



INGREDION INCORPORATED REPORTS SOLID FOURTH QUARTER 2015 RESULTS

January 28, 2016

- Fourth quarter 2015 reported and adjusted EPS were both \$1.42 compared to fourth quarter 2014 reported and adjusted EPS of \$0.83 and \$1.30, respectively
- Full-year 2015 reported and adjusted EPS were \$5.51 and \$5.88, respectively, up from reported and adjusted EPS of \$4.74 and \$5.20, respectively, in the year-ago period
- Strong cash flow from operations of \$686 million
- 2016 adjusted EPS is expected to be \$6.20-\$6.60, excluding restructuring and acquisition-related costs

WESTCHESTER, Ill., January 28, 2016 - Ingredion Incorporated (NYSE: INGR), a leading global provider of ingredient solutions to diversified industries, today reported results for the fourth quarter 2015.

"We concluded 2015 with record earnings per share and significant progress on our strategic blueprint. Overall volumes grew seven percent and sales of our higher-value specialty portfolio grew to 25 percent of sales" said Ilene Gordon, chairman, president and chief executive officer. "Our acquisitions of Penford Corporation and Kerr Concentrates met our earnings and synergy expectations and propelled us further into the specialty ingredients. We also announced changes to optimize our global network by reducing costs and maximizing productivity. North America and Asia Pacific achieved record operating income for the year while South America and EMEA operating income was lower than the prior year as they faced slowing economies and foreign-exchange headwinds.

"Creating long-term shareholder value remains our top priority. We expect to continue our positive trajectory in our specialty portfolio, disciplined cost management, and margin expansion as well as ongoing capital investments in manufacturing and R&D. This should continue to drive robust results. For 2016, we anticipate adjusted EPS of \$6.20 to \$6.60," Gordon added.

Diluted Earnings Per Share (EPS)

| | 4Q14 | 4Q15 | 2014 | 2015 |
|-------------------------------|--------|----------|--------|----------|
| Reported EPS | \$0.83 | \$1.42 | \$4.74 | \$5.51 |
| Acquisition/Integration costs | \$0.02 | \$0.03 | \$0.02 | \$0.19 |
| Impairment/Restructuring | \$0.44 | \$0.04 | \$0.44 | \$0.25 |
| Litigation settlement | - | \$0.06 | - | \$0.06 |
| Gain on sale of plant | - | (\$0.12) | - | (\$0.12) |
| Adjusted EPS* | \$1.30 | \$1.42 | \$5.20 | \$5.88 |

*Totals may not foot due to rounding

Estimated factors affecting change in adjusted EPS

| | 4Q15 | 2015 |
|---------------------------|--------|--------|
| Margin | 0.34 | 1.48 |
| Volume | 0.11 | 0.26 |
| Foreign exchange | (0.18) | (0.65) |
| Other income/(expense) | (0.04) | (0.24) |
| Total operating items | 0.23 | 0.85 |
| Financing costs | (0.05) | - |
| Shares outstanding | 0.01 | 0.16 |
| Tax rate | (0.05) | (0.31) |
| Non-controlling interest | (0.02) | (0.02) |
| Total non-operating items | (0.11) | (0.17) |
| Total items affecting EPS | 0.12 | 0.68 |

Financial Highlights

- At December 31, 2015, total debt and cash and short-term investments were \$1.8 billion and \$440 million, respectively, versus \$1.8 billion and \$614 million, respectively, at December 31, 2014. Cash and short-term investments were lower by \$174 million as we decreased borrowings under our senior unsecured revolving credit facility, which we had utilized to pay

\$434 million for our Penford and Kerr acquisitions.

- During the fourth quarter of 2015, net financing costs were \$18 million, or \$5 million higher than the year-ago period, largely due to the December devaluation of the Argentine peso. Full-year financing costs were \$62 million, in line with the prior year.
- During 2015, reported and adjusted full-year effective tax rates were 31.2 percent and 31.8 percent, respectively, compared to reported and adjusted effective tax rates of 30.2 percent and 28.3 percent, respectively, in the year-ago period. The higher rates were primarily driven by greater earnings in higher tax jurisdictions as well as the devaluation of the Mexican peso during the quarter.
- Capital expenditures were \$277 million for 2015, \$6 million higher than 2014.
- During 2015, the Company repurchased approximately 435,000 shares of common stock for \$34 million.

Business Review

Total Ingredient

| \$ in millions | 2014 Net sales | FX Impact | Volume | Price/mix | 2015 Net sales | % change |
|----------------|----------------|-----------|--------|-----------|----------------|----------|
| Fourth quarter | 1,368 | -135 | 131 | 40 | 1,405 | 3% |
| Full year | 5,668 | -483 | 387 | 49 | 5,621 | -1% |

Net Sales

- Fourth quarter net sales were up as a result of volume growth, both organic and acquisition-related, and price increases in South America and North America. These were partially offset by changes in foreign currency exchange rates.
- Full-year net sales were down as a result of changes in foreign currency exchange rates and the pass through of lower corn costs, partially offset by volume growth, both organic and acquisition-related, and increased prices in South America, which partially compensated for currency headwinds.

Operating income

- Fourth quarter reported and adjusted operating income were \$173 million and \$177 million, respectively. These were 46 percent and 16 percent increases, respectively, compared to \$118 million of reported operating income and \$153 million of adjusted operating income in the fourth quarter of 2014. The increase in adjusted operating income was primarily due to: organic volume growth in core and specialty ingredients; acquisition-related volume growth; and margin expansion in North America. These positives were partially offset by the negative effect of foreign exchange.
- Fourth quarter reported operating income was lower than adjusted operating income by \$3 million. Of this, \$7 million is related to the settlement of litigation involving Western Sugar; \$4 million of restructuring costs associated with the sale of our plant in Port Colborne, Canada and Penford; \$2 million is for acquisition-related costs for the Kerr acquisition; and \$10 million is a gain on the sale of our Port Colborne plant.
- Full-year 2015 reported and adjusted operating income were \$660 million and \$706 million, respectively. These were both 14 percent increases, compared to \$581 million of 2014 reported operating income and \$616 million of 2014 adjusted operating income. The increase in adjusted operating income were primarily due to: organic volume growth in core and specialty ingredients; acquisition-related volume growth; and margin expansion in North America. These positives were partially offset by the negative effect of foreign exchange.

North America

| \$ in millions | 2014 Net sales | FX Impact | Volume | Price/mix | 2015 Net sales | % change |
|----------------|----------------|-----------|--------|-----------|----------------|----------|
| Fourth quarter | 732 | -17 | 123 | 4 | 842 | 15% |
| Full year | 3,094 | -65 | 367 | -51 | 3,345 | 8% |

Operating income

- Fourth quarter operating income increased from \$86 million to \$117 million. Higher organic and acquisition-related volumes and operational efficiencies accounted for the increase.
- Full-year operating income increased from \$375 million to \$479 million. Higher organic and acquisition-related volumes, lower corn costs, operational efficiencies, and nonrecurrence of costs attributable to the adverse weather effects in the first quarter of last year drove the increase.

South America

| \$ in millions | 2014 Net sales | FX Impact | Volume | Price/mix | 2015 Net sales | % change |
|----------------|----------------|-----------|--------|-----------|----------------|----------|
| Fourth quarter | 297 | -93 | 2 | 42 | 248 | -17% |
| Full year | 1,203 | -311 | -1 | 121 | 1,012 | -16% |

Operating income

- Operating income in the fourth quarter was \$28 million, down \$6 million. The decline was largely a result of the negative effect of foreign exchange, cooler weather and higher input and corn costs. This was partially mitigated by improved price/mix.
- Full-year operating income was \$101 million, down \$7 million. The decline was largely a result of the negative effect of foreign exchange and higher input and corn costs. This was partially mitigated by improved price/mix.

Asia Pacific

| \$ in millions | 2014 Net sales | FX Impact | Volume | Price/mix | 2015 Net sales | % change |
|----------------|----------------|-----------|--------|-----------|----------------|----------|
| Fourth quarter | 199 | -15 | - | -4 | 180 | -10% |
| Full year | 794 | -57 | 15 | -19 | 733 | -8% |

Operating income

- Fourth quarter operating income was \$26 million, up \$3 million from a year ago. Margin expansion was partially offset by foreign exchange impacts.
- Full-year operating income was \$107 million, up \$4 million from a year ago. Increased volume and margin expansion were partially offset by foreign exchange impacts.

Europe, Middle East, Africa (EMEA)

| \$ in millions | 2014 Net sales | FX Impact | Volume | Price/mix | 2015 Net sales | % change |
|----------------|----------------|-----------|--------|-----------|----------------|----------|
| Fourth quarter | 140 | -10 | 7 | -2 | 135 | -4% |
| Full year | 578 | -51 | 6 | -3 | 530 | -8% |

Operating income

- Fourth quarter operating income was \$27 million, flat compared to a year ago. Good cost management and slightly higher volumes were offset by foreign exchange impacts.
- Full-year operating income was \$93 million, down \$2 million from a year ago. Good cost management and slightly higher volumes primarily offset foreign exchange impacts.

2016 Guidance

2016 adjusted EPS, excluding acquisition-related and restructuring costs, is expected to be in the range of \$6.20 to \$6.60 compared to adjusted EPS of \$5.88 in 2015. The full-year guidance assumes, compared to last year: overall improvement in North America, modest improvement in Asia Pacific and EMEA, and South America in line given the macroeconomic environment; an effective tax rate of approximately 30-32 percent; sales of higher-value specialty ingredients are expected to continue to contribute to margin expansion.

In 2016, cash generated by operations and capital expenditures are expected to be approximately \$700 million and \$300 million, respectively.

Conference Call and Webcast

Ingredion will conduct a conference call today at 9:00 a.m. Eastern Time (8:00 a.m. Central Time) to be hosted by Ilene Gordon, chairman, president and chief executive officer, and Jack Fortnum, chief financial officer.

The call will be webcast in real time, and will include a visual presentation accessible through the Ingredion website at www.ingredion.com. The presentation will be available to download approximately 60 minutes prior to the start of the call. A replay of the webcast will be available at www.ingredion.com.

ABOUT THE COMPANY

Ingredion Incorporated (NYSE: INGR) is a leading global ingredient solutions provider. We turn corn, tapioca, potatoes and other vegetables and fruits into value-added ingredients and biomaterial solutions for the food, beverage, paper and corrugating, brewing and other industries. Serving customers in over 100 countries, our ingredients make yogurts creamy, candy sweet, paper stronger and face creams silky. Visit Ingredion.com to learn more.

Forward-Looking Statements

This news release contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends these forward-looking statements to be covered by the safe harbor provisions for such statements.

Forward-looking statements include, among other things, any statements regarding the Company's prospects or future financial condition, earnings, revenues, tax rates, capital expenditures, expenses or other financial items, any statements concerning the Company's prospects or future operations, including management's plans or strategies and objectives therefor and any assumptions, expectations or beliefs underlying the foregoing.

These statements can sometimes be identified by the use of forward looking words such as "may," "will," "should," "anticipate," "assume," "believe," "plan," "project," "estimate," "expect," "intend," "continue," "pro forma," "forecast," "outlook" or other similar expressions or the negative thereof. All statements other than statements of historical facts in this release or referred to in this release are "forward-looking statements."

These statements are based on current circumstances or expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and are beyond our control. Although we believe our expectations reflected in these forward-looking statements are based on reasonable assumptions, stockholders are cautioned that no assurance can be given that our expectations will prove correct.

Actual results and developments may differ materially from the expectations expressed in or implied by these statements, based on various factors,

including the effects of global economic conditions, including, particularly, continuation or worsening of the current economic, currency and political conditions in South America and economic conditions in Europe, and their impact on our sales volumes and pricing of our products, our ability to collect our receivables from customers and our ability to raise funds at reasonable rates; fluctuations in worldwide markets for corn and other commodities, and the associated risks of hedging against such fluctuations; fluctuations in the markets and prices for our co-products, particularly corn oil; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; volatility and turmoil in the capital markets; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we buy our raw materials or manufacture or sell our products; future financial performance of major industries which we serve, including, without limitation, the food and beverage, pharmaceuticals, paper, corrugated, textile and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding quotas, tariffs, duties, taxes and income tax rates; operating difficulties; availability of raw materials, including potato starch, tapioca and the specific varieties of corn upon which our products are based; energy issues in Pakistan; boiler reliability; our ability to effectively integrate and operate acquired businesses, including the Penford business; our ability to achieve budgets and to realize expected synergies; our ability to complete planned maintenance and investment projects successfully and on budget; labor disputes; genetic and biotechnology issues; changing consumption preferences including those relating to high fructose corn syrup; increased competitive and/or customer pressure in the corn-refining industry; and the outbreak or continuation of serious communicable disease or hostilities including acts of terrorism.

Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement as a result of new information or future events or developments. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections. For a further description of these and other risks, see "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2014 and subsequent reports on Forms 10-Q and 8-K.

CONTACT:

Investors: Heather Kos, 708-551-2592

Media: Claire Regan, 708-551-2602

[Q4 2015 PR Tables](#)

HUG#1981788