Section 1: 10-K (SENSIENT TECHNOLOGIES CORP 10-K 12-31-2013)

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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2013
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	**39-0561070**
(State of Incorporation)	**(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 ☒ No ☐

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

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

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

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

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller Reporting Company ☐

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

The aggregate market value of the voting Common Stock held by non-affiliates of the Registrant as of June 30, 2013, was $1,990,900,796. 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 50,194,509 shares of Common Stock outstanding as of February 24, 2014.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of: (1) the Company's Annual Report to Shareholders for the fiscal year ended December 31, 2013 (see Parts I, II and IV of this Form 10-K), and (2) the Company's 2014 Notice of Annual Meeting and Proxy Statement which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2013 (see Part III of this Form 10-K).

SENSIENT TECHNOLOGIES CORPORATION—FORM 10-K FOR YEAR ENDED DECEMBER 31, 2013 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 and 20 of the Company’s 2013 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

The Company 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 and fine 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 two reportable segments are the Flavors & Fragrances Group and the Color Group, which are managed on a product-and-services basis. Three additional segments, the Asia Pacific Group, the China Group and the Flavors Central & South America Group are managed on a geographic basis and 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 2013 Annual Report to Shareholders under the heading "Segment and Geographic Information."

In 2013, the Company completed the relocation of the Flavors & Fragrances Group headquarters to Chicago and implemented a profit improvement plan across all segments of the Company. The profit improvement plan included consolidating facilities and positions throughout the Company. Additional information regarding the restructuring costs related to the relocation of the Flavors & Fragrances Group headquarters and the implementation of the profit improvement plan appears in "Restructuring Charges" on pages 38 and 39 of the 2013 Annual Report to Shareholders.

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 Natural Ingredients 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 Natural Ingredients 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 Natural Ingredients 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 Natural Ingredients 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 Natural Ingredients LLC (formerly known as 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 industrial colors, 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 Missouri, New Jersey, Brazil, Canada, France, Germany, Italy, Mexico, 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.

Beginning in the first quarter of 2013, the results of operations for the Company's cosmetic and pharmaceutical businesses in Asia Pacific and China, previously reported in the Corporate & Other segment, are reported in the Color segment. Results for 2012 and 2011 have been restated to reflect this change.

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.

Flavors Central & South America Group

In 2012, the Flavors Central & South America Group was established to give management greater insight into the Company's flavors operations in this growing region. Previously, this Group was part of the Flavors & Fragrances Group and its results were included therein. Results for 2011 have been restated to reflect this change.

The Flavors Central & South America Group develops, manufactures and supplies flavor systems to a broad range of customers across the region, primarily in the food and beverage markets.

The Flavors Central & South America Group has manufacturing and development facilities in Brazil and Costa Rica and maintains sales in offices in multiple Central and South American countries.

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 699 people in research and development, quality assurance, quality control and lab technician positions as of December 31, 2013.

Expenditures for research and development related to continuing operations in calendar year 2013 were $34.5 million, compared with $34.7 million in the year ended December 31, 2012, and $33.2 million in the year ended December 31, 2011. 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 & 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. Competition in the supply of pharmaceutical coatings is based on the development of customized products and solutions as well as quality, customer service, and price. The Company believes that its reputation and capacity as a color producer as well as its product development give it a competitive advantage in the pharmaceutical coatings market.

- *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.

- *Flavors Central & South America.* Competition in the flavors market in Central and South America faces the same global nature and diversified purchasing seen by the Flavors & Fragrances Group. Competition for the supply of flavors is again based on the development of customized ingredients for new and reformulated products, as well as on quality, customer service and price.

Foreign Operations

The information appearing under the heading "Segment and Geographic Information" in Note 10 to the Consolidated Financial Statements of the Company, which appears on pages 36 through 38 of the 2013 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, 2013, the Company employed 4,130 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 and 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 2013 Annual Report to Shareholders and "Forward Looking Statements" on page 22 of the 2013 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 health, safety and 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, the Department of Labor 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, Syria 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		
Livingston (2)	Flavors & Fragrances	Production, R&D and field/dehydrated flavors
Turlock	Flavors & Fragrances	Production, R&D and sales/dehydrated flavors

UNITED STATES (continued)		
Illinois		
Amboy	Flavors & Fragrances	Production/ingredients and flavors
Hoffman Estates (2)*	Flavors & Fragrances	R&D, U.S. management/flavors, group headquarters/flavors & fragrances
Indiana		
Indianapolis	Flavors & Fragrances	Production, sales and R&D/flavors
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
Belgium		
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	R&D and sales/cosmetic colors
Canada		
Cornwall, Ontario	Flavors & Fragrances	Production/flavor enhancers and extracts
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

INTERNATIONAL (continued)		
China		
Beijing*	China	R&D and sales/colors and flavors
Guangzhou*	China	Production, R&D and sales/colors and flavors, 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 Ouen L'Aumone*	Color	Production, R&D and sales/cosmetic colors and ingredients
Strasbourg	Flavors & Fragrances	Production and sales/flavor enhancers and extracts
Germany		
Bremen	Flavors & Fragrances	Production and sales/flavors and flavored products
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

INTERNATIONAL (continued)		
Japan		
Hitachi	Asia Pacific	Production/flavors and colors
Tokyo*	Asia Pacific	R&D and sales/flavors and colors
Mexico		
Celaya	Flavors & Fragrances	Production and sales/flavor enhancers and extracts
Lerma	Color	Production, R&D and sales/food and cosmetic colors
Tlalnepantla (2)*	Flavors & Fragrances	Production, R&D, distribution and sales/ingredients, flavors, fragrances and essential oils
The Netherlands		
Elburg	Flavors & Fragrances	Production/dehydrated 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 and warehouse/cosmetics
Warsaw*	Color	Sales/food colors
Warsaw*	Flavors	Sales/flavors
Romania		
Bucharest*	Flavors	Sales/flavors
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
South Korea		
Seoul*	Asia Pacific	Sales/flavors, colors and specialty chemicals
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

INTERNATIONAL (continued)		
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 Arab Emirates	Color	Sales/color
Dubai*		
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.
** Indicates two leased properties at the location.

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 over $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 had 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 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 had 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 appealed this adverse decision of the Circuit Court.

The Michigan Court of Appeals heard oral argument on the appeals on September 10, 2013. On October 31, 2013, the Court issued its decision affirming the trial court in all respects, including the denial of the Crossroad claim to recover over $1.4 million from the Company. The Company and Crossroads both had the right to petition the Michigan Supreme Court to review the decision of the Court of Appeals. Neither party, however, sought Supreme Court review, and the case is now concluded.

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, personally filed a petition for bankruptcy. The Company originally opposed the bankruptcy petition to the extent Hubbell sought 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. The Company and Hubbell filed a joint motion to dismiss the Company's claims against Hubbell without prejudice pending the Michigan state court action. The Bankruptcy Court granted the motion. Under the terms of the dismissal, if the state courts had determined that the Company was liable to Crossroads, the Company would have had 60 days to reopen the adversary proceeding and pursue its claims against Hubbell. Since neither the Company nor Crossroads pursued Supreme Court review and the state case is now concluded, the dismissal of the Company's claims against Hubbell in his personal bankruptcy proceeding has become with prejudice.

Vega v. Sensient Dehydrated Flavors LLC

On January 3, 2013, Thomas Vega, a now former employee, filed (but did not serve) a Class Action Complaint in San Francisco County Superior Court against Sensient Dehydrated Flavors LLC. On February 11, 2013, Vega filed and served a First Amended Complaint ("Complaint") against the Company and a Company supervisor. Vega alleges that the Company failed to provide alleged class members with meal periods, compensation for the alleged absence of meal periods, and accurate wage statements, in violation of the California labor code. The alleged class includes all employees paid on an hourly basis and forklift operators. The Complaint seeks damages, back wages, injunctive relief, penalties, interest, and attorneys' fees for the members of the alleged class. The Complaint alleges that the total damages and costs "do not exceed a[n] aggregate of $4,999,999.99."

The Complaint alleges two causes of action. The first cause of action is for "Unfair Competition." The plaintiff's theory is that the Company, by allegedly not complying with state wage and hour laws, had an unfair competitive advantage against other employers who were complying with those laws. The main strategic reason that plaintiffs plead this cause of action is that the statute of limitations is four years. The second cause of action is for alleged substantive violations of the California labor code provisions governing wages, hours, and meal periods.

On March 13, 2013, the parties filed a joint stipulation and proposed order to remove the case from San Francisco County Superior Court to Stanislaus County Superior Court. On April 18, 2013, the Court granted the request.

On October 7, 2013, following a private mediation, the parties signed a Memorandum of Understanding in which they agreed to resolve the action for a maximum of $275,000 on a claims made basis. On December 5, 2013, the settlement was presented to the Stanislaus County Superior Court. The Court granted preliminary approval of the settlement and scheduled a final approval hearing for March 14, 2014.

Other Claims and Litigation

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, 2014, are as follows:

Name	Age	Position
Paul Manning	39	President and Chief Executive Officer
John F. Collopy	44	Vice President and Treasurer
Christopher M. Daniels	40	Vice President, Human Resources
Michael C. Geraghty	52	President, Color Group
John L. Hammond	67	Senior Vice President, General Counsel and Secretary
Richard F. Hobbs	66	Senior Vice President and Chief Financial Officer
Jeffrey T. Makal	50	Vice President, Controller and Chief Accounting Officer
Richard J. Malin	47	Assistant Controller
John J. Manning	45	Vice President and Assistant General Counsel
Stephen J. Rolfs	49	Senior Vice President, Administration
Robert J. Wilkins	57	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. Paul Manning has held his present office since February 2, 2014, and previously served as President and Chief Operating Officer (October 2012 – February 2014), President, Color Group (July 2010 – October 2012), General Manager, Colors – North America (November 2009 – July 2010) and General Manager, Food Colors – North America (June 2009 – November 2009). Mr. Daniels has held his present office since July 22, 2010, and previously served as Assistant Treasurer (2008 – July 2010). Mr. Geraghty has held his present office since October 18, 2012, and previously served as General Manager, Food Colors USA (April 2011 – October 2012). Mr. Makal has held his present office since July 22, 2010, and previously served as Vice President, Taxation (2006 – July 2010). Mr. John Manning has held his present office since January 2, 2013. Mr. Rolfs has held his present position since July 25, 2013, and previously served as Vice President, Administration (July 2010 – July 2013) and Vice President, Controller and Chief Accounting Officer (2001 – July 2010). Mr. Wilkins has held his present position since April 23, 2009, and previously served as appointed President, Asia Pacific (2005 – April 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 2013 and 2012 appearing under "Common Stock Prices and Dividends" on page 43 of the 2013 Annual Report to Shareholders are incorporated by reference. In 2013, 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 24, 2014, 2,639,241 shares had been repurchased under the latter authorization. The Company did not repurchase any shares during the fourth quarter of 2013.

The number of shareholders of record on February 24, 2014 was 2,658.

On April 25, 2013, the Company announced an increase in its cash dividend on its common stock from an annual rate of 88 cents per share to an annual rate of 92 cents per share, commencing with the quarterly dividend paid on June 3, 2013, to shareholders of record on May 9, 2013.

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 43 of the Company's 2013 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 44 of the 2013 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 2013 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 2013 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 40 and page 43 of the 2013 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 President and Chief Executive Officer and its Senior Vice President and Chief Financial Officer, of the effectiveness, as of December 31, 2013, 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 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, 2013.

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, 2013. 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 (1992 Framework)*. Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2013. Management's report on internal control over financial reporting, which appears on page 41 of the 2013 Annual Report to Shareholders, is incorporated by reference.

The Company's internal control over financial reporting as of December 31, 2013, 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 42 of the 2013 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, 2013, that has materially affected, or is reasonable 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 the Audit Committee of the Company's Board of Directors and the Nominating and Corporate Governance Committee of the Company's Board of Directors 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 to be filed with the Commission within 120 days after December 31, 2013 (“2014 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 2014 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 2014 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 2014 Proxy Statement is incorporated by reference. The discussion appearing under “Equity Compensation Plan Information” in the 2014 Proxy Statement is incorporated by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence.

Kenneth P. Manning is the father of John J. Manning and 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 from January 1, 2013, through December 31, 2013, or in any such proposed transaction except as described under “Transactions With Related Persons” found in the 2014 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 2014 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

1. Financial Statements	Page Reference in 2013 Annual Report to Shareholders
The following consolidated financial statements of Sensient Technologies Corporation and subsidiaries are incorporated by reference from the Annual Report to Shareholders for the year ended December 31, 2013:	
Reports of Independent Registered Public Accounting Firm	41-42
Consolidated Balance Sheets – December 31, 2013 and 2012	25
Consolidated Statements of Earnings – Years ended December 31, 2013, 2012 and 2011	23
Consolidated Statements of Comprehensive Income – Years ended December 31, 2013, 2012 and 2011	24
Consolidated Statements of Shareholders' Equity – Years ended December 31, 2013, 2012 and 2011	27
Consolidated Statements of Cash Flows – Years ended December 31, 2013, 2012 and 2011	26
Notes to Consolidated Financial Statements	28-40

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, 2013 and 2012, and the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2013 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2013, and have issued our reports thereon dated February 28, 2014. Such consolidated financial statements and reports are included in your 2013 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 28, 2014

Schedule II
Valuation and Qualifying Accounts (in thousands); Years Ended December 31, 2013, 2012 and 2011

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
2011 Allowance for losses: Trade accounts receivable	$3,999	$747	$0	$1,158	$3,588
2012 Allowance for losses: Trade accounts receivable	$3,588	$745	$0	$1,288	$3,045
2013 Allowance for losses: Trade accounts receivable	$3,045	$1,413	$0	$130	$4,327

(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 28, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below as of February 28, 2014, 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

/s/ Paul Manning
Paul Manning
Director, President and
Chief Executive Officer

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

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

/s/ Hank Brown
Hank Brown
Director

/s/ Edward H. Cichurski
Edward H. Cichurski
Director

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

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

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

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

/s/ Essie Whitelaw
Essie Whitelaw
Director

Index

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2013 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference from	Filed Herewith
3.1	Sensient Technologies Corporation Amended and Restated Articles of Incorporation	Exhibit 3.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (Commission File No.1-7626)	
3.2	Sensient Technologies Corporation Amended and Restated By-Laws	Exhibit 3.2 to Current Report on Form 8-K dated July 25, 2013 (Commission File No. 1-7626)	
4.1	Note Purchase Agreement dated as of March 22, 2011	Exhibit 10.1 to Current Report on Form 8-K dated March 22, 2011 (Commission File No. 1-7626)	
4.2	Note Purchase Agreement dated as of April 5, 2013	Exhibit 10.1 to Current Report on Form 8-K dated April 5, 2013 (Commission File No. 1-7626)	
10	Material Contracts		
10.1	Management Contracts or Compensatory Plans		
10.1(a)	Amended and Restated Executive Employment Contract dated as of October 18, 2012, between Sensient Technologies Corporation and Kenneth P. Manning	Exhibit 10.1 to Current Report on Form 8-K dated October 18, 2012 (Commission File No. 1-7626)	
10.1(b)(1)	Form of Amended and Restated Change of Control Employment and Severance 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 Amendment No. 1 to the Sensient Technologies Corporation Amended and Restated Change of Control and Severance Agreement (superseded)	Exhibit 10.1 to Current Report on Form 8-K dated March 19, 2010 (Commission File No. 1-7626)	
10.1(b)(3)	Form of Change of Control Employment and Severance Agreement	Exhibit 10.1(b)(3) to Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (Commission File No. 1-7626)	
10.1(c)(1)	Sensient Technologies Corporation 2002 Non-Employee Directors Stock Plan (superseded)	Appendix C to Definitive Proxy Statement filed on Schedule 14A on March 15, 2004 (Commission File No. 1-7626)	
10.1(c)(2)	Sensient Technologies Corporation 2012 Non-Employee Directors Stock Plan	Exhibit 10.1 to Current Report on Form 8-K dated July 25, 2013 (Commission File No. 1-7626)	
10.1(d)	Universal Foods Corporation 1994 Employee Stock Plan	Exhibit 10.2(f) to Annual Report on Form 10-K for the fiscal year ended September 30, 1998 (Commission File No. 1-7626)	
10.1(d)(1)	Amendment of Universal Foods Corporation 1994 Employee Stock Plan	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	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 Universal Foods Corporation 1998 Stock Option Plan	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)	

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2013 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference from	Filed Herewith
10.1(f)	Universal Foods Corporation 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 Universal Foods Corporation 1999 Non-Employee Director Stock Option Plan	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 (Commission File No. 1-7626)	
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 Sensient Technologies Corporation 2002 Stock Option Plan Restricted Stock Agreement	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 Definitive Proxy Statement filed on Schedule 14A on March 15, 2007 (Commission File No. 1-7626)	
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)	Sensient Technologies Corporation Directors' Deferred Compensation Plan	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)	Sensient Technologies Corporation Non-Employee Directors' Retirement Plan	Exhibit 10.2 to Current Report on Form 8-K dated July 25, 2013 (Commission File No. 1-7626)	
10.1(j)(1)	Sensient Technologies Corporation Frozen Management Income Deferral Plan	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)	Sensient Technologies Corporation Management Income Deferral Plan	Exhibit 10.5(b) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(k)(1)	Sensient Technologies Corporation Frozen Executive Income Deferral Plan	Exhibit 10.4(a) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(k)(2)	Sensient Technologies Corporation Executive Income Deferral Plan	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 Sensient Technologies Corporation 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)	

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2013 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference from	Filed Herewith
10.1(m)	Amended and Restated Sensient Technologies Corporation Rabbi Trust “B” Agreement dated November 30, 2009, between Sensient Technologies Corporation 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 Sensient Technologies Corporation 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)	Amended and Restated Sensient Technologies Corporation Incentive Compensation Plan for Elected Corporate Officers	Exhibit 10.10 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (Commission File No. 1-7626)	
10.1(p)	Sensient Technologies Corporation 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)	Sensient Technologies Corporation 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)	Sensient Technologies Corporation 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)	Sensient Technologies Corporation Form of Supplemental Executive Retirement Plan A Agreement	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	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	Exhibit 10.1 to Current Report on Form 8-K dated April 22, 2010 (Commission File No. 1-7626)	
10.1(t)(1)	Sensient Technologies Corporation Form of Supplemental Executive Retirement Plan B Agreement	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	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	Exhibit 10.2 to Current Report on Form 8-K dated April 22, 2010 (Commission File No. 1-7626)	

SENSIENT TECHNOLOGIES CORPORATION
EXHIBIT INDEX
2013 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference From	Filed Herewith
10.1(u)(1)	Sensient Technologies Corporation Frozen Supplemental Benefit Plan	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)	Sensient Technologies Corporation Supplemental Benefit Plan	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	Exhibit 10.1 to Current Report on Form 8-K dated December 8, 2011 (Commission File No. 1-7626)	
10.1(w)	Form of Performance Stock Unit Agreement	Exhibit 10.1 to Current Report on Form 8-K dated October 17, 2013 (Commission File No. 1-7626)	
10.1(x)	Executive Employment Contract dated as of February 2, 2014, between Sensient Technologies Corporation and Paul Manning	Exhibit 10.1 to Current Report on Form 8-K dated February 4, 2014 (Commission File No. 1-7626)	
10.2	Credit Agreement dated as of April 7, 2011	Exhibit 10.1 to Current Report on Form 8-K dated April 7, 2011 (Commission File No. 1-7626)	
10.3	Credit Agreement dated as of October 7, 2008	Exhibit 10.1 to Current 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, 2013		X
14	Sensient Technologies Corporation 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 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 President and Chief Executive Officer and Senior Vice President and Chief Financial Officer, pursuant to 18 United States Code § 1350		X
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

SENSIENT TECHNOLOGIES CORPORATION
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2013 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description	Incorporated by Reference From	Filed Herewith
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document		X
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document		X

*The following financial information is formatted in XBRL (eXtensible Business Reporting Language) and furnished electronically herewith: (i) Consolidated Statements of Earnings for the twelve months ended December 31, 2013, December 31, 2012, and December 31, 2011; (ii) Consolidated Statements of Comprehensive Income for the twelve months ended December 31, 2013, December 31, 2012, and December 31, 2011; (iii) Consolidated Balance Sheets as of December 31, 2013 and December 31, 2012; (iv) Consolidated Statements of Shareholders' Equity for the twelve months ended December 31, 2013, December 31, 2012, and December 31, 2011; (v) Consolidated Statements of Cash Flow for the twelve months ended December 31, 2013, December 31, 2012, and December 31, 2011; and (vi) Notes to Consolidated Financial Statements.

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Section 2: EX-13.1 (EXHIBIT 13.1)

EXHIBIT 13.1

ANNUAL

2013

INNOVATION INSIDE

REPORT

2013

"SENSIENT CONTINUES TO SUCCEED ACROSS ALL LINES OF OUR BUSINESS BY EMPHASIZING TECHNOLOGY-BASED PRODUCTS THAT ENABLE OUR CUSTOMERS TO EXCEL IN HIGHLY COMPETITIVE MARKETS."

KENNETH P. MANNING

Chairman 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 color and ingredient systems; household and industrial product formulations; inkjet inks; and other specialty colors and chemicals.

FINANCIAL HIGHLIGHTS

In thousands except per share and shareholder data

Years ended December 31,	2013	2012	% Change
Results of operations			
Revenue	$1,467,550	$1,459,050	1%
Operating Income	172,362	191,208	(10%)
Operating Income before Restructuring*	204,097	191,208	7%
Net Income	113,295	123,908	(9%)
Net Income before Restructuring*	135,254	123,908	9%
Per common share			
Net Earnings:			
Basic	$ 2.28	$ 2.50	(9%)
Diluted	2.27	2.49	(9%)
Diluted before Restructuring*	2.71	2.49	9%
Dividends	0.91	0.87	5%
Book Value	24.72	23.09	7%
Other information			
Capital Expenditures	$ 104,246	$ 103,806	
Depreciation and Amortization	$ 52,016	$ 48,352	
Total Debt	$ 355,174	$ 354,027	
Number of Shareholders of Record	2,675	2,783	
Average Common Shares Outstanding:			
Basic	49,755	49,596	
Diluted	49,934	49,822	

*These are non-GAAP financial measures. Please see page 15 of this report (reference to *Non-GAAP Financial Measures* in MD&A section) for a reconciliation of these measures to GAAP and a discussion of why the Company is presenting this information.

Sensient Technologies Corporation achieved record revenue and earnings in 2013. We are well positioned for future growth across all areas of the Company.

FEBRUARY 1, 2014

A Strong Performance

Sensient's earnings in 2013, excluding the impact of restructuring costs, increased 9% over the 2012 result to $135 million, or $2.71 per share. The Company's strategic focus on higher-margin, technology-based products will continue to deliver strong earnings growth in 2014.

Consolidated 2013 revenue reached an all-time high of $1.5 billion. Cash flow from operating activities, as reported, was $153.6 million, an increase of 10% over 2012. Adjusted to remove the impact of this year's restructuring program, cash flow from operating activities increased by 19%. This year's strong performance represents our fourth consecutive year of record revenue and earnings.

The Color Group performed especially well in 2013, with profits up over 7% from 2012. The Company's digital inks, pharmaceutical and cosmetics businesses achieved substantial growth and have robust sales pipelines. In Europe and Latin America, high-performance color systems for foods and beverages recorded strong sales as well.

We have made significant progress in strengthening the operations of the Flavors & Fragrances Group, and we expect to see growth and improved profitability in this segment moving forward.

On April 25, 2013, Sensient announced an increase in our quarterly dividend to 23 cents per share, for an annualized dividend of 92 cents per share. Sensient's dividend has risen by 28% over the past five years.

Investors continued to show confidence in the Company's sustained performance and strategic direction. In 2013, Sensient's total shareholder return, with reinvestment of dividends, was 39%.

Opening the New Flavors & Fragrances Group Headquarters

In September 2013, Sensient completed the relocation of the Flavors & Fragrances Group headquarters to the Chicago suburb of Hoffman Estates.

At the new location, we have built state-of-the art R&D facilities, laboratories and pilot production capabilities. We can now showcase our complete product line to current and potential customers.

Chicago is a global city that serves as a hub for multinational food and beverage manufacturers. We are closer to key customers, and O'Hare Airport enables convenient access to markets around the world.

The Chicago metropolitan area also offers a strong pool of industry talent. Sensient now has improved access to skilled and experienced employees who are critical to our future growth.

In 2013, we realigned our flavor operations around three key customer segments: savory, sweet and beverages. By focusing our technical and commercial efforts on these segments, Sensient is better able to leverage our existing expertise and deliver innovation to our customers.

We see substantial opportunities worldwide for growth in flavors and fragrances. We will achieve sales and margin growth by emphasizing differentiated, high-performance flavor and fragrance systems and continuing to move away from basic ingredients.

Restructuring and Expansion

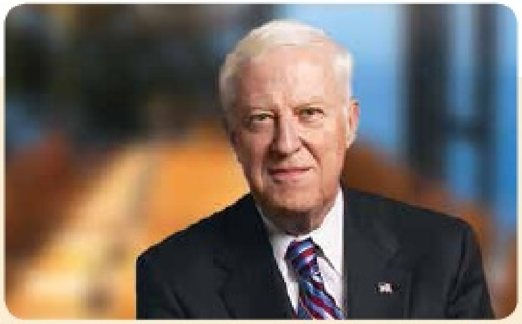
In 2013, Sensient completed an important restructuring that streamlines our operations. This worldwide profit improvement plan will deliver significant cost savings and a more efficient operation.

The Company consolidated operations at facilities in North America and Europe to eliminate redundancies and provide greater efficiency. At the same time, we made strategic investments in facilities to increase production capacity and R&D capabilities. In 2013, we completed the expansion of our digital ink facility in Morges, Switzerland, and we invested in new technology within our food and beverage color business.

Over the last several years, Sensient has made a number of strategic investments across the Company that have expanded our capabilities. We will continue to invest in each of our business segments to broaden our product line with new technologies.

A Strong Product Portfolio

Sensient is achieving sustained growth on the depth of our product



Kenneth P. Manning
Chairman and
Chief Executive Officer

portfolio. We offer industry-leading color, flavor and fragrance systems for manufacturers of foods and beverages and household products. We also offer pharmaceutical excipients, cosmetic ingredients, industrial inks and a range of other industrial products.

Our products stand out in competitive markets because they offer distinct advantages to our customers. Sensient's line of digital inks enables high-quality, customized printing on both textiles and hard surfaces. We recently introduced a line of water-based digital inks called ElvaJet® Alpha. These environmentally friendly inks enable textile and clothing companies to dramatically reduce energy and water consumption.

Specialty systems for foods and beverages remain a key component of Sensient's product mix. The Company's flavor technologies enable customers to formulate products to meet growing consumer preferences for healthier foods. Sensient's proprietary salt-reduction solutions allow manufacturers to produce high-quality processed foods with lower sodium. Natural flavor enhancement and masking technologies add sweetness and remove bitter notes in lower-calorie foods and beverages.

Sensient's all-natural color solutions for foods and beverages enable manufacturers to meet growing consumer demand for naturally sourced products. We offer the widest spectrum of natural colors available in the marketplace. Through intensive R&D, we continue to narrow the performance gap between natural color solutions and certified synthetic food colors.

Innovation and Product Development

Sensient is in the business of innovation. All of our units emphasize technology-based products that provide a competitive advantage. We better serve our customers and improve our margins by continuously delivering innovation.

Sensient has very strong product development expertise. Through strategic investments and operational changes, we have streamlined the path from product development to commercialization. We help customers extend their existing brands as well as create entirely new products.

We will continue to emphasize a core strategy of investing in innovation and product development. The Company maintains exceptional R&D facilities at locations around the world. Sensient's strong financial position will also enable us to respond quickly when opportunities arise to acquire or license new technologies or innovative product lines.

Positioned for the Future

When I joined this Company more than a quarter century ago, we were a commodity food business with little innovation and insignificant international revenue. Today, we are a global innovation business with operations on six continents. More than half of our revenue comes from sales outside the United States.

Sensient has a strong presence in all major industrialized nations. We also have substantial operations in key emerging markets, including China, Latin America, Eastern Europe and Africa. New and upgraded facilities in Brazil and the Republic of South Africa will serve local manufacturers who are meeting the needs of their nation's growing consumer class. We see substantial opportunities for growth across all lines of our business, in locations around the world.

In July 2013, the Company announced the election of Sensient's President and Chief Operating Officer Paul Manning to the position of President and Chief Executive Officer, effective February 2, 2014. I look forward to guiding Sensient through a successful transition in my new capacity as the Company's Chairman of the Board.

The future of Sensient remains very promising. Our focus on developing and delivering innovative solutions for the global marketplace will drive ongoing growth. I am very optimistic about the next chapter for Sensient.

Sincerely,

Kenneth P. Manning
Chairman and Chief Executive Officer

COLOR GROUP

SENSIENT IS A LEADING DEVELOPER AND MANUFACTURER OF ADVANCED COLOR SYSTEMS, SPECIALTY CHEMICALS AND SOPHISTICATED INGREDIENTS USED IN THE PRODUCTION OF FOODS AND BEVERAGES, COSMETICS, PHARMACEUTICALS, DIGITAL INKS, HOUSEHOLD GOODS AND INDUSTRIAL PRODUCTS.

STRATEGIC ADVANTAGES

- Industry expertise in color customization and product development at locations around the world
- Broadest product lines of natural and synthetic color systems for foods, beverages, pharmaceuticals, nutraceuticals and household products
- Comprehensive line of inks, including pigment dispersions, sublimation inks, and technical and purified dyes
- Strong R&D capabilities that deliver a steady pipeline of new products
- Exceptional product safety programs

Tablet Coating Development— Innovative coating systems are developed, refined and customized by Sensient's pharmaceutical unit.

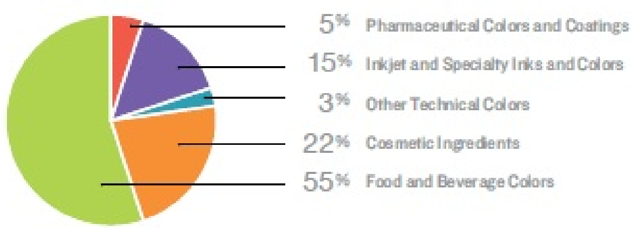
Unique Drying and Processing Technologies— High-value color formulations are dried for milling, customization and further production.

Beverage Formulation Expertise— Sensient's beverage lab formulates natural and certified color solutions for high-impact beverage applications.

Advanced Emulsion and Dispersion Technology— Sensient combines process technology and expertise to develop the industry's widest color spectrum of high-performance emulsions and dispersions.

Micro-Emulsion Production— Sensient's advanced analytical capabilities in micro-emulsion technology enable the development of uniform particle-sized color chemicals and other ingredients.

REVENUE
BY PRODUCT LINE



FLAVORS & FRAGRANCES GROUP

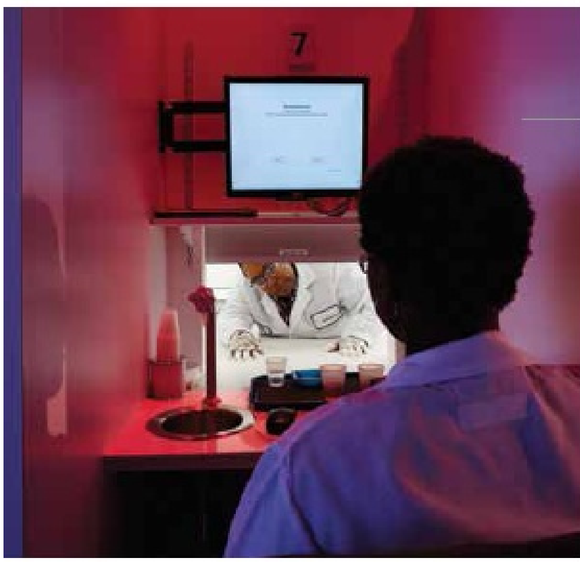
SENSIENT DEVELOPS, MANUFACTURES AND DISTRIBUTES FLAVOR AND FRAGRANCE SYSTEMS FOUND IN THOUSANDS OF CONSUMER PRODUCTS WORLDWIDE. THE COMPANY'S FLAVOR AND AROMA TECHNOLOGIES ARE ESSENTIAL COMPONENTS OF FOODS, BEVERAGES, HOUSEHOLD SUPPLIES AND PERSONAL CARE PRODUCTS. LEADING GLOBAL COMPANIES RELY ON SENSIENT AS A KEY PARTNER IN THEIR PRODUCT DEVELOPMENT EFFORTS.

STRATEGIC ADVANTAGES

- Worldwide product development and manufacturing capabilities
- Extensive lines of customizable flavor systems for all areas of food processing
- Advanced technologies for extraction, dehydration, distillation and compounding
- Highly respected scientific and technical expertise
- World-leading product safety programs
- Vertical integration that enables the production of complex, customized solutions

Pilot Plant Testing— Sensient's pilot plants enable the Company's technical staff to test and optimize processing before full production.

Bio-Ingredient Development— Sensient develops and tests a range of highly specialized yeast products, proteins and hydrolysates used for cell growth, diagnostic media and nutritional supplements.

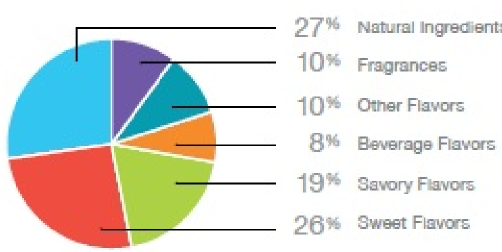


Sensory Evaluation Laboratories— At locations around the world, Sensient uses expert sensory panels to assess flavor systems.

Culinary Services— At test kitchens, Sensient works closely with customers to develop new products with authentic flavor profiles.

State-of-the-Art Flavor Laboratories— Flavorists, technicians and applications personnel work collaboratively to screen, develop and refine flavor systems for beverage, sweet and savory applications.

REVENUE BY PRODUCT LINE



GLOBAL REACH

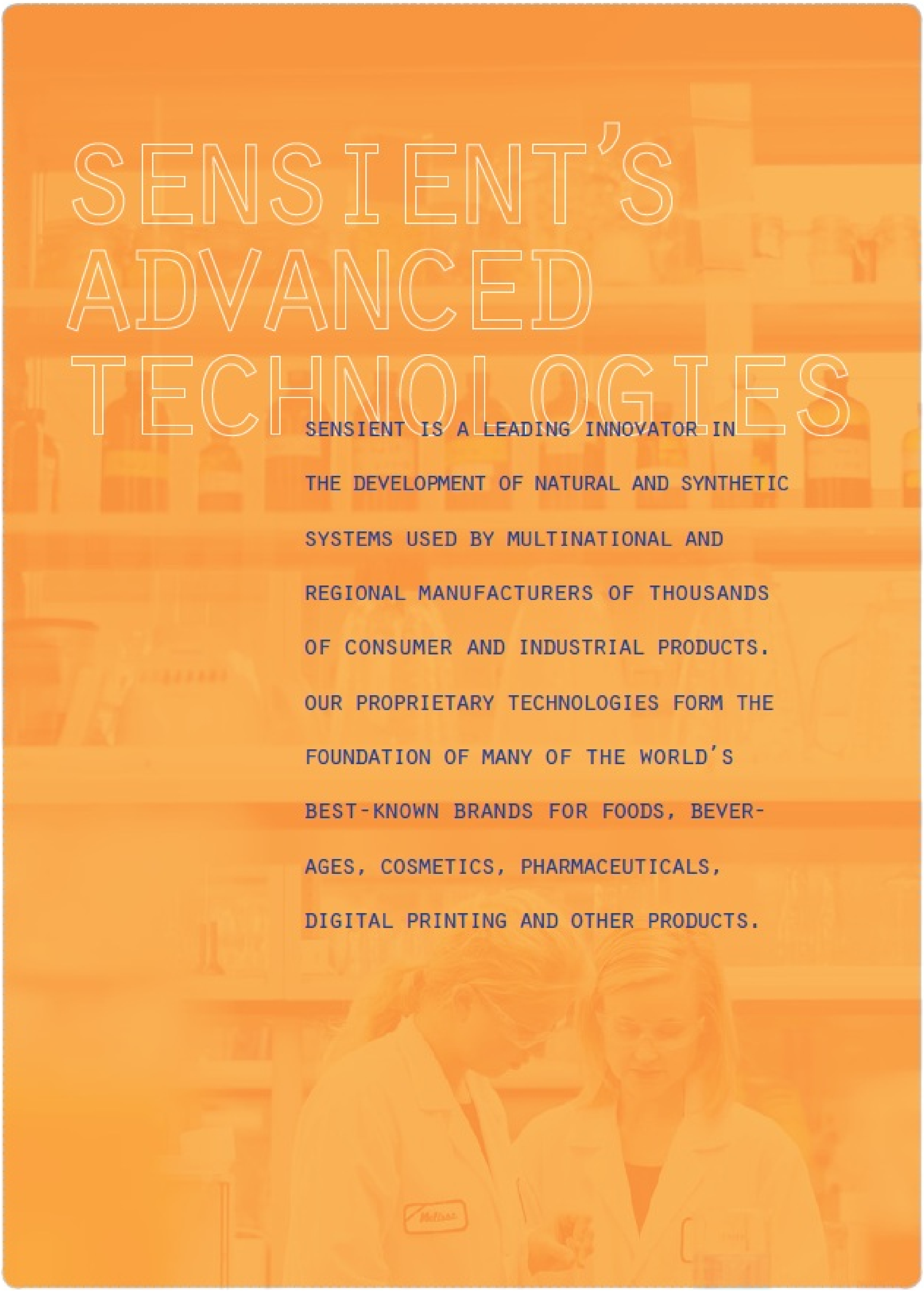
ST. LOUIS, MISSOURI · FINLAND · HONG KONG · CHICAGO, ILLINOIS · INDONESIA · ROMANIA ·

CALIFORNIA · COSTA RICA · HUNGARY · CHINA · PHILIPPINES · POLAND · MEXICO · FRANCE

CANADA · BRAZIL · SOUTH KOREA · NETHERLANDS · SPAIN · THAILAND · SOUTH AFRICA

UNITED KINGDOM · MILWAUKEE, WISCONSIN · AUSTRALIA · SWITZERLAND · SINGAPORE ·

GERMANY · SWEDEN · JAPAN · ITALY · INDIA · NEW ZEALAND · BELGIUM · CZECH REPUBLIC



SENSIENT'S ADVANCED TECHNOLOGIES

SENSIENT IS A LEADING INNOVATOR IN THE DEVELOPMENT OF NATURAL AND SYNTHETIC SYSTEMS USED BY MULTINATIONAL AND REGIONAL MANUFACTURERS OF THOUSANDS OF CONSUMER AND INDUSTRIAL PRODUCTS. OUR PROPRIETARY TECHNOLOGIES FORM THE FOUNDATION OF MANY OF THE WORLD'S BEST-KNOWN BRANDS FOR FOODS, BEVERAGES, COSMETICS, PHARMACEUTICALS, DIGITAL PRINTING AND OTHER PRODUCTS.

ADVANCED FOOD AND BEVERAGE APPLICATIONS

Sensient provides a wide range of flavor and color solutions for food and
tensive market knowledge allow Sensient to create product solutions

ADVANCED EMULSION TECHNOLOGY

Sensient recently made a major breakthrough in emulsion technology that expands the Company's natural color product line. The Company's Advanced Emulsion Technology™ combines oil- and water-based emulsions to provide a complex color matrix in a single delivery system. These preservative-free, naturally sourced emulsions extend the color spectrum available for snack foods, dairy products and beverages.

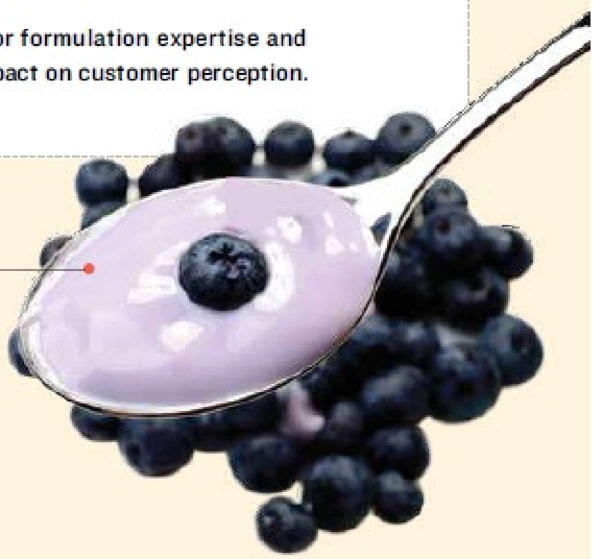
FLAVORS AND COLORS FOR CONFECTIONERY

Sensient enhances candy with an innovative flavor technology called Sensates® that adds tingling, heat or cool refreshment to a range of other flavors. The Company creates customized solutions for confectionery that combine this technology with Sensient's market-leading natural solutions.

CONCENTRATED BOTANICAL EXTRACTS

Sensient uses advanced extraction technologies to produce high-performance botanical extracts that play a critical role in the flavor profile of foods and beverages. The concentrated extraction formulas of Sensient Natural Origins® enable customers to manufacture a wide range of natural, clean label products, such as chocolates and craft beers.

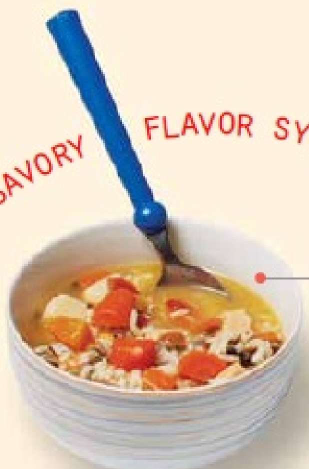
beverage applications. Advanced production capabilities, superior formulation expertise and that solve today's formulation challenges and make a dramatic impact on customer perception.



NATURAL BLUE

Sensient introduced a line of natural blue color solutions, providing the industry with a stable, naturally-sourced blue. This unique formulation significantly expands the color spectrum available to manufacturers of natural foods and beverages. Sensient's Natural Blue adds color to a range of products, including baked goods, confections and yogurt.

LOW-SALT SAVORY FLAVOR SYSTEMS



Sensient has developed two proprietary technology platforms: Sensasalt® flavor enhancer and Smoothenol® masking agent. These unique technologies can be combined to produce high-performance savory solutions that enable customers to reduce sodium levels while enhancing flavor quality and consistency.

NATURAL FORMULATIONS FOR DAIRY

The Company offers complete customized solutions for dairy products that combine state-of-the-art natural color and flavor systems. Sensient's formulations enable product consistency and stability, while meeting consumer demand for all-natural yogurt, cheese and ice cream.

INNOVATIVE SYSTEMS FOR GLOBAL PRODUCTS

Sensient develops, manufactures and markets high-performance and industrial products. All of Sensient's businesses are global in

PHARMACEUTICAL COLORS, COATINGS, FLAVORS AND MASKING AGENTS

Sensient provides industry-leading color, coating, flavor and ingredient systems for the pharmaceutical and nutraceutical industries. The Company's versatile and customizable pharmaceutical products include natural preservative-free coatings, customizable certified colorants, flavor-masking systems and functional excipients.

COSMETIC AND PERSONAL CARE INGREDIENTS

Sensient is a world-leading innovator in the development of colors and ingredient systems used in the manufacture of cosmetics and fragrances. The Company's products provide high-performance hues to color cosmetics. Sensient also offers the most efficient solubilizer of oils in formulations and the most efficient UV filters to protect against fading associated with UV exposure.

COLORS AND INKS FOR INDUSTRIAL APPLICATIONS

Sensient develops high-performance color and ink systems for a range of digital printing applications. The Company's Sensijet® Ultra dispersions enable high-quality printing on a range of substrates for diverse applications including furniture, flooring, skis, snowboards and sportswear.

color, fragrance and ingredient systems used in a range of consumer scope and offer opportunities for significant growth.

WATER-BASED INKJET INKS FOR TEXTILES

Sensient's breakthrough ElvaJet® Alpha technology platform enables direct printing onto virtually any polyester fabric or textile using innovative water-based inks. These environmentally friendly inks enable manufacturers to minimize energy and water usage and reduce CO_2 emissions by up to 90 percent.

BIO-INGREDIENT SYSTEMS FOR VACCINES

Sensient manufactures complex bio-ingredient systems that are essential for the high-yield production of certain vitamins and pharmaceuticals, including vaccines and antibiotics. The Company's bio-ingredient technology contributes to the manufacture of seasonal influenza vaccine and other bio-pharmaceutical applications.

FRAGRANCES FOR FABRIC CARE

Sensient provides specialty fragrance systems for household products such as laundry detergent and fabric softeners. The Company's micro-encapsulation technology releases complex fragrance compounds over time, enabling clothing and linens to remain fresh for days. Sensient also offers household product solutions that neutralize odors and provide disinfectant properties.

FINANCIAL REVIEW

TABLE OF CONTENTS

Management's Discussion & Analysis of Operations & Financial Condition

OVERVIEW

In 2013, Sensient Technologies Corporation (the "Company") reported revenue of approximately $1.5 billion, reaching a new high for the fourth consecutive year. The Company successfully completed restructuring activities during the year, which included relocating the Flavors & Fragrances Group headquarters to Chicago as well as consolidating facilities and positions throughout the Company. Before the impact of restructuring costs, 2013 earnings per share, operating income, and cash flows from operating activities were also all-time highs. The Company's increased gross profit margins and operating margins, before the impact of the restructuring costs, were driven by both the continued focus on higher margin business and cost reduction.

Diluted earnings per share were $2.27 in 2013 and $2.49 in 2012. The 2013 result includes 44 cents per share of restructuring costs. Earnings per share for 2013 before restructuring costs were $2.71, a 9% increase. Revenue was $1.47 billion in 2013 and $1.46 billion in 2012. Lower sales of non-strategic products, including OEM inkjet ink products, were replaced by higher margin products. Operating income was $172.4 million in 2013, and included $31.7 million of restructuring costs.

Operating income before restructuring costs was $204.1 million, an increase of 7% over 2012 operating income of $191.2 million. Operating margin in 2013 was 11.7%, which includes a 220 basis point impact from restructuring. Operating margin before restructuring costs in 2013 was 13.9%, an increase of 80 basis points from 13.1% in 2012.

Cash flows from operating activities were $153.6 million in 2013 and $139.4 million in 2012. Before the impact of restructuring costs, 2013 cash flows from operating activities were $166.4 million, an increase of 19.4% from 2012. The Company issued more than $125 million of long-term debt to refinance maturing notes and bank debt at the end of 2013. The new debt will reduce Sensient's borrowing costs, and reflects the confidence investors have in Sensient's strong balance sheet and future earnings. Sensient's total debt to capital ratio was 22.2% at December 31, 2013, compared to 23.5% at December 31, 2012. Debt to EBITDA was 1.58 at December 31, 2013. Before restructuring costs, debt to EBITDA at December 31, 2013, was 1.39, an improvement from 1.48 at December 31, 2012.

Additional information on the results is included below.

NON-GAAP FINANCIAL MEASURES

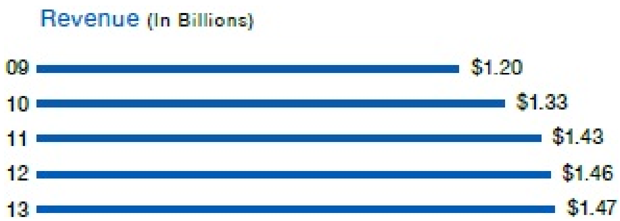
The table below reconciles the reported 2013 results to those results before the impact of restructuring costs, which are non-GAAP financial measures. The company has included non-GAAP financial measures to remove the costs related to the restructuring plan and provide investors with a view of operating performance excluding the restructuring costs.

($'s in thousands)	Reported 2013	Restructuring Impact	Adjusted 2013	Reported 2012
Revenue	$ 1,467,550	$ —	$ 1,467,550	$ 1,459,050
Cost of products sold	991,648	1,840	989,808	995,907
Selling and administrative expenses	303,540	29,895	273,645	271,935
Operating income	172,362	(31,735)	204,097	191,208
Interest expense	16,147		16,147	16,901
Earnings before income taxes	156,215	(31,735)	187,950	174,307
Income taxes	42,920	(9,776)	52,696	50,399
Net earnings	$ 113,295	$ (21,959)	$ 135,254	$ 123,908
Diluted earnings per share	$ 2.27	$ (0.44)	$ 2.71	$ 2.49
Gross margin	32.4%		32.6%	31.7%
Selling and administrative expenses	20.7%		18.6%	18.6%
Operating margin	11.7%		13.9%	13.1%

RESULTS OF OPERATIONS

2013 vs. 2012

Sensient's revenue was approximately $1.5 billion in both 2013 and 2012. Revenue in the Flavors & Fragrances Group was $881.3 million in 2013 and $875.3 million in 2012. Color Group revenue was $494.0 million in 2013 and $499.2 million in 2012. Corporate & Other revenue, which includes the Company's operations in the Asia Pacific region, China and certain flavor operations in Central and South America, was $150.4 million in 2013 and $145.6 million in 2012. Foreign currency translation increased consolidated revenue in 2013 by approximately 0.1%. Additional information on group results can be found in the Segment Information section.



The Company's gross margin was 32.4% in 2013, an increase of 70 basis points from 31.7% in 2012. The 2013 gross margin before the impact of restructuring costs was 32.6%. The impact of increased selling prices and favorable product mix more than offset higher manufacturing costs in 2013.

Selling and administrative expense as a percent of revenue was 20.7% in 2013 compared to 18.6% in 2012. The increase in selling and administrative expenses during 2013 was attributable to the Company's restructuring costs recorded in 2013. Selling and administrative expense as a percent of revenue before the impact of restructuring costs in 2013 was 18.6%.

Operating income was $172.4 million in 2013 compared to $191.2 million in 2012. Before the $31.7 million of total restructuring costs, operating income for 2013 was $204.1 million, an increase of 6.7% from the prior year. Additional information on group results can be found in the Segment Information section.

Interest expense decreased 4.5% to $16.1 million in 2013 from $16.9 million in 2012. The decrease was due to lower average interest rates partially offset by higher average outstanding debt balances.

The effective income tax rate was 27.5% in 2013 and 28.9% in 2012. The effective tax rates for both 2013 and 2012 were reduced by discrete items, including the favorable resolution of prior years' tax matters. In addition, the 2013 rate was impacted by restructuring costs. In total, these discrete items and the impact of restructuring costs reduced the effective tax rate for 2013 and 2012 by 2.0% and 2.2%, respectively.

	2013	2012
Rate before restructuring and discrete items	29.5%	31.1%
Restructuring impact	(0.3%)	—
Discrete items	(1.7%)	(2.2%)
Reported effective tax rate	27.5%	28.9%

The effective tax rate for 2014 is expected to be between 31.0% and 32.0% 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 three additional operating segments, the Asia Pacific Group, the China Group and Flavors Central & South America, are reported in the Corporate & Other segment. Beginning in 2013, the Company moved certain of its cosmetic and pharmaceutical operations in Asia Pacific and China into the Color Group to consolidate management of those operations. The prior year results have been restated as a result of this change.

Flavors & Fragrances Revenue for the Flavors & Fragrances Group was $881.3 million in 2013 and $875.3 million in 2012. The Group reported higher selling prices ($15.4 million) and the favorable impact of foreign currency translation ($4.2 million), partially reduced by lower volumes ($13.6 million). Higher selling prices were reported in both natural ingredients and traditional flavors. The lower volumes were driven by natural ingredients in North America partially offset by higher volumes in traditional flavors.

Gross margins were 25.6% of revenue in both 2013 and 2012. The impact of higher selling prices offset an increase in manufacturing costs.

The Flavors & Fragrances Group operating income was $122.4 million in 2013 and $123.0 million in 2012. The decrease in operating income was primarily related to operations in Europe ($4.8 million), partially offset by higher operating income in North America ($4.2 million). The lower profit in Europe was driven by higher employee costs related to selling and technical personnel and other costs, partially offset by the impact of higher volume. The higher profit in North America was primarily due to higher selling prices partially offset by the impact of lower volumes and higher raw material costs. Operating income as a percent of revenue was 13.9% in 2013 and 14.1% in 2012 primarily for the reasons discussed above.

Color The Color Group revenue was $494.0 million in 2013 and $499.2 million in 2012. The decrease in revenue was primarily driven by lower sales of non-food colors ($9.4 million), partially offset by higher sales of food and beverage colors ($3.7 million). The lower sales of non-food colors were driven by lower volumes of OEM inkjet products as a result of the termination of a supply agreement by a major customer in early 2013. The Group has been replacing non-strategic products such as these with higher margin, value-added products.

Gross margin for the Color Group increased 230 basis points to 40.4% in 2013 from 38.1% in 2012. Higher selling prices, favorable product mix and favorable raw material costs were the primary reasons for the improved margins. The 2013 results reflect the Group's strategy to focus on higher margin products and eliminate non-strategic business.

Color Group operating income in 2013 increased 7.5% to $103.6 million from $96.4 million in 2012. The increase in operating income was primarily attributable to food and beverage colors ($3.8 million) and non-food colors ($2.9 million). The higher operating income from food and beverage colors was primarily due to the impact of favorable volumes and raw material costs. The increase in operating income for non-food colors was primarily due to favorable product mix and raw material costs. Operating income as a percent of revenue increased 170 basis points to 21.0% in 2013 from 19.3% in 2012 primarily due to the reasons described above.

Corporate & Other The Corporate & Other segment includes the Asia Pacific region, China and certain of the Company's flavor businesses in Central and South America, combined with the corporate office expenses.

Revenue for the Corporate & Other segment was $150.4 million and $145.6 million in 2013 and 2012, respectively. The increase was primarily related to higher volumes in Asia Pacific.

The Corporate & Other segment reported operating losses of $53.6 million and $28.2 million in 2013 and 2012, respectively. Before the impact of restructuring costs, the Corporate & Other segment reported operating losses of $21.9 million in 2013. The improvement in results before the impact of restructuring costs was primarily due to profit on higher volumes and favorable product mix in Asia Pacific and China and lower corporate expenses. Group performance is evaluated on operating income of the respective business units before restructuring charges which are reported in the Corporate & Other segment.

2012 vs. 2011

Sensient's revenue was $1.46 billion in 2012 and $1.43 billion in 2011. Revenue in the Flavors & Fragrances Group was $875.3 million in 2012, an increase of 2.1% from $857.5 million in 2011. Color Group revenue was $499.2 million in 2012 and $496.8 million in 2011. Corporate & Other revenue, which includes the Company's operations in the Asia Pacific region, China and certain flavor operations in Central and South America, increased 8.9% in 2012. Foreign currency translation decreased consolidated revenue in 2012 by approximately 2.6%. Additional information on group results can be found in the Segment Information section.

The Company's gross margin was 31.7% in 2012, an increase of 30 basis points from 31.4% in 2011. The impact of increased selling prices and favorable product mix more than offset higher raw material costs in 2012.

Selling and administrative expense as a percent of revenue was 18.6% in 2012 compared to 18.1% in 2011. The increase in selling and administrative expenses during 2012 was primarily attributable to the Company's continued expansion of its sales force to penetrate new and existing markets.

Operating income was $191.2 million in 2012 compared to $190.8 million in 2011. 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 13.1% to $16.9 million in 2012 from $19.4 million in 2011. The decrease is due to lower average interest rates partially offset by higher average outstanding debt balances.

The income tax rate was 28.9% in 2012 and 29.7% in 2011. The effective tax rates for both 2012 and 2011 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 2012 and 2011 by 2.2% and 2.5%, respectively.

	2012	2011
Rate before discrete items	31.1%	32.2%
Discrete items	(2.2%)	(2.5%)
Reported effective tax rate	28.9%	29.7%

SEGMENT INFORMATION

Flavors & Fragrances Revenue for the Flavors & Fragrances Group was $875.3 million in 2012 and $857.5 million in 2011. The Group reported an increase in volumes ($27.2 million) and higher selling prices ($12.0 million), partially reduced by the unfavorable impact of foreign currency translation ($21.5 million). Higher selling prices were reported primarily in traditional flavors. The higher volumes were driven by both traditional flavors and natural ingredients in North America.

Gross margins were 25.6% of revenue in 2012 and 26.7% in 2011. The decrease was primarily due to higher raw material costs in natural ingredients.

The Flavors & Fragrances Group operating income was $123.0 million in 2012 and $129.4 million in 2011. The decrease in operating income was related to operations in North America ($4.8 million), Europe ($1.4 million) and the unfavorable impact of foreign currency translation ($1.7 million), partially offset by higher operating income in Mexico ($1.4 million). The lower profit in North America was driven by the higher raw material costs in natural ingredients. The lower profit in Europe was primarily due to higher costs. The higher profit in Mexico was due to favorable product mix combined with higher volumes and selling prices. Operating income as a percent of revenue was 14.1% in 2012 and 15.1% in 2011 primarily for the reasons discussed above.

Color The Color Group revenue was $499.2 million in 2012 and $496.8 million in 2011. The increase in revenue was driven by higher sales of non-food colors ($15.3 million) and higher sales of food and beverage colors ($4.9 million), partially offset by the unfavorable impact of foreign currency translation ($17.8 million). The higher sales of both food and beverage colors and non-food colors were driven by higher volumes and higher selling prices.

Gross margin for the Color Group increased 260 basis points to 38.1% in 2012 compared to 35.5% in 2011. Higher selling prices and favorable product mix more than offset increased raw material and manufacturing costs. The 2012 results reflect the Group's strategy to focus on higher margin products and eliminate lower margin business.

Color Group operating income increased 4.2% to $96.4 million from $92.5 million in 2011. The increase in operating income was primarily attributable to higher sales of food and beverage colors ($6.7 million) and non-food colors ($0.6 million), partially reduced by the unfavorable impact of foreign exchange rates ($3.4 million). The higher operating income from food and beverage colors was primarily due to the impact of higher selling prices and favorable product mix. The increase in operating income for non-food colors was primarily due to the higher volumes, higher selling prices and favorable product mix, partially reduced by unfavorable raw material and manufacturing costs. Operating income as a percent of revenue increased 70 basis points to 19.3% from 18.6% in 2011 primarily due to the reasons described above.

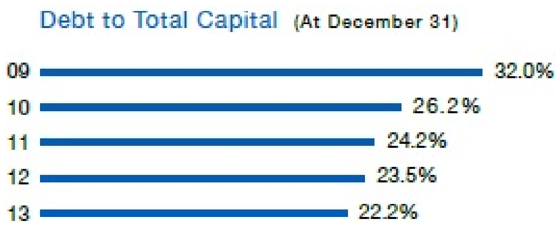
Corporate & Other Revenue for the Corporate & Other segment was $145.6 million and $133.6 million in 2012 and 2011, respectively. The increase was primarily related to higher volumes in Asia Pacific.

The Corporate & Other segment reported operating losses of $28.2 million and $31.1 million in 2012 and 2011, respectively. The improvement in results was primarily due to the profit on higher volumes in Asia Pacific and lower expenses.

LIQUIDITY AND FINANCIAL POSITION

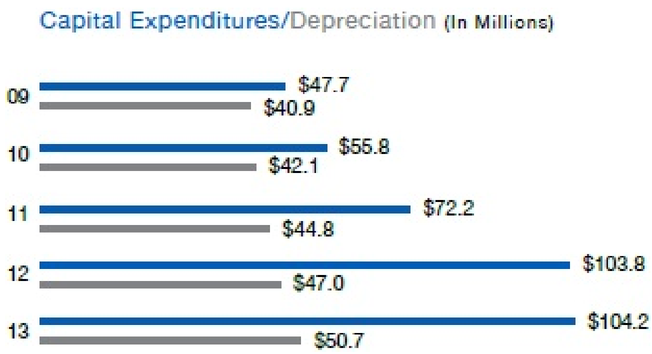
The Company's financial position remains strong, enabling it to meet cash requirements for operations, acquisitions, capital expansion programs, share repurchases and dividend payments to shareholders. The Company intends to fund working capital requirements, principal and interest payments, acquisitions 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 22.2% at December 31, 2013, compared to 23.5% and 24.2% at December 31, 2012 and 2011, respectively. The improvement in 2013 resulted primarily from an increase in equity driven by 2013 net income.



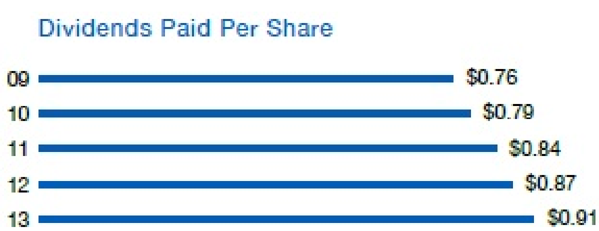
Net cash provided by operating activities was $153.6 million in 2013, $139.4 million in 2012 and $142.9 million in 2011. Operating cash flow provided the primary source of funds for operating needs, acquisitions, capital expenditures, shareholder dividends, share repurchases and net debt repayments. The increase in net cash provided by operating activities in 2013 was primarily due to a lower use of working capital partially offset by lower earnings due to the restructuring program. The decrease in cash from operating activities in 2012 was primarily due to a higher use of working capital partially offset by the impact of higher earnings.

Net cash used in investing activities was $98.2 million in 2013, $102.7 million in 2012 and $74.0 million in 2011. Capital expenditures were $104.2 million in 2013, $103.8 million in 2012 and $72.2 million in 2011.



Net cash used in financing activities was $48.2 million in 2013, $48.8 million in 2012 and $52.9 million in 2011. The Company had a net reduction in debt of $3.7 million in 2013, a net increase in debt of $15.9 million in 2012 and a net reduction in debt of $14.2 million in 2011. In 2012, Sensient purchased $23.2 million of Company stock.

The Company has paid uninterrupted quarterly cash dividends since commencing public trading in its stock in 1962. The Company's quarterly dividend was 23 cents per share beginning in the second quarter of 2013 when it was increased from 22 cents per share. Dividends paid per share were 91 cents in 2013, 87 cents in 2012 and 84 cents in 2011. Total dividends paid were $45.5 million, $43.4 million and $42.0 million in 2013, 2012 and 2011, respectively.



In 2013 and 2011, the Company was able to finance capital expenditures and dividend payments and still reduce debt levels. In 2012, the Company used cash provided by operating activities to fund most of its capital expenditures, dividend payments and purchases of Company stock. The Company maintains debt levels it considers prudent based on its cash flows, interest coverage and percentage of total debt to total capital.

The impact of inflation on both the Company's financial position and its results of operations has been minimal and is not expected to significantly affect 2014 results.

ISSUER PURCHASES OF EQUITY SECURITIES

There were no purchases of Company stock in 2013 or 2011. Sensient purchased 0.6 million shares of Company stock in 2012 for a total cost of $23.2 million. 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, 2013, 2.4 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 2013. In conducting its annual test for impairment, the Company estimates the fair value for each of its reporting units and compares each of these values to the net book value of each reporting unit. Fair value is estimated using both a discounted cash flow analysis and an analysis of comparable company market values. If the fair value of a reporting unit exceeds its net book value, no impairment exists. The Company has three reporting units that had goodwill recorded and were tested for impairment. The Flavors & 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 80% 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 the Company's 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*. The net fair value of these instruments, based on dealer quotes, was an asset of $0.2 million at December 31, 2013, and was negligible at December 31, 2012. At December 31, 2013, 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 $3.0 million. 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 $0.2 million at December 31, 2013. 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, 2013, the potential increase or decrease in annual interest expense, assuming a hypothetical 10% fluctuation in interest rates of floating rate debt, would be approximately $0.1 million.

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 $5.3 million as of December 31, 2013. 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, 2013.

PAYMENTS DUE BY PERIOD

(in thousands)	Total	1 year	2-3 years	4-5 years	> 5 years
Long-term debt	$ 348,124	$ 12,408	$ 92,151	$ 116,000	$ 127,565
Interest payments on long-term debt	53,436	12,762	23,446	12,874	4,354
Operating lease obligations	17,624	7,473	8,196	1,758	197
Manufacturing purchase commitments	128,724	98,580	28,933	1,211	—
Pension funding obligations	61,631	22,906	15,885	4,555	18,285
Total contractual obligations	$ 609,539	$ 154,129	$ 168,611	$ 136,398	$ 150,401

NEW PRONOUNCEMENTS

On January 1, 2013, the Company adopted ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income,* which requires companies to report the effect on the line items for significant items reclassified out of other comprehensive income to net income, prospectively. The Company has included this disclosure in Note 8 of these Consolidated Financial Statements. The adoption of this ASU had no impact on the Company's financial condition or results of operations.

On January 1, 2013, the Company adopted ASU No. 2012-02, *Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment.* This ASU gives companies the option to perform a qualitative assessment to determine whether further indefinite-lived intangible asset impairment testing is necessary. If, as result of the qualitative assessment, it is determined that it is more likely than not that an indefinite-lived intangible asset is impaired, the quantitative impairment test is required. Otherwise no further testing is required. The adoption of this ASU had no impact on the Company's financial condition or results of operations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as of December 31, 2013.

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, 2013, 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 or other restructuring or relocation activities; 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,	2013	2012	2011
Revenue	$ 1,467,550	$ 1,459,050	$ 1,430,789
Cost of products sold	991,648	995,907	981,137
Selling and administrative expenses	303,540	271,935	258,829
Operating Income	172,362	191,208	190,823
Interest expense	16,147	16,901	19,439
Earnings Before Income Taxes	156,215	174,307	171,384
Income taxes	42,920	50,399	50,900
Net Earnings	$ 113,295	$ 123,908	$ 120,484
Earnings per share:			
Basic	$ 2.28	$ 2.50	$ 2.42
Diluted	$ 2.27	$ 2.49	$ 2.41
Average common shares outstanding:			
Basic	49,755	49,596	49,746
Diluted	49,934	49,822	49,937

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

(in thousands) Years ended December 31,	2013	2012	2011
Net earnings	$ 113,295	$ 123,908	$ 120,484
Unrealized (loss) gain on cash flow hedges, arising during the period net of tax of $71, $471 and $356, respectively	(212)	(1,212)	914
Reclassification adjustment for cash flow hedges included in net income, net of tax of $21, $335 and $272, respectively	78	862	(699)
Pension adjustment, net of tax of $3,675, $1,040 and $2,536, respectively	5,294	(2,216)	3,652
Tax effect on losses previously recorded in other comprehensive income	—	16,836	—
Foreign currency translation on net investment hedges	(4,020)	(1,251)	2,532
Tax effect of current year activity on net investment hedges	1,810	—	—
Foreign currency translation on long term intercompany loans	5,781	(1,540)	752
Other foreign currency translation	1,856	22,984	(31,569)
Total Comprehensive Income	$ 123,882	$ 158,371	$ 96,066

See notes to consolidated financial statements.

Consolidated Balance Sheets

(in thousands except share and per share amounts) December 31,		2013		2012
Assets				
Current Assets:				
Cash and cash equivalents	$	19,836	$	15,062
Trade accounts receivable, less allowance for losses of $4,327 and $3,045, respectively		233,751		237,626
Inventories		474,452		442,714
Prepaid expenses and other current assets		38,079		41,799
Deferred income taxes		23,707		14,153
Total current assets		789,825		751,354
Other assets		47,786		47,685
Intangible assets – at cost, less accumulated amortization of $15,634 and $14,353, respectively		10,546		11,578
Goodwill		457,269		451,318
Property, Plant and Equipment:				
Land		56,343		53,387
Buildings		374,388		339,732
Machinery and equipment		751,267		735,237
Construction in progress		55,236		41,999
		1,237,234		1,170,355
Less accumulated depreciation		(671,926)		(655,647)
		565,308		514,708
Total assets	$	1,870,734	$	1,776,643
Liabilities and Shareholders’ Equity				
Current Liabilities:				
Trade accounts payable	$	99,117	$	96,283
Accrued salaries, wages and withholdings from employees		32,669		27,162
Other accrued expenses		78,579		56,946
Income taxes		5,478		3,797
Short-term borrowings		7,050		20,048
Total current liabilities		222,893		204,236
Deferred income taxes		19,956		13,032
Other liabilities		8,539		10,971
Accrued employee and retiree benefits		28,538		60,527
Long-term debt		348,124		333,979
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		105,119		98,253
Earnings reinvested in the business		1,217,874		1,150,092
Treasury stock, 4,105,827 and 4,264,821 shares, respectively, at cost		(91,707)		(95,258)
Accumulated other comprehensive income (loss)		6,002		(4,585)
		1,242,684		1,153,898
Total liabilities and shareholders’ equity	$	1,870,734	$	1,776,643

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands) Years ended December 31,	2013	2012	2011
Cash Flows from Operating Activities			
Net earnings	$ 113,295	$ 123,908	$ 120,484
Adjustments to arrive at net cash provided by operating activities:			
Depreciation and amortization	52,016	48,352	46,099
Share-based compensation	8,430	10,086	7,819
Loss (gain) on assets	695	(869)	(4,323)
Deferred income taxes	(6,178)	2,916	(3,138)
Changes in operating assets and liabilities:			
Trade accounts receivable	3,466	(15,158)	(5,095)
Inventories	(30,217)	(23,125)	(28,391)
Prepaid expenses and other assets	616	(9,405)	(1,825)
Accounts payable and other accrued expenses	3,606	225	6,299
Accrued salaries, wages and withholdings from employees	5,384	(1,209)	3,075
Income taxes	(100)	(1,689)	(3,148)
Other liabilities	2,540	5,334	5,021
Net cash provided by operating activities	153,553	139,366	142,877
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	(104,246)	(103,806)	(72,200)
Proceeds from sale of assets	6,225	1,364	2,076
Acquisition of new businesses, net of cash acquired	—	—	(3,706)
Other investing activities	(208)	(242)	(207)
Net cash used in investing activities	(98,229)	(102,684)	(74,037)
Cash Flows from Financing Activities			
Proceeds from additional borrowings	194,973	73,903	184,074
Debt payments	(198,686)	(58,052)	(198,259)
Purchase of treasury stock	—	(23,154)	—
Dividends paid	(45,513)	(43,426)	(41,968)
Proceeds from options exercised and other equity transactions	1,007	1,957	3,205
Net cash used in financing activities	(48,219)	(48,772)	(52,948)
Effect of exchange rate changes on cash and cash equivalents	(2,331)	4,297	(7,292)
Net increase (decrease) in cash and cash equivalents	4,774	(7,793)	8,600
Cash and cash equivalents at beginning of year	15,062	22,855	14,255
Cash and cash equivalents at end of year	$ 19,836	$ 15,062	$ 22,855
Cash paid during the year for:			
Interest	$ 16,168	$ 16,897	$ 19,642
Income taxes	47,436	53,492	55,570
Capitalized interest	1,875	1,601	1,240

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)
Balances at December 31, 2010	$ 5,396	$ 89,027	$ 991,094	4,345,712	$ (87,102)	$ (14,630)
Net earnings			120,484			
Other comprehensive income						(24,418)
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)
Net earnings			123,908			
Other comprehensive income						34,463
Cash dividends paid – $0.87 per share			(43,426)			
Share-based compensation		10,086				
Stock options exercised		52		(66,579)	1,438	
Nonvested stock issued upon vesting		(6,999)		(313,812)	6,999	
Benefit plans		388		(22,925)	480	
Purchase of treasury stock				626,251	(23,154)	
Other		539		3,875	(86)	
Balances at December 31, 2012	5,396	98,253	1,150, 092	4,264,821	(95,258)	(4,585)
Net earnings			113,295			
Other comprehensive income						10,587
Cash dividends paid – $0.91 per share			(45,513)			
Share-based compensation		8,430				
Stock options exercised		(63)		(47,584)	1,063	
Nonvested stock issued upon vesting		(2,113)		(94,600)	2,113	
Benefit plans		385		(26,635)	595	
Other		227		9,825	(220)	
Balances at December 31, 2013	$ 5,396	$ 105,119	$ 1,217,874	4,105,827	$ (91,707)	$ 6,002

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended December 31, 2013, 2012 and 2011

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.

The Company 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 and fine 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 Group, China Group and certain of the Company’s flavor businesses in Central and South America (Flavors Central & South America), which are managed on a geographic basis, are included in Corporate & Other.

Use of Estimates The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 $317.1 million and $301.6 million at December 31, 2013 and 2012, respectively, and raw materials and supplies of $157.4 million and $141.1 million at December 31, 2013 and 2012, 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 estimated 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. Such determination of fair value yielded no impairment in 2013, 2012 or 2011.

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. Impairment losses were recorded as a result of the Company's 2013 restructuring program. See Note 12, *Restructuring Charges,* for additional information.

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 income (loss) ("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, 2013.

Share-Based Compensation Share-based compensation expense is recognized during the vesting period of each award as summarized in Note 6, *Share-Based Compensation.*

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)	2013	2012	2011
Basic weighted-average shares outstanding	49,755	49,596	49,746
Diluted weighted-average shares outstanding	49,934	49,822	49,937

In 2013, 2012 and 2011 there were no anti-dilutive stock options. All earnings per share amounts are presented on a diluted basis unless otherwise noted.

Accumulated Other Comprehensive Income (Loss) Accumulated OCI is composed primarily of foreign currency translation, pension liability and unrealized gains or losses on cash flow hedges. See Note 8, *Accumulated Other Comprehensive Income,* for additional information.

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 $34.5 million, $34.7 million and $33.2 million during the years ended December 31, 2013, 2012 and 2011, respectively.

Advertising Advertising costs are recorded in selling and administrative expenses as they are incurred. Advertising costs were $1.6 million, $2.2 million and $2.4 million during the years ended December 31, 2013, 2012 and 2011, 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 and no such events were identified.

New Pronouncements On January 1, 2013, the Company adopted ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income,* which requires companies to report the effect on the line items for significant items reclassified out of other comprehensive income to net income, prospectively. The Company has included this disclosure in Note 8 of these Consolidated Financial Statements. The adoption of this ASU had no impact on the Company's financial condition or results of operations.

On January 1, 2013, the Company adopted ASU No. 2012-02, *Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment.* This ASU gives companies the option to perform a qualitative assessment to determine whether further indefinite-lived intangible asset impairment testing is necessary. If, as a result of the qualitative assessment, it is determined that it is more likely than not that an indefinite-lived intangible asset is impaired, the quantitative impairment test is required. Otherwise no further testing is required. The adoption of this ASU had no impact on the Company's financial condition or results of operations.

2. ACQUISITIONS

There were no acquisitions during 2013 and 2012.

In 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 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, 2013 and 2012, 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, 2013 and 2012:

(in thousands except weighted average amortization years)	Weighted Average Amortization Years	2013 Cost	2013 Accumulated Amortization	2012 Cost	2012 Accumulated Amortization
Technological know-how	20	$ 8,606	$ (5,328)	$ 8,443	$ (4,842)
Customer relationships	20	7,944	(4,359)	7,871	(3,866)
Patents, trademarks, non-compete agreements and other	18.8	9,630	(5,947)	9,617	(5,645)
Total finite-lived intangibles	19.6	$ 26,180	$ (15,634)	$ 25,931	$ (14,353)

Amortization of intangible assets was $1.3 million in 2013, $1.4 million in 2012 and $1.3 million in 2011. Estimated amortization expense each year for the five years subsequent to December 31, 2013, is $1.3 million in 2014 and $1.2 million in each year from 2015 through 2018.

The changes in goodwill for the years ended December 31, 2013 and 2012, by reportable business segment, were as follows:

(in thousands)	Flavors & Fragrances	Color	Corporate & Other	Consolidated
Balance as of December 31, 2011	$ 132,692	$ 307,379	$ 4,294	$ 444,365
Currency translation impact	3,092	4,271	(410)	6,953
Balance as of December 31, 2012	135,784	311,650	3,884	451,318
Currency translation impact	853	5,673	(575)	5,951
Balance as of December 31, 2013	$ 136,637	$ 317,323	$ 3,309	$ 457,269

4. DEBT

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

(in thousands)	2013	2012
3.66% senior notes due November 2023	$ 75,000	$ —
3.06% Euro-denominated senior notes due November 2023	52,566	—
4.47% senior notes due November 2018	25,000	25,000
4.14% senior notes due November 2017	25,000	25,000
4.91% senior notes due through May 2017	99,000	110,000
3.77% senior notes due November 2016	25,000	25,000
7.31% senior notes due November 2013	—	25,000
5.85% Euro-denominated senior notes due November 2013	—	25,508
Long-term revolving loan agreement	43,982	95,419
Various other notes	2,576	3,052
	348,124	333,979
Less current maturities	—	—
Total long-term debt	$ 348,124	$ 333,979

In April 2013, the Company entered into an agreement to issue $75 million and €38 million in ten-year, fixed-rate, senior notes at fixed coupon rates of 3.66% and 3.06%, respectively. These notes were issued in November 2013 and proceeds have been used to repay maturing notes and bank debt.

The Company has a $350 million revolving loan facility that 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 is used for liquidity needs.

The borrowings under the long-term revolving loan agreement had an average interest rate of 1.54% and 1.67% for the years ended December 31, 2013 and 2012, respectively.

The aggregate amounts of contractual maturities on long-term debt each year for the five years subsequent to December 31, 2013, are as follows: 2014, $12.4 million; 2015, $11.9 million; 2016, $80.3 million; 2017, $91.0 million; and 2018, $25.0 million.

The Company has approximately $12.4 million of long-term debt that matures in 2014. 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 $299.7 million available under the revolving loan agreement and $41.4 million available under other lines of credit from several banks at December 31, 2013.

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, 2013. The following table summarizes the Company's most restrictive loan covenants calculated in accordance with the applicable agreements as of December 31, 2013:

(dollars in thousands)	Actual	Required
Debt to EBITDA (Maximum)	1.40	3.50
Net Worth (Minimum)	$ 1,242,684	$ 625,000
Interest Coverage (Minimum)	8.01	2.00

The Company has stand-by and trade letters of credit outstanding of $6.3 million and $7.5 million as of December 31, 2013 and 2012, respectively.

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

(in thousands)	2013	2012
Uncommitted loans	$ 4,600	$ 16,950
Loans of foreign subsidiaries	2,450	3,098
Total	$ 7,050	$ 20,048

The weighted-average interest rates on short-term borrowings were 2.16% and 1.98% at December 31, 2013 and 2012, 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 to reduce the effect of fluctuating foreign currencies on short-term foreign currency denominated intercompany transactions, nonfunctional 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 also uses certain debt denominated in foreign currencies to manage the Company's net asset positions of its foreign subsidiaries. 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 $29.6 million and $18.9 million of forward exchange contracts, designated as hedges, outstanding as of December 31, 2013 and 2012, 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, 2013 and 2012, the total value of the Company's Euro and Swiss Franc debt designated as net investment hedges was $96.5 million and $55.0 million, respectively. For the years ended December 31, 2013 and 2012, the impact of foreign exchange rates on these debt instruments has increased debt by $4.0 million and $1.3 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 nonperformance, 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 which vests over a time period, except as noted below to those employees who have reached age 65 and vest immediately. The 2007 Stock Plan also allows for the granting of 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 2013, 2012 or 2011. As of December 31, 2013, there were 1.2 million shares available to be granted as nonvested stock under existing stock plans.

Stock options became exercisable over a three-year vesting period, or earlier upon retirement, and expire 10 years from the date of grant. Expense for stock options was 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 was retirement-eligible, whichever was 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, 2010	328	$	22.06	3.9	$	4,807
Exercised	(121)		21.55			
Outstanding at December 31, 2011	207		22.36	3.1		3,222
Exercised	(66)		22.38			
Outstanding at December 31, 2012	141		22.35	2.7		1,859
Exercised	(48)		21.00			
Outstanding at December 31, 2013	93	$	23.04	2.2	$	2,374
Exercisable at December 31, 2013	93	$	23.04	2.2	$	2,374

The aggregate intrinsic values of stock options exercised during 2013, 2012 and 2011, were $1.1 million, $0.9 million and $1.7 million, respectively.

As of December 31, 2013, all stock options outstanding were vested.

The following table summarizes information concerning outstanding and exercisable stock options at December 31, 2013:

	Range of Exercise Price					
(in thousands except life and exercise price)	$	18.57-22.99	$	23.00-26.11	$	26.12-30.07
Options outstanding		36		37		20
Weighted-average remaining contractual life, in years		1.6		1.7		3.8
Weighted-average exercise price	$	19.62	$	23.50	$	28.16
Options exercisable		36		37		20
Weighted-average exercise price	$	19.62	$	23.50	$	28.16

The Company's stock plans also provide for the awarding of nonvested stock. Expense for shares of nonvested stock is recognized over the vesting period or during the period from the date of grant until the participant attains age 65, whichever is less. The vesting period is five years for awards granted prior to December 2013 and three years beginning with awards in December 2013. 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

Starting with the December 2013 grant, 50% of the grant consisted of performance stock unit awards. The number of shares issued under these awards will be based on certain performance metrics measured over a two-year period. During the vesting period, the holder of the performance stock units will not be entitled to vote or receive dividends and other distributions paid with respect to the stock, until the units have vested and the shares of stock are issued.

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 and performance stock units activity:

(in thousands except fair value)	Shares		Grant Date Weighted-Average Fair Value		Aggregate Intrinsic Value
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
Granted	293		36.09		
Vested	(314)		33.59		
Cancelled	(40)		33.41		
Outstanding at December 31, 2012	339		33.22		12,046
Granted	262		46.14		
Vested	(94)		40.57		
Cancelled	(10)		42.22		
Outstanding at December 31, 2013	497	$	38.46	$	24,095

The total intrinsic values of shares vested during 2013, 2012 and 2011, was $4.4 million, $11.2 million and $6.2 million, respectively.

As of December 31, 2013, total remaining unearned compensation, net of expected forfeitures, related to nonvested stock and performance stock units was $11.6 million, which will be amortized over the weighted-average remaining service period of 2.4 years.

Total pre-tax share-based compensation recognized in the Consolidated Statements of Earnings was $8.4 million, $10.1 million and $7.8 million in 2013, 2012 and 2011, respectively. Tax related benefits of $2.6 million, $2.4 million and $1.2 million were also recognized in 2013, 2012 and 2011, respectively. Cash received from the exercise of stock options was $1.0 million, $1.5 million and $2.6 million for 2013, 2012 and 2011, 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 $4.7 million in 2013 and 2012 and $4.3 million in 2011.

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)		2013		2012
Benefit obligation at beginning of year	$	76,957	$	67,211
Service cost		3,260		2,583
Interest cost		2,557		2,659
Foreign currency exchange rate changes		(703)		799
Benefits paid		(5,194)		(3,045)
Actuarial (gain) loss		(4,295)		6,750
Benefit obligation at end of year		72,582		76,957
Plan assets at beginning of year		35,141		30,969
Company contributions		5,701		4,075
Foreign currency exchange rate changes		(539)		973
Benefits paid		(5,258)		(3,045)
Actual gain on plan assets		2,077		2,169
Plan assets at end of year		37,122		35,141
Funded status	$	(35,460)	$	(41,816)
Accumulated benefit obligation	$	68,391	$	70,230

Amounts recognized in the Consolidated Balance Sheets at December 31:

(in thousands)		2013		2012
Accrued employee and retiree benefits	$	(40,350)	$	(52,825)
Prepaid expenses and other current assets		4,890		11,009
Net liability	$	(35,460)	$	(41,816)

Components of annual benefit cost:

(in thousands)		2013		2012		2011
Service cost	$	3,260	$	2,583	$	2,419
Interest cost		2,557		2,659		2,778
Expected return on plan assets		(1,689)		(1,428)		(1,520)
Amortization of prior service cost		172		1,971		3,112
Recognized actuarial loss		3,203		799		1,388
Settlement expense		1,177		–		–
Defined benefit expense	$	8,680	$	6,584	$	8,177

Weighted-average liability assumptions as of December 31:

	2013	2012
Discount rate	3.91%	3.27%
Expected return on plan assets	5.12%	4.76%
Rate of compensation increase	4.59%	4.01%

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

	2013	2012
Discount rate	3.27%	4.27%
Expected return on plan assets	4.76%	5.00%
Rate of compensation increase	4.01%	4.11%

The aggregate amounts of benefits expected to be paid from defined benefit plans in each of the next five years subsequent to December 31, 2013, which include employees' expected future service, are as follows: 2014, $21.7 million; 2015, $13.0 million; 2016, $2.9 million; 2017, $2.4 million; 2018, $2.2 million; and $18.3 million in total for the years 2019 through 2023.

The Company expects to contribute $22.9 million to defined benefit plans in 2014.

Amounts at December 31 in accumulated other comprehensive income were as follows:

(in thousands)		2013		2012
Prior service cost	$	1,182	$	1,362
Unrecognized net actuarial loss		7,944		17,031

The pension adjustments, net of tax, recognized in OCI, were as follows:

(in thousands)		2013		2012		2011
Net actuarial gain (loss) arising during the period	$	3,180	$	(3,947)	$	885
Amortization of actuarial loss, included in defined benefit expense		2,006		526		866
Amortization of prior service cost, included in defined benefit expense		108		1,205		1,901
Pension adjustment, net of tax	$	5,294	$	(2,216)	$	3,652

The estimated prior service cost and actuarial gain for the defined benefit plans that will be amortized from accumulated other comprehensive loss into periodic benefit cost during 2014 are $0.2 million and $0.6 million, respectively.

The investment objectives and target allocations for the Company’s pension plans related to the assets of the plans are reviewed on a regular basis. The investment objectives for the pension assets are to maximize the return on assets while maintaining an overall level of risk appropriate for a retirement fund and ensuring the availability of funds for the payment of retirement benefits. The levels of risk assumed by the pension plans are determined by market conditions, the rate of return expectations and the liquidity requirements of each pension plan. The actual asset allocations of each pension plan are reviewed on a regular basis to ensure that they are in line with the target allocations.

The Company is required to categorize pension plan assets based on the following fair value hierarchy:

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data.

Level 3: Unobservable inputs that reflect the reporting entity’s own assumptions.

The following table presents the Company's pension plan assets by asset category as of December 31, 2013 and 2012:

(in thousands)	Fair Value as of December 31, 2013	Fair Value Measurements at December 31, 2013 Using Fair Value Hierarchy Level 1	Level 2	Level 3	Fair Value as of December 31, 2012	Fair Value Measurements at December 31, 2012 Using Fair Value Hierarchy Level 1	Level 2	Level 3
Equity Funds								
Domestic	$ 6,143	$ 6,143	$ —	$ —	$ 5,253	$ 5,253	$ —	$ —
International	7,294	—	7,294	—	5,412	—	5,412	—
International Fixed Income Funds	23,162	1,186	21,976	—	24,369	1,364	23,005	—
Other investments	523	40	483	—	107	34	73	—
Total assets at fair value	$ 37,122	$ 7,369	$ 29,753	$ —	$ 35,141	$ 6,651	$ 28,490	$ —

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following tables summarize the changes in Accumulated Other Comprehensive Income (Loss) ("OCI") for 2013:

(in thousands)	Cash Flow[(a)] Hedges	Pension[(a)] Items	Foreign Currency Items	Total
Balance as of December 31, 2012	$ 35	$ (12,062)	$ 7,442	$ (4,585)
Other comprehensive income before reclassifications	(212)	3,180	5,427	8,395
Amounts reclassified from OCI	78	2,114	—	2,192
Balance as of December 31, 2013	$ (99)	$ (6,768)	$ 12,869	$ 6,002

(a) Cash Flow Hedges and Pension Items are net of tax.

See Note 7, *Retirement Plans,* for more information on the pension items reclassified out of OCI and into Selling and Administrative expenses in the Statement of Earnings during 2013. See Note 5, *Derivative Instruments and Hedging Activity,* for additional information on the Company's cash flow hedges.

9. INCOME TAXES

The provision for income taxes was as follows:

(in thousands)	2013	2012	2011
Currently payable:			
Federal	$ 21,252	$ 22,394	$ 28,480
State	3,065	3,024	2,845
Foreign	24,781	22,065	22,713
	49,098	47,483	54,038
Deferred (benefit) expense:			
Federal	(5,125)	170	(5,669)
State	502	603	(274)
Foreign	(1,555)	2,143	2,805
	(6,178)	2,916	(3,138)
Income taxes	$ 42,920	$ 50,399	$ 50,900

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

(in thousands)	2013	2012
Deferred tax assets:		
Benefit plans	$ 21,148	$ 17,375
Liabilities and reserves	11,499	9,140
Operating loss and credit carryovers	51,292	48,441
Other	17,151	16,096
Gross deferred tax assets	101,090	91,052
Valuation allowance	(43,048)	(41,049)
Deferred tax assets	58,042	50,003
Deferred tax liabilities:		

Property, plant and equipment		(21,139)		(19,430)
Other assets		(1,411)		(2,784)
Other		(31,741)		(26,668)
Deferred tax liabilities		(54,291)		(48,882)
Net deferred tax assets	$	3,751	$	1,121

In 2012, the Company recorded a correction of a prior period item related to the tax effect on certain foreign denominated loan losses that were previously recorded in OCI. As a result, net deferred tax assets increased by $10.8 million, other current assets by $6.0 million and OCI by $16.8 million. The tax effect was recognized in OCI in 2012 and was not material to any previously reported year.

At December 31, 2013, foreign operating loss carryovers were $128.9 million. Included in the foreign operating loss carryovers are losses of $9.9 million that expire through 2028 and $119.0 million that do not have an expiration date. At December 31, 2013, state operating loss carryovers were $103.1 million, all of which expire through 2028.

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

	2013	2012	2011
Taxes at statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	1.1	1.5	1.0
Tax credits	(0.3)	—	(0.2)
Taxes on foreign earnings	(5.3)	(4.1)	(2.5)
Resolution of prior years' tax matters	(0.7)	(1.4)	(0.6)
Valuation allowance adjustments	(0.8)	(0.5)	(0.6)
Revaluation of previously held interest	—	—	(0.7)
Other, net	(1.5)	(1.6)	(1.7)
Effective tax rate	27.5%	28.9%	29.7%

Earnings before income taxes were as follows:

(in thousands)	2013	2012	2011
United States	$ 55,461	$ 79,118	$ 70,023
Foreign	100,754	95,189	101,361
Total	$ 156,215	$ 174,307	$ 171,384

Federal and state income taxes are provided on international subsidiary income distributed to or taxable in the United States during the year. At December 31, 2013, federal and state taxes have not been provided for approximately $427.9 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 2013 and 2012 is as follows:

(in thousands)	2013	2012
Balance at beginning of year	$ 7,091	$ 8,787
Increases for tax positions taken in the current year	818	599
Increases for tax positions taken in prior years	875	553
Decreases related to settlements with tax authorities	(3,113)	(1,678)
Decreases as a result of lapse of the applicable statutes of limitations	(374)	(1,362)
Foreign currency exchange rate changes	(2)	192
Balance at the end of year	$ 5,295	$ 7,091

The amount of the unrecognized tax benefits that would affect the effective tax rate, if recognized, was approximately $5.1 million. The Company recognizes interest and penalties related to the unrecognized tax benefits in income tax expense. As of December 31, 2013 and 2012, $0.7 million and $1.0 million, respectively, of accrued interest and penalties was reported as an income tax liability. The liability for unrecognized tax benefits relates to multiple jurisdictions and is reported in Other liabilities on the Consolidated Balance Sheet at December 31, 2013.

The Company believes that it is reasonably possible that the total amount of liability for unrecognized tax benefits as of December 31, 2013, will decrease by approximately $1.7 million during 2014. The potential decrease relates to various tax matters for which the statute of limitations may expire or will be otherwise settled in 2014. 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.

10. 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 & Other revenue consists primarily of flavor, fragrances and color products sold by the Asia Pacific Group, China Group and Flavors Central & South America Group.

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 & Other assets consist primarily of property and investments.

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 Flavors & Fragrances and Color and are both managed on a products and services basis. 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. Three additional segments, Asia Pacific, China and Flavors Central & South America are managed on a geographic basis and included in Corporate & Other.

Beginning in the first quarter of 2013, the results of operations for the Company's cosmetic and pharmaceutical businesses in Asia Pacific and China, previously reported in the Corporate & Other segment, are reported in the Color segment. Results for 2012 and 2011 have been restated to reflect this change.

(in thousands)	Flavors & Fragrances	Color	Corporate & Other	Consolidated
2013				
Revenue from external customers	$ 845,672	$ 473,281	$ 148,597	$ 1,467,550
Intersegment revenue	35,626	20,691	1,847	58,164
Total revenue	881,298	493,972	150,444	1,525,714
Operating income (loss)	122,410	103,601	(53,649)	172,362
Interest expense	—	—	16,147	16,147
Earnings (loss) before income taxes	122,410	103,601	(69,796)	156,215
Assets	897,216	790,531	182,987	1,870,734
Capital expenditures	59,040	39,273	5,933	104,246
Depreciation and amortization	27,458	18,664	5,894	52,016
2012				
Revenue from external customers	$ 837,549	$ 477,385	$ 144,116	$ 1,459,050
Intersegment revenue	37,732	21,825	1,464	61,021
Total revenue	875,281	499,210	145,580	1,520,071
Operating income (loss)	122,997	96,406	(28,195)	191,208
Interest expense	—	—	16,901	16,901
Earnings (loss) before income taxes	122,997	96,406	(45,096)	174,307
Assets	860,395	744,200	172,048	1,776,643
Capital expenditures	49,781	46,003	8,022	103,806
Depreciation and amortization	27,021	15,499	5,832	48,352
2011				
Revenue from external customers	$ 821,933	$ 476,958	$ 131,898	$ 1,430,789
Intersegment revenue	35,527	19,833	1,728	57,088
Total revenue	857,460	496,791	133,626	1,487,877
Operating income (loss)	129,436	92,518	(31,131)	190,823
Interest expense	—	—	19,439	19,439
Earnings (loss) before income taxes	129,436	92,518	(50,570)	171,384
Assets	803,844	699,017	151,303	1,654,164
Capital expenditures	34,999	30,121	7,080	72,200
Depreciation and amortization	26,743	14,125	5,231	46,099

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

(in thousands)		2013		2012		2011
Revenue from external customers:						
North America	$	784,658	$	785,919	$	737,154
Europe		382,464		371,658		405,312
Asia Pacific		191,343		199,849		190,404
Other		109,085		101,624		97,919
Consolidated	$	1,467,550	$	1,459,050	$	1,430,789
Long-lived assets:						
North America	$	531,005	$	504,483	$	444,656
Europe		506,352		472,865		456,248
Asia Pacific		32,148		35,891		35,151
Other		11,404		12,050		11,239
Consolidated	$	1,080,909	$	1,025,289	$	947,294

Sales in the United States, based on the final country of destination of the Company's products, were $592.6 million, $598.5 million and $561.9 million in 2013, 2012 and 2011, respectively. No other country of destination exceeded 10% of consolidated sales. Total long-lived assets in the United States amounted to $389.7 million, $360.1 million and $345.1 million at December 31, 2013, 2012 and 2011, respectively.

Product Information The Company's revenue summarized by product portfolio is as follows:

(in thousands)		2013		2012		2011
Traditional Flavors & Fragrances	$	744,934	$	725,165	$	710,450
Natural Ingredients		244,155		252,941		240,844
Food & Beverage Colors		307,301		310,739		317,880
Non-Food Colors		229,324		231,226		218,703
Intersegment Revenue		(58,164)		(61,021)		(57,088)
Consolidated	$	1,467,550	$	1,459,050	$	1,430,789

11. 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, 2013 and 2012, 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 (See Note 7, *Retirement Plans,* for additional information on the defined benefit plan assets). The net fair value of the forward exchange contracts based on current pricing obtained for comparable derivative products (Level 2 inputs) was an asset of $0.2 million at December 31, 2013 and was negligible at December 31, 2012. The fair value of the investments based on December 31, 2013 and 2012, market quotes (Level 1 inputs) was an asset of $19.8 million and $20.3 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, 2013 and 2012.

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 (Level 2 inputs). The carrying value of the long-term debt at December 31, 2013 and 2012, was $348.1 million and $334.0 million, respectively. The fair value of the long-term debt at December 31, 2013 and 2012, was approximately $351.0 million and $354.4 million, respectively.

12. RESTRUCTURING CHARGES

The Company recorded restructuring costs of $31.7 million ($22.0 million after tax) in 2013 related to the 2013 restructuring program to relocate the Flavors & Fragrances Group headquarters to Chicago, as well as a profit improvement plan across all segments of the Company.

Detail of the 2013 restructuring costs and the line items in which it was recorded in the Corporate & Other segment are as follows:

(in thousands)		Selling & Administrative		Cost of Products Sold		Total
Employee separations	$	18,081	$	—	$	18,081
Long-lived asset impairment		4,176		—		4,176
Gain on asset sales		(3,019)				(3,019)
Write-down of inventory		—		1,840		1,840
Other costs		10,657		—		10,657
Total	$	29,895	$	1,840	$	31,735

The following table summarizes the 2013 restructuring costs by segment:

(in thousands)	2013
Flavors	$ 22,284
Color	7,065
Corporate & Other	2,386
Total	$ 31,735

The Company does not expect restructuring costs in 2014 to be material.

The following table summarizes the accrual for the restructuring and other charges for the twelve months ended December 31, 2013, which is recorded in Other accrued expenses:

(in thousands)	Employee Separations	Assets Related and Other	Total
Balance as of December 31, 2012	$ —	$ —	$ —
Restructuring costs	18,081	13,654	31,735
Gain on sale of assets	—	3,019	3,019
Cash spent	(13,505)	(9,069)	(22,574)
Reduction of assets	—	(6,016)	(6,016)
Translation adjustment	(14)	—	(14)
Balance as of December 31, 2013	$ 4,562	$ 1,588	$ 6,150

In the fourth quarter of 2011, the company recorded a restructuring charge of $4.8 million ($3.7 million net of tax) related to a plan to improve the profitability and efficiency of selected operations. The restructuring charge mainly included severance and other employee separation costs. In 2012, approximately $1.8 million of payments were applied to the restructuring reserve.

13. COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases certain facilities and equipment under operating lease arrangements. Aggregate minimum rental commitments at December 31, 2013, for all noncancelable operating leases with an initial lease term greater than one year for the years ending December 31 are as follows: 2014, $7.5 million; 2015, $5.3 million; 2016, $2.9 million; 2017, $1.1 million; 2018, $0.7 and $0.2 million thereafter.

Rent expense totaled $10.7 million, $10.8 million and $11.7 million during the years ended December 31, 2013, 2012 and 2011, 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 over $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 had 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 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 had 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 appealed this adverse decision of the Circuit Court.

The Michigan Court of Appeals heard oral argument on the appeals on September 10, 2013. On October 31, 2013, the Court issued its decision affirming the trial court in all respects, including the denial of the Crossroad claim to recover over $1.4 million from the Company. The Company and Crossroads both had the right to petition the Michigan Supreme Court to review the decision of the Court of Appeals. Neither party, however, sought Supreme Court review, and the case is now concluded.

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, personally filed a petition for bankruptcy. The Company originally opposed the bankruptcy petition to the extent Hubbell sought 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. The Company and Hubbell filed a joint motion to dismiss the Company's claims against Hubbell without prejudice pending the Michigan state court action. The Bankruptcy Court granted the motion. Under the terms of the dismissal, if the state courts had determined that the Company was liable to Crossroads, the Company would have had 60 days to reopen the adversary proceeding and pursue its claims against Hubbell. Since neither the Company nor Crossroads pursued Supreme Court review and the state case is now concluded, the dismissal of the Company's claims against Hubbell in his personal bankruptcy proceeding has become with prejudice.

Vega v. Sensient Dehydrated Flavors LLC

On January 3, 2013, Thomas Vega, a now former employee, filed (but did not serve) a Class Action Complaint in San Francisco County Superior Court against Sensient Dehydrated Flavors LLC. On February 11, 2013, Vega filed and served a First Amended Complaint ("Complaint") against the Company and a Company supervisor. Vega alleges that the Company failed to provide alleged class members with meal periods, compensation for the alleged absence of meal periods, and accurate wage statements, in violation of the California labor code. The alleged class includes all employees paid on an hourly basis and forklift operators. The Complaint seeks damages, back wages, injunctive relief, penalties, interest, and attorneys' fees for the members of the alleged class. The Complaint alleges that the total damages and costs "do not exceed a[n] aggregate of $4,999,999.99."

The Complaint alleges two causes of action. The first cause of action is for "Unfair Competition." The plaintiff's theory is that the Company, by allegedly not complying with state wage and hour laws, had an unfair competitive advantage against other employers who were complying with those laws. The main strategic reason that plaintiffs plead this cause of action is that the statute of limitations is four years. The second cause of action is for alleged substantive violations of the California labor code provisions governing wages, hours, and meal periods.

On March 13, 2013, the parties filed a joint stipulation and proposed order to remove the case from San Francisco County Superior Court to Stanislaus County Superior Court. On April 18, 2013, the Court granted the request.

On October 7, 2013, following a private mediation, the parties signed a Memorandum of Understanding in which they agreed to resolve the action for a maximum of $275,000 on a claims made basis. On December 5, 2013, the settlement was presented to the Stanislaus County Superior Court. The Court granted preliminary approval of the settlement and scheduled a final approval hearing for March 14, 2014.

Other Claims and Litigation

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, 2013. 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 (1992 Framework). Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2013.

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 42.

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, 2013 and 2012, and the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2013. 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, 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, 2013 and 2012, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, 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, 2013, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) and our report dated February 28, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin

February 28, 2014

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, 2013, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) (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, 2013, 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, 2013 and 2012, and the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2013 and our report dated February 28, 2014, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin

February 28, 2014

Quarterly Data

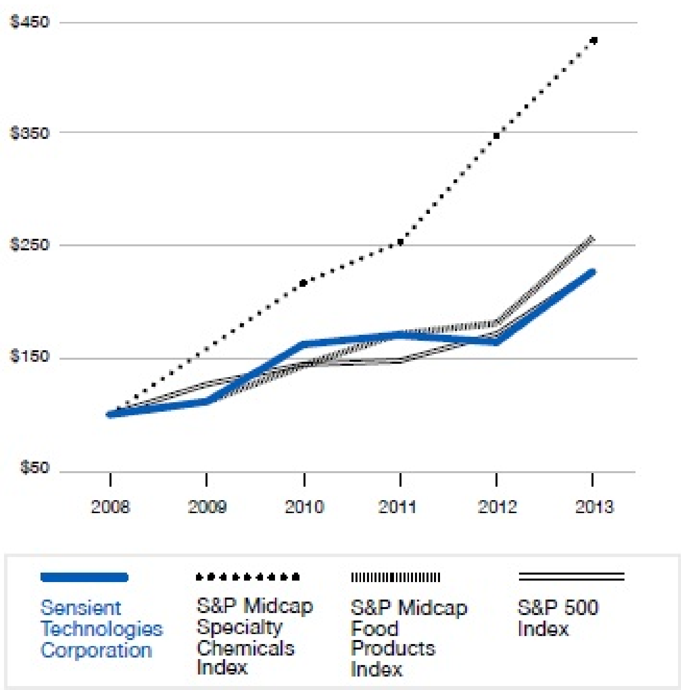
(in thousands except per share amounts) (unaudited)	Revenue	Gross Profit	Net Earnings	Net Earnings Per Share Basic	Net Earnings Per Share Diluted
2013					
First Quarter	$ 365,640	$ 117,137	$ 21,439	$ 0.43	$ 0.43
Second Quarter	378,806	122,521	32,282	0.65	0.65
Third Quarter	371,993	120,059	31,525	0.63	0.63
Fourth Quarter	351,111	116,185	28,049	0.56	0.56
2012					
First Quarter	$ 365,660	$ 115,332	$ 28,906	$ 0.58	$ 0.58
Second Quarter	367,777	119,955	34,905	0.70	0.70
Third Quarter	369,371	117,593	32,876	0.66	0.66
Fourth Quarter	356,242	110,263	27,221	0.55	0.55

Common Stock Prices and Dividends

	Market Price High	Market Price Low	Dividends Per Share
2013			
First Quarter	$ 39.39	$ 35.54	$ 0.22
Second Quarter	42.38	35.59	0.23
Third Quarter	48.15	39.96	0.23
Fourth Quarter	53.35	46.75	0.23
2012			
First Quarter	$ 41.08	$ 35.43	$ 0.21
Second Quarter	39.25	34.14	0.22
Third Quarter	37.92	34.26	0.22
Fourth Quarter	38.02	33.13	0.22

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 FoodProducts 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, 2008, and reinvestment of dividends. The stock performance shown on the graph is not necessarily indicative of future price performance.



	2008	2009	2010	2011	2012	2013
Sensient Technologies Corporation	$ 100	$ 113	$ 162	$ 171	$ 164	$ 228

S&P Midcap Specialty Chemicals Index	100	156	217	254	348	435
S&P Midcap Food Products Index	100	114	142	171	181	257
S&P 500 Index	100	126	145	148	171	226

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

Five Year Review

(in thousands except percentages, and employee and per share data) Years ended December 31,	2013		2012		2011		2010		2009	
Summary of Operations										
Revenue	$1,467,550	100.0%	$1,459,050	100.0%	$1,430,789	100.0%	$1,328,180	100.0%	$1,201,412	100.0%
Cost of products sold	991,648	67.6	995,907	68.3	981,137	68.6	919,821	69.3	832,382	69.3
Selling and administrative expenses	303,540	20.7	271,935	18.6	258,829	18.1	233,782	17.6	222,067	18.5
Operating income	172,362	11.7	191,208	13.1	190,823	13.3	174,577	13.1	146,963	12.2
Interest expense	16,147	1.1	16,901	1.2	19,439	1.4	20,384	1.5	23,788	2.0
Earnings before income taxes	156,215	10.6	174,307	11.9	171,384	12.0	154,193	11.6	123,175	10.3
Income taxes	42,920	2.9	50,399	3.5	50,900	3.6	47,049	3.5	36,614	3.0
Net earnings	$ 113,295	7.7%	$ 123,908	8.5%	$ 120,484	8.4%	$ 107,144	8.1%	$ 86,561	7.2%
Earnings per share:										
Basic	$ 2.28		$ 2.50		$ 2.42		$ 2.18		$ 1.79	
Diluted	$ 2.27		$ 2.49		$ 2.41		$ 2.17		$ 1.78	
Other Related Data										
Dividends per share, declared and paid	$ 0.91		$ 0.87		$ 0.84		$ 0.79		$ 0.76	
Average common shares outstanding:										
Basic	49,755		49,596		49,746		49,138		48,379	
Diluted	49,934		49,822		49,937		49,424		48,641	
Book value per common share	$ 24.72		$ 23.09		$ 20.87		$ 19.70		$ 18.49	
Price range per common share	35.54-53.35		33.13-41.08		30.15-39.69		24.76-37.61		18.42-29.07	
Share price at December 31	48.52		35.56		37.90		36.73		26.30	
Capital expenditures	104,246		103,806		72,200		55,823		47,716	
Depreciation	50,716		46,992		44,771		42,109		40,881	
Amortization	1,300		1,360		1,328		1,314		1,302	
Total assets	1,870,734		1,776,643		1,654,164		1,599,268		1,591,691	
Long-term debt	348,124		333,979		312,422		324,360		388,852	
Total debt	355,174		354,027		335,396		349,810		428,033	
Shareholders' equity	1,242,684		1,153,898		1,049,210		983,785		908,695	
Return on average shareholders' equity	9.5%		11.3%		11.4%		11.6%		10.0%	
Total debt to total capital	22.2%		23.5%		24.2%		26.2%		32.0%	
Employees	4,130		3,983		3,887		3,618		3,570	

The 2013 results include a charge of $31.7 million ($22.0 million after tax, or $0.44 per share) related to the 2013 restructuring program related to the relocation of the Flavors & Fragrances Group headquarters to Chicago, as well as a profit improvement plan across all segments of the Company.

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 a subsidiary.

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, 72
Chairman and Chief Executive Officer
Sensient Technologies Corporation
Elected Director in 1989 (2, 6)

Hank Brown, 74
President Emeritus
University of Colorado
Elected Director in 2004 (1, 4, 5)

Edward H. Cichurski, 72
Retired, Former Partner
PricewaterhouseCoopers
Elected Director in 2013 (1, 5, 6)

Fergus M. Clydesdale, Ph.D., 77
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, 76
Chairman
Bartlodge Limited
Elected Director in 1997 (1, 2, 3, 6)

William V. Hickey, 69
Retired, Former President and Chief Executive Officer
Sealed Air Corporation
Elected Director in 1997 (1, 2, 4, 5)

Paul Manning, 39
President and Chief Operating Officer
Sensient Technologies Corporation
Elected Director in 2012 (2, 5, 6)

Elaine R. Wedral, Ph.D., 69
Retired, Former President
Nestle's Research and Development
Worldwide Food Service Systems
Elected Director in 2006 (5, 6)

Essie Whitelaw, 66
Retired, Former Senior Vice President, Operations
Wisconsin Physician Services
Elected Director in 1993 (3, 4, 6)

Committees

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

Elected Officers

Kenneth P. Manning, 72
Chairman and Chief Executive Officer
With the Company 26 years

John F. Collopy, 44
Vice President and Treasurer
With the Company 14 years

Christopher M. Daniels, 40
Vice President, Human Resources
With the Company 14 years

Michael C. Geraghty, 52
President, Color Group
With the Company 2 years

John L. Hammond, 67
Senior Vice President, General Counsel and Secretary
With the Company 16 years

Richard F. Hobbs, 66
Senior Vice President and Chief Financial Officer
With the Company 40 years

Jeffrey T. Makal, 50
Vice President, Controller
and Chief Accounting Officer
With the Company 17 years

Richard J. Malin, 47
Assistant Controller
With the Company 22 years

John J. Manning, 45
Vice President and Assistant General Counsel
With the Company 1 year

Paul Manning, 39
President and Chief Operating Officer
With the Company 4 years

Stephen J. Rolfs, 49
Senior Vice President, Administration
With the Company 16 years

Robert J. Wilkins, 57
President, Asia Pacific Group
With the Company 10 years

Appointed Officers

Douglas L. Arnold, 50
Vice President, Administrative Services
With the Company 16 years

Leroy C. Watson, 40
Vice President, Taxation
With the Company 8 years

Investor Information

World Headquarters

777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-5304
(414) 271-6755
(800) 558-9892
Fax: (414) 347-4788
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 2,662 shareholders of record of Common Stock as of January 31, 2014.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders is scheduled to be held at 2:00 p.m. (CDT) on Thursday, April 24, 2014, 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, Paul 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, 2013.

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, N.A. at (800) 468-9716, or the Company's Investor Relations Department at (414) 347-3827.

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) 347-3827.

SENSIENT® Sensient Technologies Corporation

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

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Section 3: EX-21 (EXHIBIT 21)

EXHIBIT 21

SENSIENT TECHNOLOGIES CORPORATION
SUBSIDIARIES

NAME	INCORPORATION
DOMESTIC	
POINTING COLOR INC.	DELAWARE
SENSIENT COLORS LLC	DELAWARE
SENSIENT FLAVORS INTERNATIONAL, INC.	INDIANA
SENSIENT FLAVORS LLC	DELAWARE
SENSIENT FOOD COLORS L.P.	MISSOURI
SENSIENT HOLDING COMPANY LLC	DELAWARE
SENSIENT IMAGING TECHNOLOGIES INC.	CALIFORNIA
SENSIENT NATURAL INGREDIENTS LLC F/K/A SENSIENT DEHYDRATED FLAVORS LLC	DELAWARE
SENSIENT TECHNOLOGIES HOLDING COMPANY LLC	DELAWARE
SENSIENT WISCONSIN LLC	WISCONSIN

NAME	INCORPORATION
FOREIGN	
BIOLUX FINANCE NV	BELGIUM
DC FLAVOURS LIMITED	UNITED KINGDOM
POINTING CANADA LIMITED	CANADA
POINTING HOLDINGS LIMITED	UNITED KINGDOM
POINTING INTERNATIONAL LIMITED	UNITED KINGDOM
POINTING LIMITED	UNITED KINGDOM
PROMAVIL N.V.	BELGIUM
PT SENSIENT TECHNOLOGIES INDONESIA	INDONESIA
SENSIENT COLORS CANADA LTD.	CANADA
SENSIENT COLORS EUROPE GMBH	GERMANY
SENSIENT COLORS S.A.	ARGENTINA
SENSIENT COLORS S.A. DE C.V.	MEXICO
SENSIENT COLORS SOUTH AFRICA (PROPRIETARY) LIMITED	SOUTH AFRICA
SENSIENT COLORS UK LTD	UNITED KINGDOM
SENSIENT COSMETIC TECHNOLOGIES	FRANCE
SENSIENT COSMETIC TECHNOLOGIES E CORANTES, IMPORTAÇÃO E EXPORTAÇÃO DO BRASIL LTDA ENGLISH: SENSIENT COSMETIC TECHNOLOGIES BRAZIL	BRAZIL
SENSIENT COSMETIC TECHNOLOGIES POLAND, SP. Z.O.O.	POLAND
SENSIENT COSTA RICA S.R.L.	COSTA RICA
SENSIENT DEHYDRATED FLAVORS B.V.	NETHERLANDS
SENSIENT DEHYDRATED FLAVORS CANADA, INC.	CANADA
SENSIENT ESSENTIAL OILS GMBH	GERMANY
SENSIENT EUROPEAN SHARED SERVICES CENTER S.R.O.	CZECH REPUBLIC
SENSIENT FINANCE (ALBERTA) LIMITED PARTNERSHIP	CANADA
SENSIENT FINANCE IRELAND LIMITED	IRELAND
SENSIENT FINANCE LUXEMBOURG S.A.R.L.	LUXEMBOURG
SENSIENT FLAVORS AUSTRIA GMBH	AUSTRIA
SENSIENT FLAVORS BELGIUM NV	BELGIUM
SENSIENT FLAVORS CANADA INC.	CANADA
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

FOREIGN	
SENSIENT FLAVORS ROMANIA S.R.L.	ROMANIA
SENSIENT FLAVORS SCANDINAVIA AB	SWEDEN
SENSIENT FLAVORS STRASBOURG	FRANCE
SENSIENT FLAVORS UKRAINE	UKRAINE
SENSIENT FLAVORS WALES LIMITED	UNITED KINGDOM
SENSIENT FLAVORS & FRAGRANCES INDUSTRY & TRADE LIMITED COMPANY (TURKEY)	TURKEY
SENSIENT FLAVORS SOUTH AFRICA (PROPRIETARY) LTD	SOUTH AFRICA
SENSIENT FOOD COLORS CZECH REPUBLIC CZ S.R.O.	CZECH REPUBLIC
SENSIENT FOOD COLORS FRANCE	FRANCE
SENSIENT FOOD COLORS HUNGARY KFT	HUNGARY
SENSIENT FOOD COLORS ITALY S.R.L.	ITALY
SENSIENT FOOD COLORS POLAND SP. Z.O.O.	POLAND
SENSIENT FOOD COLORS ROMANIA S.R.L.	ROMANIA
SENSIENT FOOD COLORS SMN D.O.O.	SERBIA & MONTENEGRO
SENSIENT FOOD COLORS THE NETHERLANDS B.V.	NETHERLANDS
SENSIENT FRAGRANCES GUATEMALA, S.A.	GUATEMALA
SENSIENT FRAGRANCES MEXICO, S.A. DE C.V.	MEXICO
SENSIENT FRAGRANCES, S.A.	SPAIN
SENSIENT HOLDING I B.V.	NETHERLANDS
SENSIENT HOLDING II B.V.	NETHERLANDS
SENSIENT HOLDING III B.V.	NETHERLANDS
SENSIENT HOLDING (ALBERTA) LIMITED PARTNERSHIP	CANADA
SENSIENT HOLDINGS MALTA LIMITED	MALTA
SENSIENT HOLDINGS UK	UNITED KINGDOM
SENSIENT IMAGING TECHNOLOGIES GMBH	GERMANY
SENSIENT IMAGING TECHNOLOGIES S.A.	SWITZERLAND
SENSIENT IMAGING TECHNOLOGIES S.A. DE C.V.	MEXICO
SENSIENT INDIA PRIVATE LIMITED	INDIA
SENSIENT NATURAL INGREDIENTS (QINGDAO) CO., LTD. F/K/A SENSIENT DEHYDRATED FLAVORS (QINGDAO) CO., LTD	CHINA
SENSIENT NATURAL INGREDIENTS F/K/A SENSIENT DEHYDRATED FLAVORS SAS	FRANCE
SENSIENT TECHNOLOGIES ASIA PACIFIC PTE LTD	SINGAPORE
SENSIENT TECHNOLOGIES AUSTRALIA PTY LTD	AUSTRALIA
SENSIENT TECHNOLOGIES BRAZIL LTDA.	BRAZIL
SENSIENT TECHNOLOGIES COLOMBIA LTDA.	COLOMBIA
SENSIENT TECHNOLOGIES CORPORATION (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 MENA FZE F/K/A SENSIENT COLORS MENA FZE	UNITED ARAB EMIRATES
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 4: 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. 333-188285, 333-188284, 333-155483, 333-145092, 333-95991, 333-95993, 33-27356, 333-35877, 333-96871, 333-45931, 333-118539), as amended, of Sensient Technologies Corporation and in the related Prospectus of our reports dated February 28, 2014, 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, 2013, 2012, and 2011.

/s/ Ernst & Young LLP
Milwaukee, Wisconsin
February 28, 2014

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Section 5: EX-31 (EXHIBIT 31)

EXHIBIT 31

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

I, Paul 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 28, 2014

/s/ Paul Manning

Paul Manning,
President and
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 28, 2014

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

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Section 6: 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, 2013 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/ Paul Manning

Name: Paul Manning
Title: President and
Chief Executive Officer
Date: February 28, 2014

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, 2013 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 28, 2014

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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