

SENSIENT TECHNOLOGIES CORP

Form 8-K

October 07, 2008

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
October 7, 2008
(Date of Report/Date of earliest event reported)
SENSIENT TECHNOLOGIES CORPORATION
(Exact name of registrant as specified in its charter)**

WISCONSIN (State or other jurisdiction of incorporation)	1-7626 (Commission File Number)	39-0561070 (IRS Employer Identification No.)
777 East Wisconsin Avenue Milwaukee, Wisconsin 53202-5304 (Address and zip code of principal executive offices)		
(414) 271-6755 (Registrant's telephone number, including area code)		
N/A (Former name or former address, if changed since last report)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

The information set forth under Item 2.03 of this Report on Form 8-K is hereby incorporated by reference into this Item 1.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On October 7, 2008, Sensient Technologies Corporation entered into a senior unsecured term loan Credit Agreement (the "Agreement") that will allow Sensient to make one or more borrowings on or before April 1, 2009 for an aggregate amount of \$85.0 million. The term loan(s) mature as of June 15, 2012, and will be made by a group of banks (including Wells Fargo Bank, National Association, as Arranger and Administrative Agent and the other banks identified on Exhibit 10.1 hereto). Interest is payable at floating rates based (at Sensient's election) on either: (1) the higher of (a) the prime rate or (b) the federal funds rate plus 0.5%, in either case plus a margin (initially 75 basis points but subject to increase or decrease as Sensient's leverage ratio weakens or improves); or (2) a Eurodollar base rate derived from LIBOR plus a margin (initially 225 basis points but subject to increase or decrease as Sensient's leverage ratio weakens or improves).

Among other requirements, the Agreement requires Sensient to maintain (1) a ratio of consolidated total funded debt to consolidated EBITDA (Leverage Ratio) of not more than 3.50 to 1, (2) a fixed charge coverage ratio of not less than 2.00 to 1.00, and (3) a consolidated adjusted net worth of at least \$575.4 million plus 50% of its consolidated net earnings for each completed fiscal quarter beginning with the quarter ended September 30, 2008. The Agreement also includes other financial covenants similar to those in Sensient's current bank facility, which is continuing.

The foregoing is intended to be a general description of the Agreement but does not constitute a full description of it. Reference is made to the full Agreement, which is attached as Exhibit 10.1, and to the related press release, which is furnished as Exhibit 99.1.

The proceeds of the loan(s) under the Agreement will be used for refinancing a portion of Sensient's approximately \$150 million of senior notes maturing in April 2009.

Item 9.01 Financial Statements and Exhibits.

The following exhibits are furnished with this Report on Form 8-K:

Exhibit 10.1 Credit Agreement dated as of October 7, 2008

Exhibit 99.1: Sensient Technologies Corporation Press Release dated October 7, 2008

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SENSIENT TECHNOLOGIES CORPORATION
(Registrant)

By: /s/ John L. Hammond
Name: John L. Hammond
Title: Vice President, Secretary and
General Counsel
Date: October 7, 2008

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EXHIBIT INDEX

Exhibit 10.1 Credit Agreement dated as of October 7, 2008

Exhibit 99.1 Sensient Technologies Corporation Press Release dated October 7, 2008