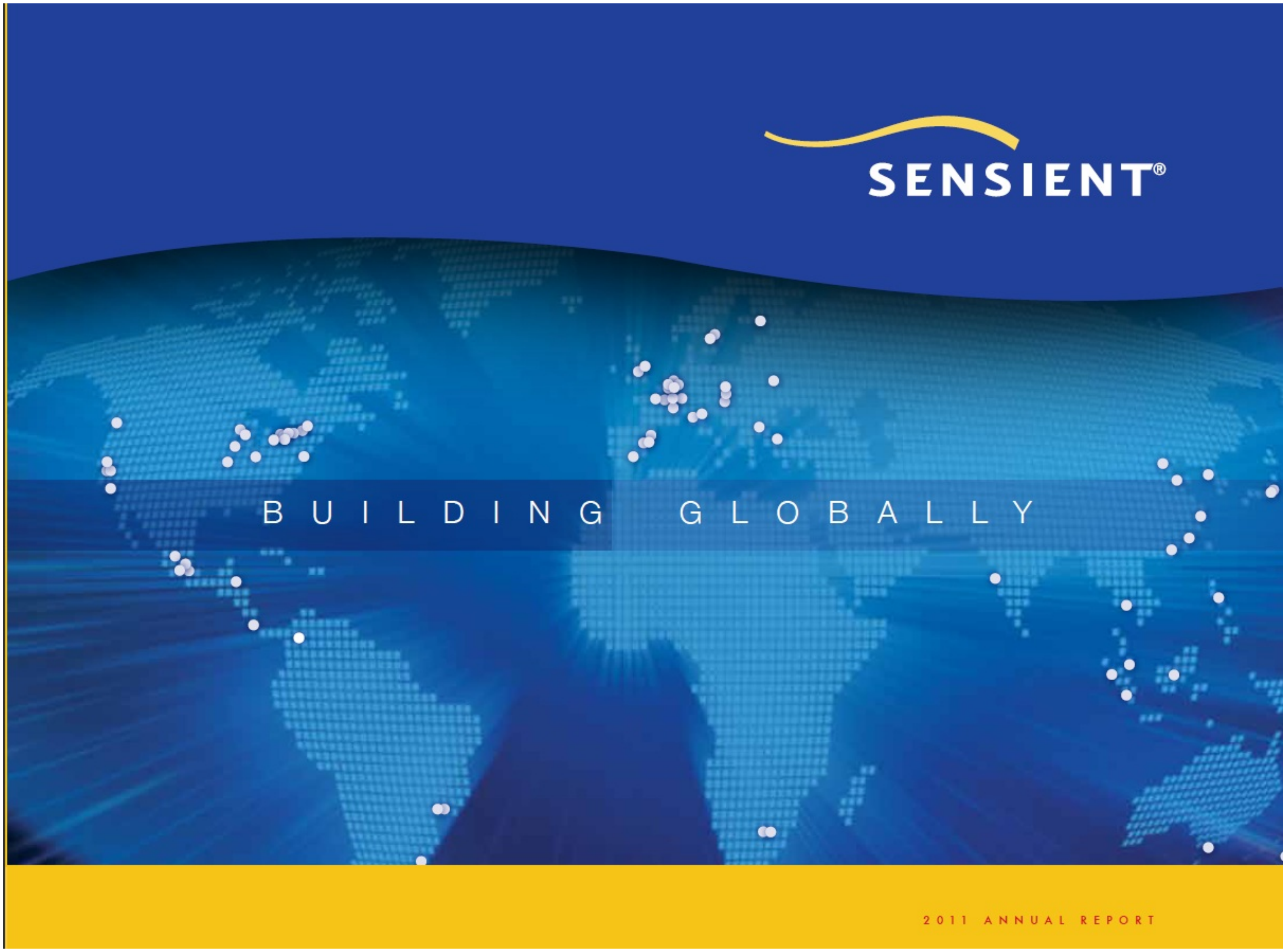
Section 3: EX-13.1 (EXHIBIT 13.1)

EXHIBIT 13.1



"Sensient achieved another record year by building our infrastructure, extending the reach of our sales force and commercializing new technologies. We see significant opportunities for growth as we move forward."

KENNETH P. MANNING

Chairman, President and Chief Executive Officer

Sensient Technologies Corporation is a leading global developer, manufacturer and marketer of advanced color, flavor and fragrance systems. Sensient uses state-of-the-art technologies at facilities around the world to develop and manufacture customized food and beverage systems, pharmaceutical colors, coatings and excipients, cosmetic ingredients, household and industrial product formulations, ink-jet inks, and other specialty colors and chemicals.

Financial Highlights

in thousands except per share, employee and shareholder data

Years ended December 31,	2011	2010	% Change
Results of operations			
Revenue	$1,430,789	$1,328,180	8%
Operating Income	190,823	174,577	9%
Net Earnings	120,484	107,144	12%
Per common share			
Net Earnings:			
Basic	$ 2.42	$ 2.18	11%
Diluted	2.41	2.17	11%
Dividends	0.84	0.79	6%
Book Value	20.87	19.70	6%
Other information			
Capital Expenditures	$ 72,200	$ 55,823	
Depreciation and Amortization	$ 46,099	$ 43,423	
Total Debt	$ 335,396	$ 349,810	
Number of Employees	3,887	3,618	
Number of Shareholders of Record	2,865	2,977	
Average Common Shares Outstanding:			
Basic	49,746	49,138	
Diluted	49,937	49,424	

Sensient Technologies Corporation achieved record revenue and earnings in 2011. The Company's revenue of $1.43 billion represents an increase of 7.7% over 2010. Net earnings reached $120.5 million. We are well positioned for continued growth in 2012.

Letter to Shareholders

Kenneth P. Manning
Chairman, President and Chief Executive Officer

A Return on Investment

Sensient's strategic investments in product technologies, geographic expansion and infrastructure improvements are reaping significant rewards in the marketplace. In 2011, we strengthened our position as a leading global developer, manufacturer and distributor of state-of-the-art color, flavor and fragrance systems.

All of Sensient's operating Groups contributed to our positive financial performance in 2011. We are especially profiting from strong consumer demand worldwide for naturally sourced products. Manufacturers increasingly rely on high-performance Sensient systems to meet this demand.

Since our Company commenced public trading in 1962, we have consistently paid a quarterly dividend to our shareholders. This practice enables investors to benefit on a regular basis from our performance. In 2011, we paid a quarterly dividend of 21 cents per share of common stock, for a total of 84 cents per share for the year.

Building Sensient's Global Infrastructure

Sensient has built an infrastructure that is second to none in our industry. We operate significant R&D and production facilities in every major market in the world. We have also acquired, developed and licensed an exceptional range of technologies that form the foundation of our product portfolio.

We will continue to develop and enhance facilities when we see significant opportunities for growth. In 2011, we expanded our natural color and pharmaceutical operations in St. Louis. These improvements are already contributing to our growth in key product markets.

We will continue our program of strategic investments in 2012. We are now expanding digital ink capabilities in Morges, Switzerland. This investment reinforces our market-leading position in digital and industrial inks. Sensient is also making investments in flavor facilities in the United Kingdom to improve efficiencies and expand production.

Equally important, Sensient has built a strong operational infrastructure. Coordination across locations provides efficiency, accelerates product development and enables us to rapidly bring new offerings to the marketplace. A strong global supply chain ensures reliable access to key raw materials.

The Company has also improved results by recruiting highly capable management and strengthening our sales force. Employee training and development programs enable us to continuously enhance the capabilities of our workforce.

Commercializing and Expanding Technologies

New product development is essential to the growth of our business. Consumer markets change rapidly. Sensient enables global manufacturers to lead new trends and respond to the evolving marketplace.

The Company's investments in infrastructure have improved our ability to commercialize new technologies. For example, we have expanded our natural color capabilities to include a greater spectrum of products. New microfine natural colors provide consistent, stable performance for manufacturers of baked goods, powdered beverages, prepared foods and other products. A breakthrough in color processing has also enabled us to develop a line of colors made exclusively from natural ingredients. Sensient's advanced natural color systems are now found in foods, beverages, pharmaceuticals and cosmetics.

The Color Group has led the way in R&D improvements by implementing a highly effective new commercialization program. This worldwide program ensures that the latest technologies advance rapidly to product development and then to the marketplace. In 2012, the Flavors & Fragrances Group will launch similar enhancements to its R&D operations.

Sensient also serves as a product development partner for many of our customers, including large multinationals. Manufacturers often reformulate products to meet changing consumer preferences. Sensient works closely with customers to develop new systems that enable them to successfully implement product improvements and extensions.

Acquisition and Expansion

Just over a decade ago, Sensient completed its transformation into a leader in the global specialty chemicals sector. This change was the result of a well-executed strategic acquisition program. We divested underperforming commodity operations and acquired new businesses that added unique technologies and geographic reach.

Since our core transformation, Sensient has grown by developing new proprietary systems, customizing products and adding customers. We reach new customers in key secondary markets through our extended distribution system. New locations in Scandinavia, Central Europe and South Africa are already operational, and we are planning to establish additional locations in Latin America.

In 2011, Sensient acquired full ownership of cosmetic color and ingredient businesses in Brazil and Poland. Sensient purchased the remaining interests in these businesses to improve our position in key emerging markets. We will continue to seek additional acquisitions that improve market access and add new products and technologies.

A Strong Foundation for Success

Every day, nations around the world become more industrialized and local economies seek new efficiencies. This marketplace evolution results in growing consumer access to a wide range of manufactured products, including foods, beverages, cosmetics, pharmaceuticals and more. Sensient is positioned to benefit from this economic transformation in every corner of the globe.

The Company's growth and momentum reflect the success of our long-term strategy. We will continue to grow globally on the strength of our operations, products and financial position. I am confident that Sensient will deliver exceptional results in 2012 and beyond.

Sincerely,

Kenneth P. Manning

Kenneth P. Manning
Chairman, President and Chief Executive Officer

COLOR GROUP

Sensient is a leading developer and manufacturer of color systems for food and beverage, cosmetic, pharmaceutical, inkjet inks, agricultural, household products and other technical colors. Sensient also produces a range of ingredients for cosmetics and pharmaceutical applications including excipients and treated pigments.

STRATEGIC ADVANTAGES

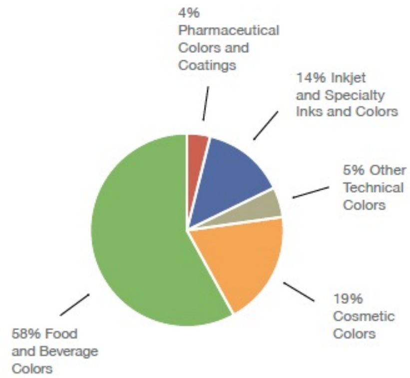
FLAVORS & FRAGRANCES GROUP

Sensient develops, manufactures and distributes flavor and fragrance systems that form the sensory foundation of thousands of consumer products worldwide. The Company's flavor and aroma technologies are essential components of foods and beverages, household supplies and personal care products. Sensient's specialty systems enable our customers to excel in highly competitive global markets.

STRATEGIC ADVANTAGES

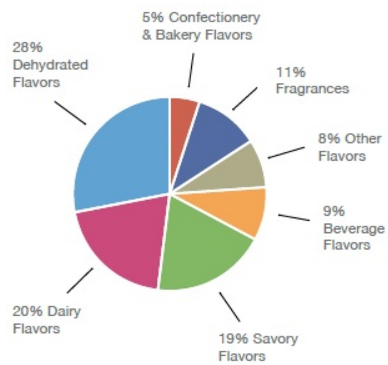
- Unmatched capabilities in natural food color systems, dispersions, emulsions and pharmaceutical coatings
- Broadest product range in natural and synthetic food colors, cosmetic ingredients and inkjet inks
- The ability to reach customers directly in all major markets worldwide
- Local R&D for rapid and continuous new product development
- Broadest manufacturing base with local production and technical support

REVENUE BY PRODUCT LINE



- State-of-the-art facilities in key locations worldwide
- Comprehensive product line to meet the needs of multinational manufacturers
- Leading CO_2 extraction technologies for high-performance natural flavors
- Technical capability to enhance and customize flavors for a rapidly changing marketplace

REVENUE BY PRODUCT LINE



Commercialization of New

Controlled Release Polymer Coatings for Pharmaceuticals

Specialized systems to enable gradual delivery of medication

CO_2 Flavor Extraction

Subcritical and supercritical capabilities for high-performance natural flavors

Reaction Flavor Technology

Distinctive hearty flavors for soups, sauces and other foods

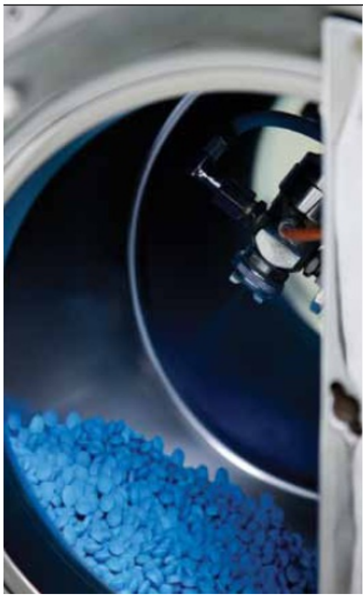
Microfine Natural Food Colors

Innovative color systems for seasonings, dry foods and beverage mixes

Sublimation and Pigmented Inks for Inkjets

Leading color technologies for textiles and other industrial applications

Technologies



Treated Pigments, Natural Colors, and Dispersions for Cosmetic Applications

including facial creams, lipsticks and eye makeup

Sensient combines exceptional research and development, manufacturing capabilities and market expertise to rapidly transform new discoveries into innovative, market-ready products. We independently develop new specialty systems as well as collaborate with customers to improve and extend their products. In recent years, Sensient has developed proprietary technologies that provide significant benefits to manufacturers of foods, beverages, textiles, pharmaceuticals and cosmetics. Sensient products continue to earn the business of multinationals and regional manufacturers.

Broad Product Portfolio

Sensient continues to maintain and extend a comprehensive product mix that includes synthetic and natural colors, flavors and fragrances. Our specialty systems are found in thousands of consumer products, including beverages, prepared foods, cosmetics, pharmaceuticals and textiles. The Company's range of products enables us to meet the needs of established, high-volume manufacturers as well as serve smaller, innovative companies across several market segments. We are also finding new opportunities for Sensient's proven products in faster-growing emerging markets. The Company's strategic sourcing of raw materials and tightly integrated operations enable us to provide a reliable and secure source of supply for our customers.

Investments in

Melbourne, Australia

Bremen, Germany

St. Louis, Missouri

Milan, Italy

Lerma, Mexico

Halton Hills, Ontario, Canada

Reggio Emilia, Italy

Guangzhou, China

Infrastructure

Indianapolis, Indiana

Sensient makes strategic investments in infrastructure and operations to drive growth in both established and emerging markets. In 2011, we improved facilities, added management and expanded production in North America, Latin America, Europe and Asia Pacific. The Company maintains the most advanced facilities in our industry. We also added highly skilled sales and technical personnel to our workforce. These new hires expand our business now and lay the foundation for future growth. Sensient will continue to make targeted investments to facilitate sales of higher-margin, technology-based products worldwide.

EDS

HELSINKI, FINLAND
KRISTIANSTAD, SWEDEN
COPENHAGEN, DENMARK
WARSAW, POLAND
KIEV, UKRAINE
VIENNA, AUSTRIA
BUCHAREST, ROMANIA
BARCELONA, SPAIN
ISTANBUL, TURKEY

Access to New


Austria


Brazil


Colombia


Denmark


Finland


Indonesia


Poland

JOHANNESBURG, SOUTH AFRICA


Brazil

ACQUISITIONS


Poland

Markets


Romania


South Africa


Spain


Sweden


Thailand


Turkey


Ukraine

Sensient sees significant opportunities in emerging markets and targeted areas of established markets. In recent years, we have expanded sales staff and added new locations in Central Europe, Scandinavia, Latin America, Brazil and Asia Pacific. We are able to strengthen ties with local manufacturers and win new business through our extended distribution system (EDS). As a wide-reaching international Company, we excel at establishing satellite locations that immediately contribute to revenue growth. Sensient also considers strategic acquisitions that add new technologies or improve market access. The Company now operates from 75 locations in 35 nations.

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Management's Discussion & Analysis of Operations & Financial Condition

OVERVIEW

For the year ended December 31, 2011, Sensient Technologies Corporation (the "Company") reported a second consecutive year of record revenue at the consolidated level and at each of its segments. Earnings per share increased to a new all-time high for the year and also for each quarter of 2011. The Company continued to strengthen its financial position in 2011. Strong cash flows from operating activities allowed the Company to reduce debt by over $14 million in 2011 and more than $90 million in the last two years. The Company continued to invest in its sales and technical staff to penetrate new and existing markets. Sales growth was achieved through the Company's extended distribution system throughout Europe and that structure is being implemented in Central and South America. The Company implemented a restructuring program in the fourth quarter of 2011 that will improve several operations in 2012. Sensient acquired the remaining interest of two cosmetic companies that it had partially owned, allowing the Company full control of the operations in these key strategic markets.

Consolidated revenue was $1.43 billion in 2011, an increase of 7.7% from $1.33 billion reported in 2010. Sensient's operating income was $190.8 million in 2011, up 9.3% from $174.6 million in 2010. The impact of foreign currency translation increased revenue and operating income by approximately 2% and 3%, respectively. Diluted earnings per share were $2.41 in 2011 compared to $2.17 in 2010, an increase of 11.1%. The Company's continued strong cash flows from operating activities of $142.9 million allowed the Company to fund its capital expenditure program, finance acquisitions, increase the annual dividend by 6% and reduce debt levels in 2011 by $14.4 million. Sensient's debt to capital ratio improved to 24.2% at December 31, 2011, compared to 26.2% at the end of 2010.

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

RESULTS OF OPERATIONS

2011 vs. 2010

Sensient's revenue increased 7.7% in 2011 to $1.43 billion from $1.33 billion in 2010. Revenue in the Flavors & Fragrances Group was $860.7 million in 2011, an increase of 6.4% from $809.1 million in 2010. Color Group revenue of $491.9 million was 9.9% higher than 2010 revenue of $447.5 million. Corporate and Other revenue, which includes the Company's operations in the Asia Pacific region and China, increased 16.5% in 2011. The impact of foreign currency translation increased consolidated revenue in 2011 by approximately 2%. Additional information on group results can be found in the Segment Information section.

The Company's gross margin was 31.4% and 30.7% in 2011 and 2010, respectively. The impact of increased selling prices and favorable product mix more than offset the impact of higher raw material costs in 2011.

Selling and administrative expense as a percent of revenue was 18.1% in 2011 compared to 17.6% in 2010. In the fourth quarter of 2011, the Company recorded a restructuring charge of approximately $4.8 million, or 0.3% of revenue. The Company also reported a gain of $3.6 million, or 0.3% of revenue, included in selling and administrative expenses related to the revaluation of the previously held equity interest in a business that Sensient obtained controlling interest of during the year. The remaining 50 basis point increase in selling and administrative expenses during 2011 was primarily attributable to the expansion of the Company's sales force to penetrate new and existing markets.

Operating income was $190.8 million in 2011 compared to $174.6 million in 2010, an increase of 9.3%. The increase was due to the increased revenue and gross margin discussed above. Additional information on group results can be found in the Segment Information section.

Interest expense decreased 4.6% to $19.4 million in 2011 from $20.4 million in 2010. The decrease is due to lower average outstanding debt balances partially offset by higher interest rates.

The effective income tax rate was 29.7% in 2011 and 30.5% in 2010. The effective tax rates for both 2011 and 2010 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 2011 and 2010 by 2.5% and 2.4%, respectively.

	2011	2010
Rate excluding discrete items	32.2%	32.9%
Discrete items	(2.5%)	(2.4%)
Reported effective tax rate	29.7%	30.5%

The effective tax rate for 2012 is expected to be between 32% and 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 2011 increased 6.4% to $860.7 million from $809.1 million in 2010. The Group reported higher selling prices ($33.9 million) and an increase in volumes ($1.4 million) combined with the favorable impact of foreign currency translation ($16.3 million). Higher selling prices were reported in all businesses and regions. The higher volumes occurred primarily in traditional flavors in North America partially offset by lower volumes in dehydrated flavors.

Gross margin increased 60 basis points to 27.0% of revenue in 2011 from 26.4% in 2010. The increase is primarily due to the higher selling prices and favorable product mix which more than offset higher raw material costs.

The Flavors & Fragrances Group operating income increased 7.3% to $130.8 million in 2011 from $122.0 million in 2010. The increase in operating profit was related to operations in North America ($9.0 million) and the favorable impact of foreign currency translation ($2.0 million) partially offset by lower operating profit in Latin America ($1.8 million). The higher profit in North America was driven by the higher selling prices partially offset by higher raw material costs. The lower profit in Latin America was primarily due to unfavorable product mix and higher costs partially offset by higher selling prices. Operating income as a percent of revenue was 15.2% in 2011 and 15.1% in 2010 primarily for the reasons discussed above.

Color The Color Group revenue increased 9.9% in 2011 to $491.9 million from $447.5 million in 2010. The increase in revenue was driven by higher sales of food and beverage colors ($19.8 million) combined with higher sales of non-food colors ($11.7 million) and the favorable impact of foreign currency translation ($11.8 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.

Gross margin for the Color Group increased 70 basis points to 35.1% in 2011 compared to 34.4% in 2010. Higher selling prices and favorable product mix more than offset increased raw material and manufacturing costs.

Color Group operating income increased 16.6% to $90.2 million from $77.4 million in 2010. The increase in operating income was primarily attributable to higher sales of food and beverage colors ($4.3 million) and non-food colors ($6.0 million) combined with the favorable impact of foreign exchange rates ($2.4 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 and favorable product mix. Operating income as a percent of revenue increased 100 basis points to 18.3% from 17.3% in 2010 primarily due to the reasons described above.

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 administrative expenses in 2010 was attributable to the expansion of the Company's sales force to penetrate new geographical markets in Central Europe.

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 was 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%

SEGMENT INFORMATION

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.

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.

LIQUIDITY AND FINANCIAL POSITION

The Company's financial position remains strong, enabling it to meet cash requirements for operations, acquisitions, 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 24.2% at December 31, 2011, compared to 26.2% and 32.0% at December 31, 2010 and 2009, respectively. The improvement in 2011 resulted from both a reduction in debt and an increase in equity. Debt was reduced by $14.4 million since December 31, 2010, and by $92.6 million since December 31, 2009.

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 $142.9 million in 2011, $155.7 million in 2010 and $138.3 million in 2009. Operating cash flow provided the primary source of funds for operating needs, acquisitions, capital expenditures, shareholder dividends and net debt repayments. The decrease in net cash provided by operating activities in 2011 was primarily due to a higher use of working capital partially offset by the impact of higher earnings. Cash from operating activities increased in 2010 due to an increase in earnings.

Net cash used in investing activities was $74.0 million in 2011, $55.1 million in 2010 and $48.0 million in 2009. Capital expenditures were $72.2 million in 2011, $55.8 million in 2010 and $47.7 million in 2009.

Net cash used in financing activities was $52.9 million in 2011, $97.5 million in 2010 and $80.4 million in 2009. The Company had net reductions in debt of $14.2 million in 2011, $72.6 million in 2010 and $54.5 million in 2009. 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.

The Company has paid uninterrupted quarterly cash dividends since commencing public trading in its stock in 1962. The Company's quarterly dividend was 21 cents per share beginning in the first quarter of 2011 when it was increased from 20 cents per share. Dividends paid per share were 84 cents in 2011, 79 cents in 2010 and 76 cents in 2009. Total dividends paid were $42.0 million, $39.0 million and $37.0 million in 2011, 2010 and 2009, 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 2012 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, 2011, 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 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 2011. In conducting its annual test for impairment, the Company performed a qualitative assessment of its previously calculated fair values for each of its reporting units and compared 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 & 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 that 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 5 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, 2011 and 2010, the net fair value of these instruments, based on dealer quotes, was an asset of $0.4 million and a liability $0.1 million, respectively. At December 31, 2011 and 2010, 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 $3.8 million and $1.1 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 $0.3 million and $0.5 million at December 31, 2011 and 2010, 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, 2011 and 2010, 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 $8.8 million as of December 31, 2011. 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, 2011.

PAYMENTS DUE BY PERIOD

(in thousands)	Total	1 year	2-3 years	4-5 years	> 5 years
Long-term debt	$ 312,422	$ 312	$ 72,715	$ 123,072	$ 116,323
Interest payments on long-term debt	54,410	13,447	22,453	15,814	2,696
Operating lease obligations	38,289	7,743	9,694	5,041	15,811
Manufacturing purchase commitments	112,291	106,784	5,507	—	—
Pension funding obligations	65,832	4,667	35,089	7,879	18,197
Total contractual obligations	$ 583,244	$ 132,953	$ 145,458	$ 151,806	$ 153,027

NEW PRONOUNCEMENTS

In September 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-08, *Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment*, which gives companies the option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The ASU is effective for fiscal years beginning after December 15, 2011, with early adoption permitted. The Company adopted this ASU which did not have any impact on its financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*, which eliminates the option to present components of other comprehensive income as part of the statement of shareholders' equity. Companies will be required to present items of net income, items of other comprehensive income and total comprehensive income either in a single continuous statement or in two separate but consecutive statements. This guidance is effective for the Company beginning January 1, 2012. The adoption of this ASU will have no impact on the Company's financial condition or results of operations but will impact the presentation of the financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as of December 31, 2011.

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, 2011, 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

(in thousands except per share amounts) Years ended December 31,	2011	2010	2009
Revenue	$ 1,430,789	$ 1,328,180	$ 1,201,412
Cost of products sold	981,137	919,821	832,382
Selling and administrative expenses	258,829	233,782	222,067
Operating Income	190,823	174,577	146,963
Interest expense	19,439	20,384	23,788
Earnings Before Income Taxes	171,384	154,193	123,175
Income taxes	50,900	47,049	36,614
Net Earnings	$ 120,484	$ 107,144	$ 86,561
Earnings per share:			
Basic	$ 2.42	$ 2.18	$ 1.79
Diluted	$ 2.41	$ 2.17	$ 1.78
Average common shares outstanding:			
Basic	49,746	49,138	48,379
Diluted	49,937	49,424	48,641

See notes to consolidated financial statements.

Consolidated Balance Sheets

(in thousands except share and per share amounts) December 31,	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 22,855	$ 14,255
Trade accounts receivable, less allowance for losses of $3,588 and $3,999, respectively	219,494	218,614
Inventories	414,449	392,166
Prepaid expenses and other current assets	35,299	34,676
Deferred income taxes	14,773	12,594
Total current assets	706,870	672,305
Other assets	38,730	36,093
Intangible assets – at cost, less accumulated amortization of $13,233 and $12,281, respectively	12,660	13,219
Goodwill	444,365	445,115
Property, Plant and Equipment:		
Land	52,271	49,760
Buildings	298,743	293,605
Machinery and equipment	674,011	648,985
Construction in progress	34,439	32,797
	1,059,464	1,025,147
Less accumulated depreciation	(607,925)	(592,611)
	451,539	432,536
Total assets	$ 1,654,164	$ 1,599,268
Liabilities and Shareholders' Equity		
Current Liabilities:		
Trade accounts payable	$ 93,851	$ 95,852
Accrued salaries, wages and withholdings from employees	29,088	26,822
Other accrued expenses	56,985	49,819
Income taxes	4,377	7,120
Short-term borrowings	22,974	25,450
Total current liabilities	207,275	205,063
Deferred income taxes	21,822	21,034
Other liabilities	11,183	12,279
Accrued employee and retiree benefits	52,252	52,747
Long-term debt	312,422	324,360
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	94,187	89,027
Earnings reinvested in the business	1,069,610	991,094
Treasury stock, 4,038,011 and 4,345,712 shares, respectively, at cost	(80,935)	(87,102)
Accumulated other comprehensive loss	(39,048)	(14,630)
	1,049,210	983,785
Total liabilities and shareholders' equity	$ 1,654,164	$ 1,599,268

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands) Years ended December 31,	2011	2010	2009
Cash Flows from Operating Activities			
Net earnings	$ 120,484	$ 107,144	$ 86,561
Adjustments to arrive at net cash provided by operating activities:			
Depreciation and amortization	46,099	43,423	42,183
Share-based compensation	7,819	5,678	3,860
(Gain) loss on assets	(4,323)	1,382	1,819
Deferred income taxes	(3,138)	8,685	(3,895)
Changes in operating assets and liabilities:			
Trade accounts receivable	(5,095)	(20,229)	5,013
Inventories	(28,391)	(4,191)	1,190
Prepaid expenses and other assets	(1,825)	9,370	(14,602)
Accounts payable and other accrued expenses	6,299	(7,757)	14,058
Accrued salaries, wages and withholdings from employees	3,075	5,053	(1,557)
Income taxes	(3,148)	2,699	965
Other liabilities	5,021	4,468	2,741
Net cash provided by operating activities	142,877	155,725	138,336
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	(72,200)	(55,823)	(47,716)
Proceeds from sale of assets	2,076	172	109
Acquisition of new businesses, net of cash acquired	(3,706)	—	—
Other investing activities	(207)	528	(440)
Net cash used in investing activities	(74,037)	(55,123)	(48,047)
Cash Flows from Financing Activities			
Proceeds from additional borrowings	184,074	139,344	222,553
Debt payments	(198,259)	(211,935)	(277,064)
Dividends paid	(41,968)	(39,013)	(37,042)
Proceeds from options exercised and other equity transactions	3,205	14,063	11,185
Net cash used in financing activities	(52,948)	(97,541)	(80,368)
Effect of exchange rate changes on cash and cash equivalents	(7,292)	(1,025)	(6,200)
Net increase in cash and cash equivalents	8,600	2,036	3,721
Cash and cash equivalents at beginning of year	14,255	12,219	8,498
Cash and cash equivalents at end of year	$ 22,855	$ 14,255	$ 12,219
Cash paid during the year for:			
Interest	$ 19,642	$ 19,932	$ 26,982
Income taxes	55,570	32,668	36,801
Capitalized interest	1,240	810	840

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	Earnings Reinvested in the Business	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Income (Loss)	Total Comprehensive Income
Balances at December 31, 2008	$ 5,396	$ 82,261	$ 873,444	5,798,297	$ (116,217)	$ (26,288)	
Net earnings			86,561				$ 86,561
Unrealized gain on cash flow hedges, arising during the period, net of tax of $118						826	826
Reclassification adjustment for cash flow hedges included in net income, net of tax of $141						(987)	(987)
Pension adjustment, net of tax of $3,329						(6,136)	(6,136)
Foreign currency translation						31,295	31,295
Total comprehensive income							$ 111,559
Cash dividends paid – $0.76 per share			(37,042)				
Share-based compensation		4,088		11,400	(228)		
Stock options exercised		901		(502,167)	10,065		
Nonvested stock issued upon vesting		(1,830)		(91,300)	1,830		
Benefit plans		34		(33,520)	672		
Other		50					
Balances at December 31, 2009	5,396	85,504	922,963	5,182,710	(103,878)	(1,290)	
Net earnings			107,144				$ 107,144
Unrealized gain on cash flow hedges, arising during the period, net of tax of $90						628	628
Reclassification adjustment for cash flow hedges included in net income, net of tax of $41						(284)	(284)
Pension adjustment, net of tax of $504						910	910
Foreign currency translation						(14,594)	(14,594)
Total comprehensive income							$ 93,804
Cash dividends paid – $0.79 per share			(39,013)				
Share-based compensation		5,746		3,400	(68)		
Stock options exercised		1,365		(582,174)	11,668		
Nonvested stock issued upon vesting		(4,609)		(229,951)	4,609		
Benefit plans		184		(28,273)	567		
Other		837					
Balances at December 31, 2010	5,396	89,027	991,094	4,345,712	(87,102)	(14,630)	
Net earnings			120,484				$ 120,484
Unrealized gain on cash flow hedges, arising during the period, net of tax of $356						914	914
Reclassification adjustment for cash flow hedges included in net income, net of tax of $272						(699)	(699)
Pension adjustment, net of tax of $2,536						3,652	3,652
Foreign currency translation						(28,285)	(28,285)
Total comprehensive income							$ 96,066
Cash dividends paid – $0.84 per share			(41,968)				
Share-based compensation		7,819					
Stock options exercised		242		(120,368)	2,412		
Nonvested stock issued upon vesting		(3,526)		(175,972)	3,526		
Benefit plans		148		(11,361)	229		
Other		477					
Balances at December 31, 2011	$ 5,396	$ 94,187	$ 1,069,610	4,038,011	$ (80,935)	$ (39,048)	

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements
Years ended December 31, 2011, 2010 and 2009

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 to 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 $282.1 million and $261.6 million at December 31, 2011 and 2010, respectively, and raw materials and supplies of $132.4 million and $130.6 million at December 31, 2011 and 2010, 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 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. For 2011, the Company completed a qualitative assessment noting no indicators of a change in fair value. Such determination of fair value yielded no impairment in 2011, 2010 or 2009.

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, 2011.

Share-Based Compensation Share-based compensation expense is recognized on a straight line basis over the vesting period of each award recipient. See Note 6, *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.

Earnings Per Share The difference between basic and diluted earnings per share (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)	2011	2010	2009
Basic weighted-average shares outstanding	49,746	49,138	48,379
Diluted weighted-average shares outstanding	49,937	49,424	48,641

In 2011, there were no anti-dilutive stock options. For the years 2010 and 2009, options for 0.1 million shares and 0.2 million shares, respectively, with weighted-average exercise prices of $30.07 and $24.11, 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)	2011	2010
Foreign currency translation	$ (29,720)	$ (1,475)
Pension liability (net of tax)	(9,712)	(13,324)
Unrealized gain on cash flow hedges (net of tax)	384	169
Accumulated other comprehensive loss	$ (39,048)	$ (14,630)

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 $33.2 million, $30.6 million and $29.3 million during the years ended December 31, 2011, 2010 and 2009, respectively.

Advertising Advertising costs are recorded in selling and administrative expenses as they are incurred. Advertising costs were $2.4 million, $1.5 million and $1.1 million during the years ended December 31, 2011, 2010 and 2009, 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.

New Pronouncements In September 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-08, *Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment*, which gives companies the option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The ASU is effective for fiscal years beginning after December 15, 2011, with early adoption permitted. The Company adopted this ASU which did not have any impact on its financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*, which eliminates the option to present components of other comprehensive income as part of the statement of shareholders' equity. Companies will be required to present items of net income, items of other comprehensive income and total comprehensive income either in a single continuous statement or in two separate but consecutive statements. This guidance is effective for the Company beginning January 1, 2012. The adoption of this ASU will have no impact on the Company's financial condition or results of operations but will impact the presentation of the financial statements.

2. Acquisitions

In the fourth quarter of 2011, the Company acquired the remaining outstanding stock of Les Colorants Wackherr do Brasil ("Les Colorants"), a distributor of cosmetic ingredients in Brazil, for $4.6 million, which is net of the cash acquired.

Prior to the acquisition, the Company owned 50% of Les Colorants, a non-controlling interest. ASC 805, *Business Combinations*, requires that upon acquiring a controlling interest, the acquirer remeasure its previously held interest in the acquiree at its acquisition date fair value and recognize the gain or loss in earnings. The Company revalued its previously held interest in Les Colorants using a market approach and recognized a pre-tax gain of $3.6 million in earnings in the fourth quarter of 2011, included in selling and administrative expense in the Corporate & Other segment in the Consolidated Statement of Earnings. There is no tax impact of the gain. The final allocation of the purchase price for Les Colorants combined with the revaluation of the previously held interest resulted in goodwill and intangibles of $8.7 million. This acquisition has been accounted for as a purchase and the results of the entity's full operations have been included in the consolidated financial statements in the Color segment since the date of acquisition.

Also in the fourth quarter of 2011, the Company completed the acquisition of the remaining outstanding stock of LCW Polska, a cosmetic color and ingredients company located in Poznań, Poland. Prior to the acquisition, the Company owned 75% of LCW Polska. The acquisition is not material to the Company's consolidated financial statements.

3. Goodwill and Intangible Assets

At December 31, 2011 and 2010, goodwill is the only intangible asset that is not subject to amortization. The following table summarizes intangible assets with determinable useful lives by major category as of December 31, 2011 and 2010:

(in thousands except weighted average amortization years)	Weighted Average Amortization Years	2011 Cost	2011 Accumulated Amortization	2010 Cost	2010 Accumulated Amortization
Technological know-how	20.0	$ 8,776	$ (4,622)	$ 8,840	$ (4,242)
Customer relationships	20.0	7,838	(3,399)	7,222	(3,078)
Patents, trademarks, non-compete agreements and other	17.6	9,279	(5,212)	9,438	(4,961)
Total finite-lived intangibles	19.2	$ 25,893	$ (13,233)	$ 25,500	$ (12,281)

Amortization of intangible assets was $1.3 million in 2011, 2010 and 2009. Estimated amortization expense each year for the five years subsequent to December 31, 2011, is $1.4 million in each year from 2012 through 2016.

The changes in goodwill for the years ended December 31, 2011 and 2010, by reportable business segment, were as follows:

(in thousands)	Flavors & Fragrances	Color	Corporate & Other	Consolidated
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
Goodwill of acquired business	—	7,962	—	7,962
Currency translation impact	(3,700)	(5,198)	186	(8,712)
Balance as of December 31, 2011	$ 132,692	$ 307,379	$ 4,294	$ 444,365

4. Debt

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

(in thousands)	2011	2010
4.47% senior notes due November 2018	$ 25,000	$ —
4.14% senior notes due November 2017	25,000	—
4.91% senior notes due through May 2017	110,000	110,000
3.77% senior notes due November 2016	25,000	—
7.31% senior notes due November 2013	25,000	25,000
5.85% Euro-denominated senior notes due November 2013	25,061	25,876
5.78% Euro-denominated senior notes due November 2011	—	51,753
7.17% senior notes due November 2011	—	30,000
6.68% senior notes due January 2011	—	2,143
Long-term revolving loan agreement	73,814	28,871
Floating rate term loan	—	46,625
Various other notes	3,547	4,092
	312,422	324,360
Less current maturities	—	—
Total long-term debt	$ 312,422	$ 324,360

In March 2011, the Company entered into an agreement to issue $75 million in fixed-rate, senior notes. These notes were issued in November 2011 at fixed coupon rates of 3.77%, 4.14% and 4.47% per annum with maturities in 2016, 2017 and 2018, respectively. Proceeds from the sale of these notes have been used to repay maturing debt and for general corporate purposes.

In April 2011, the Company modified its revolving loan facility. The capacity of the credit facility has been increased from $300 million to $350 million and the facility will mature in April 2016. Interest rates on borrowings under the credit facility are at LIBOR plus a margin based on the Company's leverage ratio. The credit facility was used to repay the Company's floating rate term loan that would have matured in June 2012 and will be used for future liquidity needs.

The borrowings under the long-term revolving loan agreement had an average interest rate of 1.45% and 0.65% for the years ended December 31, 2011 and 2010, respectively. The borrowings under the floating rate term loan, which were paid off on April 7, 2011, had an average interest rate of 2.01% and 2.35% for the years ended December 31, 2011 and 2010, respectively.

The aggregate amounts of contractual maturities on long-term debt each year for the five years subsequent to December 31, 2011, are as follows: 2012, $0.3 million; 2013, $61.4 million; 2014, $11.3 million; 2015, $13.0 million; and 2016, $110.1 million.

The Company has approximately $0.3 million of long-term debt that matures in 2012. 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 $25.4 million available under other lines of credit from several banks at December 31, 2011.

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, 2011. The following table summarizes the Company's most restrictive loan covenants calculated in accordance with the applicable agreements as of December 31, 2011:

(dollars in thousands)	Actual	Required
Debt to EBITDA (Maximum)	1.44	3.50
Net Worth (Minimum)	$ 1,049,210	$ 754,892
Interest Coverage (Minimum)	6.53	2.00

The Company has stand-by letters of credit outstanding of $6.5 million and $6.4 million as of December 31, 2011 and 2010, respectively.

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

(in thousands)	2011	2010
Direct borrowings under the revolving loan agreement	$ 5,000	$ —
Uncommitted loans	12,434	20,476
Loans of foreign subsidiaries	5,540	4,974
Total	$ 22,974	$ 25,450

The weighted-average interest rates on short-term borrowings were 3.19% and 2.39% at December 31, 2011 and 2010, respectively.

5. 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 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 Exchange Contracts The forward exchange contracts that have been designated as hedges are accounted for as cash flow hedges. The Company had $27.9 million and $10.1 million of forward exchange contracts, designated as hedges, outstanding as of December 31, 2011 and 2010, respectively. Due to the short-term nature of these contracts, the results of these transactions are not material to the financial statements. In addition, the Company utilizes forward exchange contracts that are not designated as cash flow hedges and the results of these transactions are also not material to the financial statements.

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, 2011 and 2010, the total value of the Company's Euro and Swiss Franc debt was $98.9 million and $106.5 million, respectively. For the years ended December 31, 2011 and 2010, the impact of foreign exchange rates on these debt instruments has decreased debt by $2.5 million and $6.0 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.

6. 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 2011, 2010 or 2009.

As of December 31, 2011, there were 1.5 million shares available to be granted as future stock options and nonvested stock under existing stock plans. Of the shares available, 0.9 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.

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, 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
Exercised	(121)	21.55		
Outstanding at December 31, 2011	207	$ 22.36	3.1	$ 3,222
Exercisable at December 31, 2011	207	$ 22.36	3.1	$ 3,222

The aggregate intrinsic values of stock options exercised during 2011, 2010 and 2009, were $1.7 million, $3.9 million and $2.5 million, respectively.

As of December 31, 2011, all stock options outstanding were vested.

The following table summarizes information concerning outstanding and exercisable stock options at December 31, 2011:

	Range of Exercise Price		
(in thousands except life and exercise price)	$ 18.57-20.06	$ 20.07-22.99	$ 23.00-30.07
Options outstanding	50	38	119
Weighted-average remaining contractual life, in years	2.8	2.7	3.4
Weighted-average exercise price	$ 19.11	$ 20.63	$ 24.29
Options exercisable	50	38	119
Weighted-average exercise price	$ 19.11	$ 20.63	$ 24.29

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, 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
Granted	270	35.48	
Vested	(175)	34.04	
Cancelled	(58)	28.45	
Outstanding at December 31, 2011	400	$ 31.42	$ 15,142

The total intrinsic values of shares vested during 2011, 2010 and 2009, was $6.2 million, $9.2 million and $3.3 million, respectively.

As of December 31, 2011, total remaining unearned compensation, net of expected forfeitures, related to nonvested stock was $9.0 million, which will be amortized over the weighted-average remaining service period of 2.6 years.

Total pre-tax share-based compensation recognized in the Consolidated Statements of Earnings was $7.8 million, $5.7 million and $3.9 million in 2011, 2010 and 2009, respectively. Tax related benefits of $1.2 million, $0.7 million and $0.5 million were also recognized in 2011, 2010 and 2009, respectively. Cash received from the exercise of stock options was $2.6 million, $12.9 million and $9.7 million for 2011, 2010 and 2009, respectively, and is reflected in cash flows from financing activities in the Consolidated Statements of Cash Flows.

7. 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 $4.3 million, $3.5 million and $3.8 million in 2011, 2010 and 2009, 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)	2011	2010
Benefit obligation at beginning of year	$ 63,790	$ 58,142
Service cost	2,419	1,896
Interest cost	2,778	2,902
Plan amendments	—	1,099
Foreign currency exchange rate changes	(364)	178
Benefits paid	(3,168)	(2,665)
Actuarial (gain) loss	(516)	2,238
Benefit obligation at end of year	64,939	63,790
Plan assets at beginning of year	26,029	22,720
Company contributions	3,641	3,873
Foreign currency exchange rate changes	(385)	231
Benefits paid	(3,168)	(2,665)
Actual gain on plan assets	2,580	1,870
Plan assets at end of year	28,697	26,029
Funded status	$ (36,242)	$ (37,761)
Accumulated benefit obligation	$ 61,714	$ 59,903

Amounts recognized in the Consolidated Balance Sheets at December 31:

(in thousands)	2011	2010
Accrued employee and retiree benefits	$ (45,134)	$ (45,265)
Prepaid expenses and other current assets	8,892	7,504
Net liability	$ (36,242)	$ (37,761)

Components of annual benefit cost:

(in thousands)	2011	2010	2009
Service cost	$ 2,419	$ 1,896	$ 1,285
Interest cost	2,778	2,902	2,961
Expected return on plan assets	(1,520)	(1,367)	(1,103)
Amortization of prior service cost	3,112	3,011	1,824
Recognized actuarial loss	1,388	1,252	166
Defined benefit expense	$ 8,177	$ 7,694	$ 5,133

Weighted-average liability assumptions as of December 31:

	2011	2010
Discount rate	4.27%	4.35%
Expected return on plan assets	5.00%	5.80%
Rate of compensation increase	4.11%	4.27%

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

	2011	2010
Discount rate	4.35%	5.04%
Expected return on plan assets	5.80%	6.06%
Rate of compensation increase	4.27%	4.38%

The aggregate amounts of benefits expected to be paid from defined benefit plans in each of the next five years subsequent to December 31, 2011, which include employees' expected future service, are as follows: 2012, $2.7 million; 2013, $7.7 million; 2014, $25.3 million; 2015, $2.1 million; 2016, $3.0 million; and $12.0 million in total for the years 2017 through 2021.

The Company expects to contribute $4.7 million to defined benefit plans in 2012.

Amounts recognized in accumulated other comprehensive income were as follows:

(in thousands)	2011	2010
Prior service cost	$ 3,330	$ 6,445
Unrecognized net actuarial loss	11,668	14,741

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 2012 are $2.0 million and $0.8 million, respectively.

8. Income Taxes

The provision for income taxes was as follows:

(in thousands)	2011	2010	2009
Currently payable:			
Federal	$ 28,480	$ 11,476	$ 16,637
State	2,845	1,939	2,711
Foreign	22,713	24,949	21,161
	54,038	38,364	40,509
Deferred (benefit) expense:			
Federal	(5,669)	7,320	(2,287)
State	(274)	404	40
Foreign	2,805	961	(1,648)
	(3,138)	8,685	(3,895)
Income taxes	$ 50,900	$ 47,049	$ 36,614

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

(in thousands)	2011	2010
Deferred tax assets:		
Benefit plans	$ 15,597	$ 12,802
Liabilities and reserves	9,482	10,397
Foreign operating loss carryovers	32,397	39,536
Other	16,084	14,782
Gross deferred tax assets	73,560	77,517
Valuation allowance	(34,863)	(39,084)
Deferred tax assets	38,697	38,433
Deferred tax liabilities:		
Property, plant and equipment	(18,565)	(24,298)
Other assets	(1,999)	(2,755)
Other	(25,182)	(19,820)
Deferred tax liabilities	(45,746)	(46,873)
Net deferred tax liabilities	$ (7,049)	$ (8,440)

At December 31, 2011, foreign operating loss carryovers were $114.0 million. Included in the foreign operating loss carryovers are losses of $7.3 million that expire through 2026 and $106.7 million that do not have an expiration date. At December 31, 2011, state operating loss carryovers were $111.3 million, all of which expire through 2026.

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

	2011	2010	2009
Taxes at statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	1.0	1.1	1.6
Tax credits	(0.2)	(0.3)	(0.3)
Taxes on foreign earnings	(2.5)	(3.7)	(3.6)
Resolution of prior years' tax matters	(0.6)	(1.5)	(2.1)
Valuation allowance adjustments	(0.6)	—	(0.4)
Revaluation of previously held interest	(0.7)	—	—
Other, net	(1.7)	(0.1)	(0.5)
Effective tax rate	29.7%	30.5%	29.7%

Earnings before income taxes were as follows:

(in thousands)	2011	2010	2009
United States	$ 70,023	$ 56,150	$ 46,467
Foreign	101,361	98,043	76,708
Total	$ 171,384	$ 154,193	$ 123,175

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, 2011, federal and state taxes have not been provided for approximately $340.5 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 2011 and 2010 is as follows:

(in thousands)	2011	2010
Balance at beginning of year	$ 9,423	$ 12,213
Increases for tax positions taken in the current year	694	677
Increases for tax positions taken in prior years	365	870
Decreases for tax positions taken in prior years	(147)	(792)
Decreases related to settlements with tax authorities	(206)	(2,276)
Decreases as a result of lapse of the applicable statutes of limitations	(1,077)	(846)
Foreign currency exchange rate changes	(265)	(423)
Balance at the end of year	$ 8,787	$ 9,423

The amount of the unrecognized tax benefits that would affect the effective tax rate, if recognized, was approximately $8.0 million. The Company recognizes interest and penalties related to the unrecognized tax benefits in income tax expense. Approximately $1.4 million of accrued interest and penalties is reported as an income tax liability at December 31, 2011. The liability for unrecognized tax benefits relates to multiple jurisdictions and is reported in Other liabilities on the Consolidated Balance Sheet at December 31, 2011.

The Company believes that it is reasonably possible that the total amount of liability for unrecognized tax benefits as of December 31, 2011, will decrease by approximately $2.2 million during 2012. The potential decrease relates to various tax matters for which the statute of limitations may expire or will be otherwise settled in 2012. 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.

9. 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.

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 on the next page.

(in thousands)	Flavors & Fragrances	Color	Corporate & Other	Consolidated
2011				
Revenue from external customers	$ 833,663	$ 467,691	$ 129,435	$ 1,430,789
Intersegment revenue	27,017	24,190	2,400	53,607
Total revenue	860,680	491,881	131,835	1,484,396
Operating income (loss)	130,849	90,217	(30,243)	190,823
Interest expense	—	—	19,439	19,439
Earnings (loss) before income taxes	130,849	90,217	(49,682)	171,384
Assets	804,983	695,251	153,930	1,654,164
Capital expenditures	35,034	30,121	7,045	72,200
Depreciation and amortization	26,860	14,086	5,153	46,099
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

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

(in thousands)	2011	2010	2009
Revenue from external customers:			
North America	$ 737,154	$ 699,429	$ 650,847
Europe	405,312	374,616	334,755
Asia Pacific	190,404	166,809	137,804
Other	97,919	87,326	78,006
Consolidated	$ 1,430,789	$ 1,328,180	$ 1,201,412
Long-lived assets:			
North America	$ 444,656	$ 420,084	$ 407,758
Europe	456,248	470,811	493,263
Asia Pacific	35,151	34,993	31,605
Other	11,239	1,075	956
Consolidated	$ 947,294	$ 926,963	$ 933,582

Sales in the United States, based on the final country of destination of the Company's products, were $561.9 million, $529.6 million and $495.6 million in 2011, 2010 and 2009, respectively. No other country of destination exceeded 10% of consolidated sales. Total long-lived assets in the United States amounted to $345.1 million, $317.5 million and $311.9 million at December 31, 2011, 2010 and 2009, respectively.

10. 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, 2011 and 2010, 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, 2011 and 2010, was an asset of $0.4 million and a liability of $0.1 million, respectively. The fair value of the investments based on December 31, 2011 and 2010, market quotes (Level 1 inputs) was an asset of $17.4 million and $14.2 million, respectively. The fair value of the defined benefit plan assets based on December 31, 2011 and 2010, market quotes (Level 1 inputs) was an asset of $28.7 million and $26.0 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, 2011 and 2010.

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, 2011 and 2010, was $312.4 million and $324.4 million, respectively. The fair value of the long-term debt at December 31, 2011 and 2010, was approximately $335.6 million and $334.2 million, respectively.

11. Restructuring Charges

The Company recorded a restructuring charge of $4.8 million ($3.7 million after tax) in the fourth quarter of 2011 related to a plan to improve the profitability and efficiency of selected operations. The restructuring charge mainly includes severance and other employee separation costs which are recorded in selling and administrative expense in the Corporate & Other segment in the Consolidated Statement of Earnings. The plan will result in the reduction of global headcount of approximately 70 employees across the Flavors & Fragrances and Color segments. Of the total restructuring charge, $4.3 million related to the Flavors & Fragrances segment and $0.5 million related to the Color segment. As of December 31, 2011, $2.8 million has been spent on the restructuring resulting in a remaining reserve of $1.9 million, net of a translation adjustment of $0.1 million. Costs to be incurred in 2012 as a result of this plan are not expected to be significant.

12. Commitments and Contingencies

LEASES

The Company leases certain facilities and equipment under operating lease arrangements. Aggregate minimum rental commitments at December 31, 2011, for all noncancelable operating leases with an initial lease term greater than one year for the years ending December 31 are as follows: 2012, $7.7 million; 2013, $5.6 million; 2014, $4.1 million; 2015, $3.3 million; 2016, $1.8 million; and $15.8 million thereafter.

Rent expense totaled $11.7 million, $10.4 million and $10.7 million during the years ended December 31, 2011, 2010 and 2009, respectively.

COMMERCIAL LITIGATION

Cherry Blossom Litigation

Cherry Blossom LLC, a Traverse City, Michigan contractor that had produced cherry products for the Company, ceased operations in May 2009. At the time, Cherry Blossom had physical possession of brined cherries belonging to the Company with a book value of approximately $0.5 million. Despite the Company's demands, Cherry Blossom refused to permit the Company to take possession of the cherries for processing elsewhere.

In June 2009, the Company sued Cherry Blossom in the Circuit Court of Grand Traverse County, Michigan, seeking an order for return of the cherries. Cherry Blossom's asset based lender, Crossroads Financial (which claimed to be owed $1.4 million) ("Crossroads"), intervened and claimed a senior lien on the cherries. The Circuit Court denied the Company's request for immediate possession and permitted Cherry Blossom to retain and process the cherries. The Circuit Court later held that Crossroads held a senior lien on the cherries and was entitled to receive the proceeds from the sale of the cherries. The Circuit Court also denied the Company's cross claims against Crossroads to recoup certain overpayments that the Company made to Cherry Blossom/Crossroads and to recoup payments made by the Company to the United States Department of Labor on Cherry Blossom's/Crossroads' behalf. The Company has appealed these adverse decisions of the Circuit Court.

Crossroads asserted a claim against the Company for money damages in an undetermined amount. Crossroads claimed that it has a lien on all of Cherry Blossom's accounts receivable from the Company and that the Company had performed a number of offsets against its accounts payable to Cherry Blossom in derogation of Crossroads' rights as lienholder. The Circuit Court denied Crossroads' claims for money damages against the Company. Crossroads has appealed this decision of the Circuit Court.

The Company and Crossroads have completed briefing on their respective appeals. The appellate court will now decide whether, and if so when, to grant oral argument. The appellate court is likely to make a decision regarding oral argument in early 2012.

Cherry Blossom counterclaimed against the Company, alleging that Cherry Blossom had purchased exclusive rights to certain proprietary cherry processing formulas used in the Company's cherry product. Cherry Blossom sought a preliminary injunction against the Company's delivery of copies of the formulas to any third party. The Court denied Cherry Blossom's motion regarding the formulas and eventually dismissed Cherry Blossom's claims. The Company also initiated a suit against Cherry Blossom in the United States District Court for the Western District of Michigan seeking a declaratory judgment that the Company has the right to use the cherry processing formulas. Because Cherry Blossom subsequently filed a petition in bankruptcy, the Federal District Court closed the matter. This closing was for administrative purposes only and did not constitute a decision on the merits.

Christopher Hubbell, a principal of Cherry Blossom, has personally filed a petition for bankruptcy. The Company has opposed the bankruptcy petition to the extent Mr. Hubbell seeks a discharge of the Company's alleged damages arising from his own fraudulent acts connected to Cherry Blossom's granting of an allegedly superior interest in the Company's cherries to Crossroads Financial.

Hubbell has moved the bankruptcy court to dismiss the Company's adverse claims against him. Hubbell argued that the bankruptcy court should dismiss the Company's adverse claims because the Company has not had to pay Crossroads money as a result of Crossroads' claims against the Company. At a hearing on January 20th, 2012 the bankruptcy court denied Hubbell's motion to dismiss and scheduled a trial for the third week of August, 2012.

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. A response to the complaint was filed on October 1, 2010. 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. SDF has since closed and then sold 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.

While trial of the matter was originally set for October 31, 2011, the trial date was vacated because the S.A.M. plaintiffs' counsel obtained new employment and could no longer represent the plaintiffs. The S.A.M plaintiffs, after some delay and a threat of sanctions from the court, have obtained new counsel. A case management conference was held on February 17, 2012. The court set the case for jury trial to commence on April 23, 2012. The court also directed the parties to attend a settlement conference on March 9, although it is anticipated that this conference may be delayed until discovery is conducted.

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.

At a hearing on May 4, 2011, Daito's counsel indicated that she would no longer represent Daito in this case due to a conflict of interest. On September 14, 2011, new counsel appeared for Daito at a hearing and filed slightly amended pleadings contending that SCT had not suffered any loss as a result of the termination. SCT responded to the amended pleadings confirming the extent of its losses at a hearing on November 9, 2011. At a hearing on February 1, 2012, SCT re-asserted its claims against Daito and again requested dismissal of Daito's counter claims. No trial date has been set.

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, 2011. 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, 2011.

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 43.

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, 2011 and 2010, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2011. 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 misstatement. 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, 2011 and 2010, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, 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, 2011, 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 27, 2012, expressed an unqualified opinion thereon.

Ernst & Young LLP

Milwaukee, Wisconsin
February 27, 2012

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, 2011, 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, 2011, 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, 2011 and 2010, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2011 and our report dated February 27, 2012, expressed an unqualified opinion thereon.

Ernst + Young LLP

Milwaukee, Wisconsin
February 27, 2012

Quarterly Data

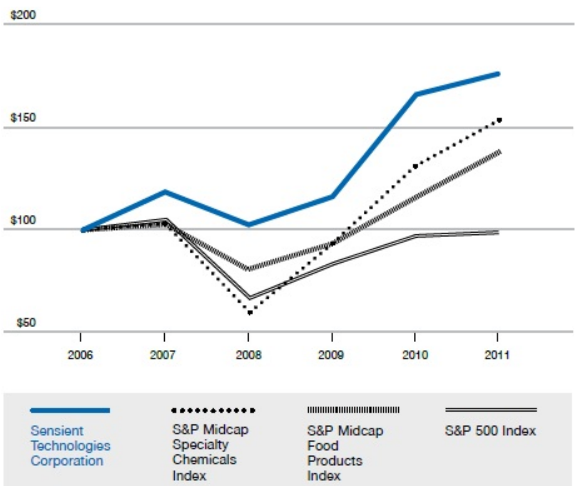
(in thousands except per share amounts) (unaudited)	Revenue	Gross Profit	Net Earnings	Net Earnings Per Share Basic	Net Earnings Per Share Diluted
2011					
First Quarter	$ 349,686	$ 107,707	$ 26,415	$ 0.53	$ 0.53
Second Quarter	376,994	119,143	33,486	0.67	0.67
Third Quarter	363,751	114,665	31,997	0.64	0.64
Fourth Quarter	340,358	108,137	28,586	0.57	0.57
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

Common Stock Prices and Dividends

	Market Price High	Market Price Low	Dividends Per Share
2011			
First Quarter	$ 37.68	$ 32.11	$ 0.21
Second Quarter	38.44	34.74	0.21
Third Quarter	39.69	30.15	0.21
Fourth Quarter	39.10	31.26	0.21
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

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 Midcap 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, 2006, and reinvestment of dividends. The stock performance shown on the graph is not necessarily indicative of future price performance.



	2006	2007	2008	2009	2010	2011
Sensient Technologies Corporation	$ 100	$ 118	$ 102	$ 116	$ 166	$ 175
S&P Midcap Specialty Chemicals Index	100	103	60	94	131	153
S&P Midcap Food Products Index	100	101	81	92	115	138
S&P 500 Index	100	105	67	84	97	99

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Five Year Review

(in thousands except employee and per share data) Years ended December 31,	2011		2010		2009		2008		2007	
Summary of Operations										
Revenue	$ 1,430,789	100.0%	$ 1,328,180	100.0%	$ 1,201,412	100.0%	$ 1,252,620	100.0%	$ 1,184,778	100.0%
Cost of products sold	981,137	68.6	919,821	69.3	832,382	69.3	871,754	69.6	822,479	69.5
Selling and administrative expenses	258,829	18.1	233,782	17.6	222,067	18.5	219,267	17.5	214,929	18.1
Operating income	190,823	13.3	174,577	13.1	146,963	12.2	161,599	12.9	147,370	12.4
Interest expense	19,439	1.4	20,384	1.5	23,788	2.0	32,306	2.6	36,127	3.0
Earnings before income taxes	171,384	12.0	154,193	11.6	123,175	10.3	129,293	10.3	111,243	9.4
Income taxes	50,900	3.6	47,049	3.5	36,614	3.0	38,432	3.1	33,457	2.8
Net earnings	$ 120,484	8.4%	$ 107,144	8.1%	$ 86,561	7.2%	$ 90,861	7.3%	$ 77,786	6.6%
Earnings per share:										
Basic	$ 2.42		$ 2.18		$ 1.79		$ 1.91		$ 1.66	
Diluted	$ 2.41		$ 2.17		$ 1.78		$ 1.89		$ 1.65	
Other Related Data										
Dividends per share, declared and paid	$ 0.84		$ 0.79		$ 0.76		$ 0.74		$ 0.68	
Average common shares outstanding:										
Basic	49,746		49,138		48,379		47,654		46,740	
Diluted	49,937		49,424		48,641		48,131		47,257	
Book value per common share	$ 20.87		$ 19.70		$ 18.49		$ 16.87		$ 17.10	
Price range per common share	30.15-39.69		24.76-37.61		18.42-29.07		21.05-33.12		23.66-31.99	
Share price at December 31	37.90		36.73		26.30		23.88		28.28	
Capital expenditures	72,200		55,823		47,716		53,680		41,961	
Depreciation	44,771		42,109		40,881		42,798		42,849	
Amortization	1,328		1,314		1,302		1,647		1,463	
Total assets	1,654,164		1,599,268		1,591,691		1,525,437		1,564,182	
Long-term debt	312,422		324,360		388,852		445,682		449,621	
Total debt	335,396		349,810		428,033		479,895		507,108	
Shareholders' equity	1,049,210		983,785		908,695		818,596		814,421	
Return on average shareholders' equity	11.4%		11.6%		10.0%		10.7%		10.2%	
Total debt to total capital	24.2%		26.2%		32.0%		37.0%		38.4%	
Employees	3,887		3,618		3,570		3,613		3,623	

The 2011 results include a charge of $4.8 million ($3.7 million after tax, or $0.07 per share) related to the Company's plan to improve the profitability and efficiency of selected operations. The 2011 results also include a gain of $3.6 million ($3.6 million after tax, or $0.07 per share) related to the revaluation of the Company's non-controlling interest in Les Colorants.

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).

Directors & Officers

BOARD OF DIRECTORS

Kenneth P. Manning, 70
Chairman, President and Chief Executive Officer
Sensient Technologies Corporation
Elected Director in 1989 (2, 6)

Hank Brown, 72
President Emeritus
University of Colorado
Elected Director in 2004 (1, 4, 5)

Fergus M. Clydesdale, Ph.D., 75
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, 74
Chairman
Bartlodge Limited
Elected Director in 1997 (1, 2, 3, 6)

William V. Hickey, 67
President and Chief Executive Officer
Sealed Air Corporation
Elected Director in 1997 (1, 2, 4, 5)

Peter M. Salmon, 62
President
International Food Network, Inc.
Elected Director in 2005 (5, 6)

Elaine R. Wedral, Ph.D., 67
Retired, Former President
Nestle's Research and Development
Worldwide Food Service Systems
Elected Director in 2006 (5, 6)

Essie Whitelaw, 64
Retired, Former Senior Vice President, Operations
Wisconsin Physician Services
Elected Director in 1993 (3, 4)

ELECTED OFFICERS

Kenneth P. Manning, 70
Chairman, President and Chief Executive Officer
With the Company 24 years

John F. Collopy, 42
Vice President and Treasurer
With the Company 12 years

Christopher M. Daniels, 38
Vice President, Human Resources
With the Company 12 years

John L. Hammond, 65
Senior Vice President, General Counsel
and Secretary
With the Company 14 years

Richard F. Hobbs, 64
Senior Vice President and
Chief Financial Officer
With the Company 38 years

Jeffrey T. Makal, 48
Vice President, Controller
and Chief Accounting Officer
With the Company 15 years

Richard J. Malin, 45
Assistant Controller
With the Company 20 years

Paul Manning, 37
President, Color Group
With the Company 2 years

James P. McCarthy, 59
President, Flavors & Fragrances Group
With the Company 3 years

Stephen J. Rolfs, 47
Vice President, Administration
With the Company 14 years

Robert J. Wilkins, 55
President, Asia Pacific Group
With the Company 8 years

APPOINTED OFFICERS

Douglas L. Arnold, 48
Vice President, Administrative Services
With the Company 14 years

Patrick E. Laubacher, 54
President, Dehydrated Flavors
With the Company 31 years

Robert L. Menzl, 55
Vice President, Information Technology
With the Company 16 years

Edward E. Savard, 46
Vice President, Engineering
With the Company 18 years

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

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 2,854 shareholders of record of Common Stock as of January 31, 2012.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders will be held at 2:00 p.m. (CDT) on Thursday, April 26, 2012, 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, 2011.

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

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Section 4: EX-21 (EXHIBIT 21)

EXHIBIT 21

SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
DOMESTIC	
POINTING COLOR INC.	DELAWARE
SENSIENT COLORS LLC	DELAWARE
SENSIENT DEHYDRATED FLAVORS LLC	DELAWARE
SENSIENT FLAVORS INTERNATIONAL, INC.	INDIANA
SENSIENT FLAVORS LLC	DELAWARE
SENSIENT FOOD COLORS LP	MISSOURI
SENSIENT HOLDING COMPANY LLC	DELAWARE
SENSIENT IMAGING TECHNOLOGIES INC.	CALIFORNIA
SENSIENT TECHNOLOGIES HOLDING COMPANY LLC	DELAWARE
SENSIENT WISCONSIN L.L.C.	WISCONSIN

SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
FOREIGN	
BIOLUX FINANCE NV	BELGIUM
DC FLAVOURS LIMITED	UNITED KINGDOM
LCW POLSKA LTD	POLAND
LCW CORANTES IMPORTAÇÃO E EXPORTAÇÃO LTDA	BRAZIL
POINTING CANADA LIMITED	CANADA
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

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 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 UKRAINE LIMITED LIABILITY COMPANY	UKRAINE
SENSIENT FLAVORS WALES LIMITED	UNITED KINGDOM
SENSIENT FLAVOURS & FRAGRANCES INDUSTRY AND TRADE LC	TURKEY
SENSIENT FLAVOURS SOUTH AFRICA (PROPRIETARY) LTD	SOUTH AFRICA

SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
FOREIGN	
SENSIENT FOOD COLORS CZECH REPUBLIC S.R.O.	CZECH REPUBLIC
SENSIENT FOOD COLORS FRANCE	FRANCE
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 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 CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
FOREIGN	
SENSIENT TECHNOLOGIES AUSTRALIA PTY, LTD.	AUSTRALIA
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

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Section 5: EX-23.1 (EXHIBIT 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 27, 2012, 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, 2011, 2010, and 2009.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin

February 27, 2012

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Section 6: EX-31 (EXHIBIT 31)

EXHIBIT 31

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

I, Kenneth P. Manning, 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 27, 2012

/s/ Kenneth P. Manning

Kenneth P. Manning, Chairman,
President & Chief Executive Officer

EXHIBIT 31

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 27, 2012

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

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Section 7: EX-32 (EXHIBIT 32)

EXHIBIT 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, 2011 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, President and Chief Executive Officer
Date:	February 27, 2012

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.

EXHIBIT 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, 2011 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 27, 2012

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.

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