# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-K

**(Mark One)**

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2011**

**or**

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number 1-13397**

# CORN PRODUCTS INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

| | |
|---|---|
| **Delaware**<br>(State or Other Jurisdiction of Incorporation or Organization) | **22-3514823**<br>(I.R.S. Employer Identification No.) |
| **5 Westbrook Corporate Center, Westchester, Illinois**<br>(Address of Principal Executive Offices) | **60154**<br>(Zip Code) |

Registrant's telephone number, including area code **(708) 551-2600**

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Stock, $.01 par value per share | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act:

**NONE**

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

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 o No x

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

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 for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

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 x No o

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. o

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

| | |
|---|---|
| Large accelerated filer x | Accelerated filer o |
| Non-accelerated filer o<br>(Do not check if a smaller reporting company) | Smaller reporting company o |

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

The aggregate market value of the Registrant's voting stock held by non-affiliates of the Registrant (based upon the per share closing price of $55.28 on June 30, 2011, and, for the purpose of this calculation only, the assumption that all of the Registrant's directors and executive officers are affiliates) was approximately $4,178,000,000.

The number of shares outstanding of the Registrant's Common Stock, par value $.01 per share, as of February 23, 2012, was 76,199,000.

Documents Incorporated by Reference:

Information required by Part III (Items 10, 11, 12, 13 and 14) of this document is incorporated by reference to certain portions of the Registrant's definitive Proxy Statement (the "Proxy Statement") to be distributed in connection with its 2012 Annual Meeting of Stockholders which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2011.



**CORN PRODUCTS INTERNATIONAL, INC.**

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**PART I.**

**ITEM 1. BUSINESS**

**The Company**

Corn Products International, Inc. was incorporated as a Delaware corporation in 1997 and its common stock is traded on the New York Stock Exchange. Corn Products International, Inc., together with its subsidiaries, manufactures and sells a number of starch and sweetener ingredients to a wide variety of packaged foods, beverage, brewing and industrial customers around the world.

For purposes of this report, unless the context otherwise requires, all references herein to the "Company," "Corn Products," "we," "us," and "our" shall mean Corn Products International, Inc. and its subsidiaries.

On February 14, 2012, the Company announced that it intends to change its name to Ingredion Incorporated pending shareholder approval at the annual meeting on May 15, 2012. The name better reflects the Company's position as a leading supplier of starch and sweetener ingredients to a range of industries, including packaged food, beverage, brewing and industrial customers.

On October 1, 2010, the Company acquired National Starch, a global developer and manufacturer of specialty modified starches from Akzo Nobel N.V., headquartered in the Netherlands. National Starch is a recognized innovator in food ingredients. Its technologies are supported by a research and development infrastructure and protected by more than 800 patents and patents pending, which drive development of advanced specialty starches for the next generation of food products.

Corn Products supplies a broad range of customers in many diverse industries around the world, including the food, beverage, brewing, pharmaceutical, paper and corrugated products, textile and personal care industries, as well as the global animal feed and corn oil markets.

Our product line includes starches and sweeteners, animal feed products and edible corn oils. Our starch-based products include both industrial and food-grade starches. Our sweetener products include glucose corn syrups, high maltose corn syrups, high fructose corn syrup ("HFCS"), caramel color, dextrose, polyols, maltodextrins and glucose and corn syrup solids.

Our products are derived primarily from the processing of corn and other starch-based materials, such as tapioca, potato and rice.

Our manufacturing process is based on a capital-intensive, two-step process that involves the wet milling and processing of starch-based materials, primarily corn. During the front-end process, corn is steeped in a water-based solution and separated into starch and co-products such as animal feed and corn oil. The starch is then either dried for sale or further processed to make sweeteners, starches and other ingredients that serve the particular needs of various industries.

We believe our approach to production and service, which focuses on local management and production improvements of our worldwide operations, provides us with a unique understanding of the cultures and product requirements in each of the geographic markets in which we operate, bringing added value to our customers through innovative solutions.

Our consolidated net sales were $6.22 billion in 2011. Approximately 54 percent of our 2011 net sales were provided from our North American operations. Our South American operations provided 25 percent of net sales, while our Asia Pacific and EMEA (Europe, Middle East and Africa) operations contributed approximately 12 percent and 9 percent, respectively.



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**Products**

*Sweetener Products.* Our sweetener products represented approximately 43 percent, 52 percent and 56 percent of our net sales for 2011, 2010 and 2009, respectively.

Glucose Corn Syrups: Corn syrups are fundamental ingredients widely used in food products, such as baked goods, snack foods, beverages, canned fruits, condiments, candy and other sweets, dairy products, ice cream, jams and jellies, prepared mixes and table syrups.

High Maltose Corn Syrup: This special type of glucose syrup is primarily used as a fermentable sugar in brewing beers. High maltose corn syrups are also used in the production of confections, canning and some other food processing applications.

High Fructose Corn Syrup: High fructose corn syrup is used in a variety of consumer products including soft drinks, fruit-flavored beverages, baked goods, dairy products, confections and other food and beverage products.

Dextrose: Dextrose has a wide range of applications in the food and confection industries, in solutions for intravenous and other pharmaceutical applications, and numerous industrial applications like wallboard, biodegradable surface agents and moisture control agents.

Polyols: These products are sugar-free, reduced calorie sweeteners primarily derived from starch or sugar for the food, beverage, confectionery, industrial, personal and oral care, and nutritional supplement markets.

Maltodextrins and Glucose and Corn Syrup Solids: These products have a multitude of food applications, including formulations where liquid corn syrups cannot be used. Maltodextrins are resistant to browning, provide excellent solubility, have a low hydroscopicity (do not retain moisture), and are ideal for their carrier/bulking properties. Corn syrup solids have a bland flavor, remain clear in solution, are easy to handle and provide bulking properties.

*Starch Products.* Our starch products represented approximately 36 percent, 28 percent and 23 percent of our net sales for 2011, 2010 and 2009, respectively. Starches are an important component in a wide range of processed foods, where they are used for adhesions, clouding, dusting, expansion, fat replacement, freshness, gelling, glazing, mouth feel, stabilization and texture. Cornstarch is sold to cornstarch packers for sale to consumers. Starches are also used in paper production to create a smooth surface for printed communications and to improve strength in recycled papers. Specialty starches are used for enhanced drainage, fiber retention, oil and grease resistance, improved printability and biochemical oxygen demand control. In the corrugating industry, starches and specialty starches are used to produce high quality adhesives for the production of shipping containers, display board and other corrugated applications. The textile industry has successfully used starches and specialty starches to provide size and finishes for manufactured products. Industrial starches are used in the production of construction materials, textiles, adhesives, pharmaceuticals and cosmetics, as well as in mining, water filtration and oil and gas drilling. Specialty starches are used for biomaterial applications including biodegradable plastics, fabric softeners and detergents, hair and skin care applications, dusting powders for surgical gloves and in the production of glass fiber and insulation.

*Co-Products and others.* Co-products and others accounted for 21 percent, 20 percent and 21 percent of our net sales for 2011, 2010 and 2009, respectively. Refined corn oil (from germ) is sold to packers of cooking oil and to producers of margarine, salad dressings, shortening, mayonnaise and other foods. Corn gluten feed is sold as animal feed. Corn gluten meal is sold as high protein feed for chickens, pet food and aquaculture.



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**Geographic Scope and Operations**

We are principally engaged in the production of starches and sweeteners for a wide range of industries, and we manage our business on a geographic regional basis. Our operations are classified into four reportable business segments based on the geographic organization of our business: North America, South America, Asia Pacific and EMEA. In 2011, approximately 54 percent of our net sales were derived from operations in North America, while net sales from operations in South America represented 25 percent. Our Asia Pacific and EMEA operations represented approximately 12 percent and 9 percent of our net sales, respectively. See Note 14 of the notes to the consolidated financial statements entitled “Segment Information” for additional financial information with respect to our reportable business segments.

In general, demand for our products is balanced throughout the year. However, demand for sweeteners in South America is greater in the first and fourth quarters (its summer season) while demand for sweeteners in North America is greater in the second and third quarters. Due to the offsetting impact of these demand trends, we do not experience material seasonal fluctuations in our business.

Our North America segment consists of operations in the US, Canada and Mexico. The region’s facilities include 13 plants producing a range of both sweeteners and starches. Our plant in Bedford Park, Illinois is a major supplier of starch and dextrose products for our US and export customers. Our plants in Winston-Salem, North Carolina and Stockton, California enjoy strong market shares in their local areas, as do our Canadian plants in Cardinal, London and Port Colborne, Ontario. Our Winston-Salem, Stockton, Port Colborne and London plants primarily produce high fructose corn syrup. Plants in Indianapolis; North Kansas City, Missouri; and Charleston, South Carolina manufacture specialty starches for North American and European customers. We also have a plant in Mapleton, Illinois which produces a wide range of polyols, including liquid and crystalline sorbitol. We are the largest producer of corn-based starches and sweeteners in Mexico, with plants in Guadalajara, Mexico City and San Juan del Rio.

We are the largest manufacturer of corn-based starches and sweeteners in South America, with strong market shares in Argentina, Brazil, Chile, Colombia and Peru. Our South America segment includes 11 plants that produce regular, modified, waxy and tapioca starches, high fructose and high maltose corn syrups and corn syrup solids, dextrins and maltodextrins, dextrose, specialty starches, caramel color, sorbitol and vegetable adhesives.

Our Asia/Pacific segment manufactures corn- and tapioca-based products in South Korea, Thailand, Australia and China. The region's facilities include 8 plants that produce modified, specialty, regular, waxy and tapioca starches, dextrins, glucose, dextrose, high fructose corn syrups and caramel color.

Our EMEA segment includes 5 plants that produce modified and specialty starches, glucose and dextrose in England, Germany, South Africa, Pakistan and Kenya.

In addition to the operations in which we engage directly, we have strategic alliances through technical license agreements with companies in South Africa and Venezuela. As a group, our strategic alliance partners produce high fructose, glucose and high maltose syrups (both corn and tapioca), regular, modified, waxy and tapioca starches, dextrose and dextrins, maltodextrins and caramel color. These products have leading positions in many of their target markets.

**Competition**

The starch and sweetener industry is highly competitive. Many of our products are viewed as basic commodity ingredients that compete with virtually identical products and derivatives manufactured by other companies in the industry. The US is a highly competitive market where there are other corn refiners, several of which are divisions of larger enterprises. Some of these competitors, unlike us, have vertically integrated their corn refining and other operations. Competitors include ADM Corn Processing Division ("ADM") (a division of Archer-Daniels-Midland Company), Cargill, Inc., Tate & Lyle Ingredients Americas, Inc., and several others. Our operations in Mexico and Canada face competition from US imports and local producers including ALMEX, a Mexican joint venture between ADM and Tate & Lyle Ingredients Americas, Inc. In South America, Cargill has corn-refining operations in Brazil and





Argentina. Many smaller local corn and tapioca refiners also operate in many of our markets. Competition within our markets is largely based on price, quality and product availability.

Several of our products also compete with products made from raw materials other than corn. High fructose corn syrup and monohydrate dextrose compete principally with cane and beet sugar products. Co-products such as corn oil and gluten meal compete with products of the corn dry milling industry and with soybean oil, soybean meal and other products. Fluctuations in prices of these competing products may affect prices of, and profits derived from, our products.

**Customers**

We supply a broad range of customers in over 60 industries. Approximately 31 percent of our 2011 net sales were to companies engaged in the processed foods industry and approximately 14 percent of our 2011 net sales were to companies engaged in the soft drink industry. Additionally, sales to the animal feed market, the paper and corrugating industry, and the brewing industry represented approximately 12 percent, 10 percent and 9 percent of our 2011 net sales, respectively.

**Raw Materials**

Corn is the primary basic raw material we use to produce starches and sweeteners. The supply of corn in the United States has been, and is anticipated to continue to be, adequate for our domestic needs. The price of corn, which is determined by reference to prices on the Chicago Board of Trade, fluctuates as a result of various factors including: farmer planting decisions, climate, and government policies (including those related to the production of ethanol), livestock feeding, shortages or surpluses of world grain supplies, and domestic and foreign government policies and trade agreements. The Company also uses tapioca, potato, rice and sugar as a raw material.

Corn is also grown in other areas of the world, including Canada, Mexico, Europe, South Africa, Argentina, Brazil, China, Pakistan and Kenya. Our affiliates outside the United States utilize both local supplies of corn and corn imported from other geographic areas, including the United States. The supply of corn for these affiliates is also generally expected to be adequate for our needs. Corn prices for our non-US affiliates generally fluctuate as a result of the same factors that affect US corn prices.

Due to the competitive nature of our industry and the availability of substitute products not produced from corn, such as sugar from cane or beets, end product prices may not necessarily fluctuate in a manner that correlates to raw material costs of corn.

We follow a policy of hedging our exposure to commodity fluctuations with commodities futures contracts for certain of our North American corn purchases. Our firm-priced business is hedged. Other business may or may not be hedged at any given time based on management's judgment as to the need to fix the costs of our raw materials to protect our profitability. See Item 7A, Quantitative and Qualitative Disclosures about Market Risk, in the section entitled "Commodity Costs" for additional information.

**Research and Development**

With the acquisition of National Starch, the Company has obtained a global research and development capability concentrated in Bridgewater, New Jersey. Activities at Bridgewater include plant science and physical, chemical and biochemical modifications to food formulation, as well as development of non-food applications such as starch-based biopolymers. In addition, Corn Products has product application technology centers that direct our product development teams worldwide to create product application solutions to better serve the ingredient needs of our customers. Product development activity is focused on developing product applications for identified customer and market needs. Through this approach, we have developed value-added products for use by customers in various industries. We usually collaborate with customers to develop the desired product application either in the customers' facilities, our technical service laboratories or on a contract basis. These efforts are supported by our marketing, product technology and

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technology support staff. Research and development expense for 2011 was approximately $29 million.

**Sales and Distribution**

Our salaried sales personnel, who are generally dedicated to customers in a geographic region, sell our products directly to manufacturers and distributors. In addition, we have a staff that provides technical support to our sales personnel on an industry basis. We generally contract with trucking companies to deliver our bulk products to customer destinations. In North America, we generally use trucks to ship to nearby customers. For those customers located considerable distances from our plants, we use either rail or a combination of railcars and trucks to deliver our products. We generally lease railcars for terms of five to fifteen years.

**Patents, Trademarks and Technical License Agreements**

We own a number of patents, including approximately 800 patents and patents pending through the acquisition of National Starch which relate to a variety of products and processes, and a number of established trademarks under which we market our products. We also have the right to use other patents and trademarks pursuant to patent and trademark licenses. We do not believe that any individual patent or trademark is material to our business. There is no currently pending challenge to the use or registration of any of our significant patents or trademarks that would have a material adverse impact on the Company or its results of operations if decided against us.

We are a party to technical license agreements with third parties in South Africa and Venezuela whereby we provide technical, management and business advice on the operations of corn refining businesses and receive royalties in return. These arrangements provide us with product penetration in these countries, as well as experience and relationships that could facilitate future expansion. The duration of the agreements range from one to three years, and these agreements can be extended by mutual agreement. These relationships have been in place for many years. We receive approximately $2 million of annual income for services provided under these agreements.

**Employees**

As of December 31, 2011 we had approximately 11,100 employees, of which approximately 1,900 were located in the United States. Approximately 37 percent of US and 48 percent of our non-US employees are unionized. In addition, the Company has approximately 800 temporary employees.

**Government Regulation and Environmental Matters**

As a manufacturer and maker of food items and items for use in the pharmaceutical industry, our operations and the use of many of our products are subject to various US, state, foreign and local statutes and regulations, including the Federal Food, Drug and Cosmetic Act and the Occupational Safety and Health Act. We and many of our products are also subject to regulation by various government agencies, including the United States Food and Drug Administration. Among other things, applicable regulations prescribe requirements and establish standards for product quality, purity and labeling. Failure to comply with one or more regulatory requirements can result in a variety of sanctions, including monetary fines. No such fines of a material nature were imposed on us in 2011. We may also be required to comply with US, state, foreign and local laws regulating food handling and storage. We believe these laws and regulations have not negatively affected our competitive position.

Our operations are also subject to various US, state, foreign and local laws and regulations with respect to environmental matters, including air and water quality and underground fuel storage tanks, and other regulations intended to protect public health and the environment. The Company operates industrial boilers that fire natural gas, coal, or biofuels to operate its manufacturing facilities and are its primary source of greenhouse gas emissions. Based on current laws and regulations and the enforcement and interpretations thereof, we do not expect that the costs of future environmental compliance will be a material expense, although there can be no assurance that we will remain in



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compliance or that the costs of remaining in compliance will not have a material adverse effect on our future financial condition and results of operations.

During 2011 we spent approximately $3 million for environmental control and wastewater treatment equipment to be incorporated into existing facilities and in planned construction projects. We currently anticipate that we will spend approximately $9 million for environmental facilities and programs in 2012 and a similar amount in 2013.

**Other**

Our Internet address is www.cornproducts.com. We make available, free of charge through our Internet website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. These reports are made available as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission. Our corporate governance guidelines, Board committee charters and code of ethics are posted on our website, the address of which is www.cornproducts.com, and each is available in print to any shareholder upon request in writing to Corn Products International, Inc., 5 Westbrook Corporate Center, Westchester, Illinois 60154 Attention: Corporate Secretary. The contents of our website are not incorporated by reference into this report.



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### Executive Officers of the Registrant

Set forth below are the names and ages of all of our executive officers, indicating their positions and offices with the Company and other business experience during the past five years. Our executive officers are elected annually by the Board to serve until the next annual election of officers and until their respective successors have been elected and have qualified unless removed by the Board.

| Name | Age | Positions, Offices and Business Experience |
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| Ilene S. Gordon | 58 | Chairman of the Board, President and Chief Executive Officer of the Company since May 4, 2009. Ms. Gordon was President and Chief Executive Officer of Rio Tinto's Alcan Packaging, a multinational business unit engaged in flexible and specialty packaging, from October 2007 until she took office as Chairman of the Board, President and Chief Executive Officer of the Company. From December 2006 to October 2007, Ms. Gordon was a Senior Vice President of Alcan Inc. and President and Chief Executive Officer of Alcan Packaging. Alcan Packaging was acquired by Rio Tinto in October 2007. From 2004 until December 2006, Ms. Gordon served as President of Alcan Food Packaging Americas, a division of Alcan Inc. From 1999 until Alcan's December 2003 acquisition of Pechiney Group, Ms. Gordon was a Senior Vice President of Pechiney Group and President of Pechiney Plastic Packaging, Inc., a global flexible packaging business. Prior to joining Pechiney in June 1999, Ms. Gordon spent 17 years with Tenneco Inc., where she most recently served as Vice President and General Manager, heading up Tenneco's folding carton business. Ms. Gordon also serves as a director of Arthur J. Gallagher & Co., an international insurance brokerage and risk management business, Northwestern Memorial Hospital, The Executives' Club of Chicago, Economic Club of Chicago and The Chicago Council on Global Affairs. She is also a trustee of The Conference Board. Ms. Gordon served as a director of United Stationers Inc., a wholesale distributor of business products and a provider of marketing and logistics services to resellers, from January 2000 until May 2009. She holds a Bachelor's degree in Mathematics from the Massachusetts Institute of Technology (MIT) and a Master's degree in Management from MIT's Sloan School of Management. |





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| Cheryl K. Beebe | 56 | Executive Vice President and Chief Financial Officer since October 1, 2010. Ms. Beebe previously served as Vice President and Chief Financial Officer from February 2004 to September 30, 2010, as Vice President, Finance from July 2002 to February 2004, as Vice President from 1999 to 2002 and as Treasurer from 1997 to February 2004. Prior to that, she served as Director of Finance and Planning worldwide for the Corn Refining Business of CPC International, Inc., now Unilever Bestfoods ("CPC"), from 1995 to 1997 and as Director of Financial Analysis and Planning for Corn Products North America from 1993. Ms. Beebe joined CPC in 1980 and served in various financial positions in CPC's US consumer food business, North American audit group and worldwide corporate treasury group. Ms. Beebe is a member of the Board of Directors of Packaging Corporation of America. She was a member of the Board of Trustees of Fairleigh Dickinson University from 2006 to 2009. She holds a Bachelor of Science degree in Accounting from Rutgers University and a Masters of Business Administration degree from Fairleigh Dickenson University. |
| Julio dos Reis | 56 | Senior Vice President and President, South America Ingredient Solutions since October 1, 2010. Mr. dos Reis served as Vice President and President, South America Division from September 1, 2010 to September 30, 2010. Mr. dos Reis previously served as President and General Manager of the South America Division's Southern Cone from September 17, 2003 to August 31, 2010. Prior thereto, he joined CPC in February 1992 as Argentina's Corporate Internal Audit Manager, and held positions of increasing responsibility, including Supply Chain Manager and Chief Financial Officer. Prior to joining CPC, he served in a number of management roles for IBM Corporation. He began his career with Price Waterhouse in 1977. He holds a Bachelor of Science degree in Business Administration from the University of Buenos Aires in Argentina; a postgraduate degree in Negotiation from the Pontificia Universidad Catolica Argentina, and a certificate from the Advanced Executive Program from the Kellogg School of Management at Northwestern University in Evanston, Illinois. |
| Jack C. Fortnum | 55 | Executive Vice President and President, Global Beverage, Industrial and North America Sweetener Solutions since October 1, 2010. Mr. Fortnum |

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| | | previously served as Vice President since 1999 and President of the North America Division from May 2004 to September 30, 2010. Prior to that he served as President, US/Canadian Region from July 2003 to May 2004, and as President, US Business from February 2002 until July 2003. Prior to that, Mr. Fortnum served as Executive Vice President, US/Canadian Region from August 2001 until February 2002, as the Controller from 1997 to 2001, as the Vice President of Finance for Refineries de Maiz, CPC's Argentine subsidiary, from 1995 to 1997, as the Director of Finance and Planning for CPC's Latin America Corn Refining Division from 1993 to 1995, and as the Vice President and Comptroller of Canada Starch Operating Company Inc., the Canadian subsidiary of CPC, and as the Vice President of Finance of the Canadian Corn Refining Business from 1989. Mr. Fortnum is a member of the Board of Directors of Greenfield Ethanol, Inc. He holds a Bachelors degree in Economics from the University of Toronto and completed the Senior Business Administration Course offered by McGill University. |
| Diane J. Frisch | 57 | Senior Vice President, Human Resources since October 1, 2010. Ms. Frisch previously served as Vice President, Human Resources, from May 1, 2010 to September 30, 2010. Prior to that, Ms. Frisch served as Vice President of Human Resources and Communications for the Food Americas and Global Pharmaceutical Packaging businesses of Rio Tinto's Alcan Packaging, a multinational company engaged in flexible and specialty packaging, from January 2004 to March 30, 2010. Prior to being acquired by Alcan Packaging, Ms. Frisch served as Vice President of Human Resources for the flexible packaging business of Pechiney, S.A. an aluminum and packaging company with headquarters in Paris and Chicago, from January 2001 to January 2004. Previously, she served as Vice President of Human Resources for Culligan International Company; Vice President and Director of Human Resources for Alumax Mill Products, Inc., a division of Alumax Inc.; Director of Human Resources for U.S. Reduction Company; and Manager of Human Resources for American Can Company. Ms. Frisch holds a Bachelor of Arts degree in Psychology from Ithaca College, Ithaca, NY, and a Master of Science in Industrial Relations from the University of Wisconsin in Madison. |



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| Kimberly A. Hunter | 50 | Corporate Treasurer since February 2004. Ms. Hunter previously served as Director of Corporate Treasury from September 2001 to February 2004. Prior to that, she served as Managing Director, Investment Grade Securities at Bank One Corporation, a financial institution, from 1997 to 2000 and as Vice President, Capital Markets of Bank One from 1992 to 1997. Ms. Hunter holds Bachelors degrees in Government and Economics from Harvard University and a Masters in Business Administration from the University of Chicago. |
| Mary Ann Hynes | 64 | Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer since October 1, 2010. Ms. Hynes previously served as Vice President, General Counsel and Corporate Secretary from March 2006 to September 30, 2010 and, additionally, Chief Compliance Officer since January 2008. Prior to that, Ms. Hynes was Senior Vice President and General Counsel, Chief Legal Officer for IMC Global Inc., a producer and distributor of crop nutrients and animal feed ingredients, from July 1999 to October 2004, and a consultant to The Mosaic Company, also a producer and distributor of crop nutrients and animal feed ingredients, from October 2004 to October 2005. The Mosaic Company acquired IMC Global Inc. in October 2004. Ms. Hynes is a member of the Board of Trustees of The John Marshall Law School and a director of the Dr. Scholl Foundation. She holds a Bachelors of Political Science and Mathematics from Loyola University, Juris Doctor and Master of Laws — Taxation degrees from The John Marshall Law School and an Executive Masters of Business Administration degree from the Lake Forest Graduate School of Business in Chicago. |
| Robin A. Kornmeyer | 63 | Vice President since September 2002 and Controller since January 2002. Mr. Kornmeyer previously served as Corporate Controller at Foster Wheeler Ltd., a worldwide engineering and construction company, from 2000 to 2002. He holds a Bachelors degree in Economics and Business Administration from Lebanon Valley College, Annville, Pennsylvania. |



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| John F. Saucier | 58 | Senior Vice President, Corporate Strategy and Global Business Development since |

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| | | October 1, 2010. Mr. Saucier previously served as Vice President and President Asia/Africa Division and Global Business Development from November 2007 to September 30, 2010. Mr. Saucier previously served as Vice President, Global Business and Product Development, Sales and Marketing from April 2006 to November 2007. Prior to that, Mr. Saucier was President, Integrated Nylon Division of Solutia Inc., a specialty chemical manufacturer from May 2004 to March 2005, and Vice President of Solutia and General Manager of its Integrated Nylon Division from September 2001 to May 2004. Solutia Inc. and 14 of its US subsidiaries filed voluntary petitions under the bankruptcy laws in December 2003. Mr. Saucier holds Bachelors and Masters degrees in Mechanical Engineering from the University of Missouri and a Masters degree in Business Administration from Washington University in St. Louis. |
| James P. Zallie | 50 | Executive Vice President and President, Global Ingredient Solutions since October 1, 2010. Mr. Zallie previously served as President and Chief Executive Officer of the National Starch business from January 2007 to September 30, 2010. Mr. Zallie worked for National Starch for more than 27 years in various positions of increasing responsibility, first in technical, then marketing and then international business management positions. He holds Master's degrees in Food Science and Business Administration from Rutgers University and a Bachelor of Science degree in Food Science from Pennsylvania State University. |

## ITEM 1A. RISK FACTORS

Our business and assets are subject to varying degrees of risk and uncertainty. The following are factors that we believe could cause our actual results to differ materially from expected and historical results. Additional risks that are currently unknown to us may also impair our business or adversely affect our financial condition or results of operations. In addition, forward-looking statements within the meaning of the federal securities laws that are contained in this Form 10-K or in our other filings or statements may be subject to the risks described below as well as other risks and uncertainties. Please read the cautionary notice regarding forward-looking statements in Item 7 below.

**Current economic conditions may adversely impact demand for our products, reduce access to credit and cause our customers and others with which we do business to suffer financial hardship, all of which could adversely impact our business, results of operations, financial condition and cash flows.**



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Economic conditions are weak in the US, the European Union and many other countries and regions in which we do business, and may remain challenging for the foreseeable future. General business and economic conditions that could affect us include short-term and long-term interest rates, unemployment, inflation, fluctuations in debt markets and the strength of the US economy, the European Union economy and the local economies in which we operate. While currently these conditions have not impaired our ability to access credit markets and finance our operations, there can be no assurance that there will not be a further deterioration in the financial markets.

There could be a number of other effects from these economic developments on our business, including reduced consumer demand for products; insolvency of our customers, resulting in increased provisions for credit losses; decreased customer demand, including order delays or cancellations and counterparty failures negatively impacting our operations.

In connection with our defined benefit pension plans, adverse changes in investment returns earned on pension assets and discount rates used to calculate pension and related liabilities or changes in required pension funding levels may have an unfavorable impact on future pension expense and cash flow.

In addition, the currently weak worldwide economic conditions and market instability make it difficult for us, our customers and our suppliers to accurately forecast future product demand trends, which could cause us to produce excess products that can increase our inventory carrying costs. Alternatively, this forecasting difficulty could cause a shortage of products that could result in an inability to satisfy demand for our products.

**We operate a multinational business subject to the economic, political and other risks inherent in operating in foreign countries and with foreign currencies.**

We have operated in foreign countries and with foreign currencies for many years. Our results are subject to foreign currency exchange fluctuations. Our operations are subject to political, economic and other risks. There has been and continues to be significant political uncertainty in some countries in which we operate. Economic changes, terrorist activity and political unrest may result in business interruption or decreased demand for our products. Protectionist trade measures and import and export licensing requirements could also adversely affect our results of operations. Our success will depend in part on our ability to manage continued global political and/or economic uncertainty.

We primarily sell world commodities. Historically, local prices have adjusted relatively quickly to offset the effect of local currency devaluations, but there can be no assurance that this will continue to be the case. We may hedge transactions that are denominated in a currency other than the currency of the operating unit entering into the underlying transaction. We are subject to the risks normally attendant to such hedging activities.

**Raw material and energy price fluctuations, and supply interruptions and shortages could adversely affect our results of operations.**

Our finished products are made primarily from corn. Purchased corn accounts for between 40 percent and 65 percent of finished product costs. Some of our products are based upon specific varieties of corn that are produced in significantly less volumes than yellow dent corn. Energy costs represent approximately 10 percent of our finished product costs. We use energy primarily to create steam in our production process and to dry product. We consume coal, natural gas, electricity, wood and fuel oil to generate energy. The market prices for these commodities may vary considerably depending on supply and demand, world economies and other factors.  We purchase these commodities based on our anticipated usage and future outlook for these costs.  We cannot assure that we will be able to purchase these commodities at prices that we can adequately pass on to customers to sustain or increase profitability.  We have recently experienced issues with respect to energy in our Pakistan operations.





In North America, we sell a large portion of our finished products at firm prices established in supply contracts typically lasting for periods of up to one year.  In order to minimize the effect of volatility in the cost of corn related to these firm-priced supply contracts, we enter into corn futures contracts, or take other hedging positions in the corn futures market.  We are unable to hedge price risk related to co-product sales.  These derivative contracts typically mature within one year.  At expiration, we settle the derivative contracts at a net amount equal to the difference between the then-current price of corn and the futures contract price.  These hedging instruments are subject to fluctuations in value; however, changes in the value of the underlying exposures we are hedging generally offset such fluctuations.  The fluctuations in the fair value of these hedging instruments may affect the cash flow of the Company.  We fund any unrealized losses or receive cash for any unrealized gains on a daily basis.  While the corn futures contracts or hedging positions are intended to minimize the effect of volatility of corn costs on operating profits, the hedging activity can result in losses, some of which may be material.  Outside of North America, sales of finished products under long-term, firm-priced supply contracts are not material.  We also use derivative financial instruments to hedge portions of our natural gas costs, primarily in our North American operations.

**Due to market volatility, we cannot assure that we can adequately pass potential increases in the cost of corn on to customers through product price increases or purchase quantities of corn at prices sufficient to sustain or increase our profitability.**

Our corn purchasing costs, which include the price of the corn plus delivery cost, account for 40 percent to 65 percent of our product costs.  The price and availability of corn is influenced by economic and industry conditions, including supply and demand factors such as crop disease and severe weather conditions such as drought, floods or frost that are difficult to anticipate and which we cannot control.  There is also a demand for corn in the US to produce ethanol which has been significantly impacted by US governmental policies designed to encourage the production of ethanol.  In addition, government programs supporting sugar prices indirectly impact the price of corn sweeteners, especially high fructose corn syrup.

**Our profitability may be affected by other factors beyond our control.**

Our operating income and ability to increase profitability depend to a large extent upon our ability to price finished products at a level that will cover manufacturing and raw material costs and provide an acceptable profit margin. Our ability to maintain appropriate price levels is determined by a number of factors largely beyond our control, such as aggregate industry supply and market demand, which may vary from time to time, and the economic conditions of the geographic regions where we conduct our operations.

**We operate in a highly competitive environment and it may be difficult to preserve operating margins and maintain market share.**

We operate in a highly competitive environment. Many of our products compete with virtually identical or similar products manufactured by other companies in the starch and sweetener industry. In the United States, there are competitors, several of which are divisions of larger enterprises that have greater financial resources than we do. Some of these competitors, unlike us, have vertically integrated their corn refining and other operations. Many of our products also compete with products made from raw materials other than corn. Fluctuation in prices of these competing products may affect prices of, and profits derived from, our products. Competition in markets in which we compete is largely based on price, quality and product availability.

**Changes in consumer preferences and perceptions may lessen the demand for our products, which could reduce our sales and profitability and harm our business.**

Food products are often affected by changes in consumer tastes, national, regional and local economic conditions and demographic trends. For instance, changes in prevailing health or dietary preferences causing consumers to avoid food products containing sweetener products, including high fructose corn syrup, in favor of foods that are perceived as being more healthy, could reduce our sales and profitability, and such a reduction could be material.





Increasing concern among consumers, public health professionals and government agencies about the potential health concerns associated with obesity and inactive lifestyles represent a significant challenge to some of our customers, including those engaged in the soft drink industry.

**The uncertainty of acceptance of products developed through biotechnology could affect our profitability.**

The commercial success of agricultural products developed through biotechnology, including genetically modified corn, depends in part on public acceptance of their development, cultivation, distribution and consumption. Public attitudes can be influenced by claims that genetically modified products are unsafe for consumption or that they pose unknown risks to the environment even if such claims are not based on scientific studies. These public attitudes can influence regulatory and legislative decisions about biotechnology even where they are approved. The sale of the Company’s products which may contain genetically modified corn could be delayed or impaired because of adverse public perception regarding the safety of the Company’s products and the potential effects of these products on animals, human health and the environment.

**Our profitability could be negatively impacted if we fail to maintain satisfactory labor relations.**

Approximately 37 percent of our US and 48 percent of our non-US employees are members of unions.  Strikes, lockouts or other work stoppages or slow downs involving our unionized employees could have a material adverse effect on us.

**Our reliance on certain industries for a significant portion of our sales could have a material adverse affect on our business.**

Approximately 31 percent of our 2011 sales were made to companies engaged in the processed foods industry and approximately 14 percent were made to companies in the soft drink industry. Additionally, sales to the animal feed market, the paper and corrugating industry, and the brewing industry represented approximately 12 percent, 10 percent and 9 percent of our 2011 net sales, respectively. If our processed foods customers, soft drink customers, brewing industry customers, paper and corrugating customers or animal feed customers were to substantially decrease their purchases, our business might be materially adversely affected.

**An outbreak of a life threatening communicable disease could negatively impact our business**.

If the economies of any countries where we sell or manufacture products are affected by an outbreak of a life threatening communicable diseases such as Severe Acute Respiratory Syndrome ("SARS") or the Avian Flu, it could result in decreased sales and unfavorably impact our business.

**Government policies and regulations in general, and specifically affecting agriculture-related businesses, could adversely affect our operating results.**

Our operating results could be affected by changes in trade, monetary and fiscal policies, laws and regulations, and other activities of United States and foreign governments, agencies, and similar organizations. These conditions include but are not limited to changes in a country's or region's economic or political conditions, trade regulations affecting production, pricing and marketing of products, local labor conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes and tariffs, and other trade barriers. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit our ability to transact business in these markets and could adversely affect our revenues and operating results.

Due to cross-border disputes, our operations could be adversely affected by actions taken by the governments of countries where we conduct business.





**The recognition of impairment charges on goodwill or long-lived assets could adversely impact our future financial position and results of operations.**

In 2011, we recorded restructuring charges of $10 million relating to our manufacturing optimization plan in North America. In 2010, we recorded a $24 million write-off for impairment and restructuring charges for the closure of our Chilean manufacturing plant. In 2009, we recorded a write-off of $119 million of goodwill pertaining to our operation in South Korea. See Note 4 of the notes to the consolidated financial statements included in this Form 10-K for additional information regarding these write-offs.

We perform an annual impairment assessment for goodwill and, as necessary, for long-lived assets. If the results of such assessments were to show that the fair value of our property, plant and equipment or goodwill were less than the carrying values, we could be required to recognize a charge for impairment of goodwill and/or long-lived assets and the amount of the impairment charge could be material. Our annual impairment assessment as of October 1, 2011 did not result in any additional impairment charges for the year.

Even though it was determined that there was no additional long-lived asset impairment as of October 1, 2011, the future occurrence of a potential indicator of impairment, such as a significant adverse change in the business climate that would require a change in our assumptions or strategic decisions made in response to economic or competitive conditions, could require us to perform an assessment prior to the next required assessment date of October 1, 2012.

**Changes in our tax rates or exposure to additional income tax liabilities could impact our profitability.**

We are subject to income taxes in the United States and in various other foreign jurisdictions. Our effective tax rates could be adversely affected by changes in the mix of earnings by jurisdiction, changes in tax laws or tax rates, changes in the valuation of deferred tax assets and liabilities, and material adjustments from tax audits.

In particular, the carrying value of deferred tax assets, which are predominantly in the US, is dependent upon our ability to generate future taxable income in the US. In addition, the amount of income taxes we pay is subject to ongoing audits in various jurisdictions and a material assessment by a governing tax authority could affect our profitability.

**Operating difficulties at our manufacturing plants could adversely affect our operating results.**

Producing starches and sweeteners through corn refining is a capital intensive industry. We have 37 plants and have preventive maintenance and de-bottlenecking programs designed to maintain and improve grind capacity and facility reliability. If we encounter operating difficulties at a plant for an extended period of time or start up problems with any capital improvement projects, we may not be able to meet a portion of sales order commitments and could incur significantly higher operating expenses, both of which could adversely affect our operating results. We also use boilers to generate steam required in our manufacturing processes. An event that impaired the operation of a boiler for an extended period of time could have a significant adverse effect on the operations of any plant where such event occurred.

**We may not have access to the funds required for future growth and expansion.**

We may need additional funds for working capital to grow and expand our operations. We expect to fund our capital expenditures from operating cash flow to the extent we are able to do so. If our operating cash flow is insufficient to fund our capital expenditures, we may either reduce our capital expenditures or utilize our general credit facilities. We may also seek to generate additional liquidity through the sale of debt or equity securities in private or public markets or through the sale of non-productive assets. We cannot provide any assurance that our cash flows from operations will be sufficient to fund anticipated capital expenditures or that we will be able to obtain additional funds from financial markets or from the sale of assets at terms favorable to us. If we are unable to generate sufficient cash flows or raise sufficient additional funds to cover our capital expenditures, we may not be able to achieve our desired operating efficiencies and expansion plans, which may adversely impact our competitiveness and, therefore, our results of operations.

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**Increased interest rates could increase our borrowing costs.**

From time to time we may issue securities to finance acquisitions, capital expenditures, working capital and for other general corporate purposes. An increase in interest rates in the general economy could result in an increase in our borrowing costs for these financings, as well as under any existing debt that bears interest at an unhedged floating rate.

**We may not successfully identify and complete acquisitions or strategic alliances on favorable terms or achieve anticipated synergies relating to any acquisitions or alliances, and such acquisitions could result in unforeseen operating difficulties and expenditures and require significant management resources.**

We regularly review potential acquisitions of complementary businesses, technologies, services or products, as well as potential strategic alliances. We may be unable to find suitable acquisition candidates or appropriate partners with which to form partnerships or strategic alliances. Even if we identify appropriate acquisition or alliance candidates, we may be unable to complete such acquisitions or alliances on favorable terms, if at all. In addition, the process of integrating an acquired business, including National Starch, technology, service or product into our existing business and operations may result in unforeseen operating difficulties and expenditures. Integration of an acquired company also may require significant management resources that otherwise would be available for ongoing development of our business. Moreover, we may not realize the anticipated benefits of any acquisition, including National Starch, or strategic alliance, and such transactions may not generate anticipated financial results. Future acquisitions could also require us to issue equity securities, incur debt, assume contingent liabilities or amortize expenses related to intangible assets, any of which could harm our business.

**Our inability to contain costs could adversely affect our future profitability and growth.**

Our future profitability and growth depends on our ability to contain operating costs and per-unit product costs and to maintain and/or implement effective cost control programs, while at the same time maintaining competitive pricing and superior quality products, customer service and support. Our ability to maintain a competitive cost structure depends on continued containment of manufacturing, delivery and administrative costs, as well as the implementation of cost-effective purchasing programs for raw materials, energy and related manufacturing requirements.

If we are unable to contain our operating costs and maintain the productivity and reliability of our production facilities, our profitability and growth could be adversely affected.

**Volatility in the stock market, fluctuations in quarterly operating results and other factors could adversely affect the market price of our common stock.**

The market price for our common stock may be significantly affected by factors such as our announcement of new products or services or such announcements by our competitors; technological innovation by us, our competitors or other vendors; quarterly variations in our operating results or the operating results of our competitors; general conditions in our or our customers' markets; and changes in the earnings estimates by analysts or reported results that vary materially from such estimates. In addition, the stock market has experienced significant price fluctuations that have affected the market prices of equity securities of many companies that have been unrelated to the operating performance of any individual company.

**No assurance can be given that we will continue to pay dividends.**

The payment of dividends is at the discretion of our Board of Directors and will be subject to our financial results and the availability of surplus funds to pay dividends.



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**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None

**ITEM 2. PROPERTIES**

We operate, directly and through our consolidated subsidiaries, 37 manufacturing facilities, all of which are owned. In addition, we lease our corporate headquarters in Westchester, Illinois and our National Starch facility in Bridgewater, New Jersey. The following list details the locations of our manufacturing facilities within each of our four reportable business segments:

| North America | South America | Asia Pacific | EMEA |
|---|---|---|---|
| Cardinal, Ontario, Canada | Baradero, Argentina | Lane Cove, Australia | Eldoret, Kenya |
| London, Ontario, Canada | Chacabuco, Argentina | Shanghai, China | Cornwala, Pakistan |
| Port Colborne, Ontario, Canada | Balsa Nova, Brazil | Shouguang, China | Faisalabad, Pakistan |
| San Juan del Rio, Queretaro, Mexico | Cabo, Brazil | Ichon, South Korea | Hamburg, Germany |
| Guadalajara, Jalisco, Mexico | Conchal, Brazil | Inchon, South Korea | Goole, United Kingdom |
| Mexico City, Edo, Mexico | Mogi-Guacu, Brazil | Ban Kao Dien, Thailand | |
| Stockton, California, U.S. | Rio de Janeiro, Brazil | Kalasin, Thailand | |
| Bedford Park, Illinois, U.S. | Trombudo, Brazil | Sikhiu, Thailand | |
| Mapleton, Illinois, U.S. | Barranquilla, Colombia | | |
| Indianapolis, Indiana, U.S. | Cali, Colombia | | |

| | |
|---|---|
| North Kansas City, Missouri, U.S. | Lima, Peru |
| Winston-Salem, North Carolina, U.S. | |
| Charleston, South Carolina, U.S. | |

We believe our manufacturing facilities are sufficient to meet our current production needs. We have preventive maintenance and de-bottlenecking programs designed to further improve grind capacity and facility reliability.

We have electricity co-generation facilities at all of our US and Canadian plants with the exception of Indianapolis, North Kansas City, Charleston and Mapleton, as well as at our plants in San Juan del Rio, Mexico; Baradero, Argentina; and Balsa Nova and Mogi-Guacu, Brazil, that provide electricity at a lower cost than is available from third parties. We generally own and operate these co-generation facilities, except for the facilities at our Stockton, California; Cardinal, Ontario; and Balsa Nova and Mogi-Guacu, Brazil locations, which are owned by, and operated pursuant to co-generation agreements with, third parties.

In recent years, we have made significant capital expenditures to update, expand and improve our facilities, spending $263 million in 2011. We believe these capital expenditures will allow us to operate efficient facilities for the foreseeable future. We currently anticipate that capital expenditures for 2012 will approximate $275 million to $325 million.

**ITEM 3. LEGAL PROCEEDINGS**

On April 22, 2011, Western Sugar and two other sugar companies filed a complaint in the U.S. District Court for the Central District of California against the Corn Refiners Association (CRA) and certain of its member companies, including us, alleging false and/or misleading statements relating to high fructose corn syrup in violation of the Lanham Act and California's unfair competition law. The complaint seeks injunctive relief and unspecified damages.





On October 21, 2011, the U.S. District Court for the Central District of California dismissed all Federal and state claims against us and the other members of the CRA, with leave for the plaintiffs to amend their complaint, and also dismissed all state law claims against the CRA. On February 6, 2012, the plaintiffs filed a response to the second motion to dismiss. We and the other member companies filed a reply to the plaintiffs' response on February 27, 2012.

The state law claims against the CRA were dismissed pursuant to a California law known as the anti-SLAPP (Strategic Lawsuit Against Public Participation) statute, which, according to the court's opinion, allows early dismissal of meritless first amendment cases aimed at chilling expression through costly, time-consuming litigation. The court held that the CRA's statements were protected speech made in a public forum in connection with an issue of public interest (high fructose corn syrup). Under the anti-SLAPP statute, the CRA is entitled to recover its attorney's fees and costs from the plaintiffs.

We are currently subject to various other claims and suits arising in the ordinary course of business, including certain environmental proceedings. We do not believe that the results of such legal proceedings, even if unfavorable to us, will be material to us. There can be no assurance, however, that such claims or suits or those arising in the future, whether taken individually or in the aggregate, will not have a material adverse effect on our financial condition or results of operations.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Shares of our common stock are traded on the New York Stock Exchange ("NYSE") under the ticker symbol "CPO." The number of holders of record of our common stock was 6,214 at January 31, 2011.

We have a history of paying quarterly dividends. The amount and timing of the dividend payment, if any, is based on a number of factors including estimated earnings, financial position and cash flow. The payment of a dividend is solely at the discretion of our Board of Directors. Future dividend payments will be subject to our financial results and the availability of surplus funds to pay dividends.





The quarterly high and low sales prices for our common stock and cash dividends declared per common share for 2010 and 2011 are shown below.

| | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR |
|---|---|---|---|---|
| **2011** | | | | |
| Market prices | | | | |
| High | $ 52.07 | $ 57.91 | $ 59.50 | $ 53.25 |
| Low | 44.51 | 50.30 | 38.87 | 36.65 |
| Per share dividends | $ 0.14 | $ 0.16 | $ 0.16 | $ 0.20 |
| **2010** | | | | |
| Market prices | | | | |

| | | | | |
|---|---|---|---|---|
| High | $ 35.73 | $ 37.62 | $ 39.36 | $ 48.00 |
| Low | 26.23 | 30.25 | 28.70 | 37.12 |
| Per share dividends | $ 0.14 | $ 0.14 | $ 0.14 | $ 0.14 |

Issuer Purchases of Equity Securities:

The following table summarizes information with respect to our purchases of our common stock during the fourth quarter of 2011.

| (shares in thousands) | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plans or Programs at end of period |
|---|---|---|---|---|
| Oct. 1 — Oct. 31, 2011 | — | — | — | 3,685 shares |
| Nov. 1 — Nov. 30, 2011 | — | — | — | 3,685 shares |
| Dec. 1 — Dec. 31, 2011 | — | — | — | 3,685 shares |
| Total | — | — | — | |

On November 17, 2010, our Board of Directors authorized an extension of our stock repurchase program permitting us to purchase up to 5 million shares of our outstanding common stock through November 30, 2015. The stock repurchase program was authorized by the Board of Directors on November 7, 2007 and would have expired on November 30, 2010. As of December 31, 2011, we had repurchased 1.3 million shares under the program, leaving 3.7 million shares available for repurchase.



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## ITEM 6. SELECTED FINANCIAL DATA

Selected financial data is provided below.

| (in millions, except per share amounts) | 2011 | 2010 (a) | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|
| Summary of operations: | | | | | |
| Net sales | $ 6,219 | $ 4,367 | $ 3,672 | $ 3,944 | $ 3,391 |
| Net income attributable to CPI | 416(b) | 169(c) | 41(d) | 267 | 198 |
| Net earnings per common share of CPI: | | | | | |
| Basic | $ 5.44(b) | $ 2.24(c) | $ 0.55(d) | $ 3.59 | $ 2.65 |
| Diluted | $ 5.32(b) | $ 2.20(c) | $ 0.54(d) | $ 3.52 | $ 2.59 |
| Cash dividends declared per common share of CPI | $ 0.66 | $ 0.56 | $ 0.56 | $ 0.54 | $ 0.40 |
| Balance sheet data: | | | | | |
| Working capital | $ 1,176 | $ 881 | $ 450 | $ 415 | $ 388 |
| Property, plant and equipment-net | 2,156 | 2,156 | 1,594 | 1,470 | 1,527 |
| Total assets | 5,317 | 5,040 | 2,952 | 3,207 | 3,103 |
| Long-term debt | 1,801 | 1,681 | 408 | 660 | 519 |
| Total debt | 1,949 | 1,769 | 544 | 866 | 649 |
| Redeemable common stock | — | — | 14 | 14 | 19 |
| Total equity *(e)* | $ 2,133 | $ 2,001 | $ 1,704 | $ 1,406 | $ 1,626 |
| Shares outstanding, year end | 75.9 | 76.0 | 74.9 | 74.5 | 73.8 |
| Additional data: | | | | | |
| Depreciation and amortization | $ 211 | $ 155 | $ 130 | $ 128 | $ 125 |
| Capital expenditures | 263 | 159 | 146 | 228 | 177 |

*(a) Includes National Starch from October 1, 2010 forward.*

*(b) Includes a $58 million NAFTA award ($0.75 per diluted common share) received from the Government of the United Mexican States, an after-tax gain of $18 million ($0.23 per diluted common share) pertaining to a change in a postretirement plan, after-tax charges of $7 million for restructuring costs ($0.08 per diluted common share) and after-tax costs of $21 million ($0.26 per diluted common share) relating to the integration of National Starch. See Notes 3, 4, 9 and 13 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K for additional information.*



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*(c) Includes $14 million of after-tax charges for bridge loan and other financing costs ($0.18 per diluted common share), after-tax acquisition-related costs of $26 million ($0.34 per diluted common share), after-tax charges of $22 million ($0.29 per diluted common share) for impaired assets and other costs primarily associated with our operations in Chile and after-tax charges of $18 million ($0.23 per diluted common share) relating to the sale of National Starch inventory that was adjusted to fair value at the acquisition date in accordance with business combination accounting rules. See Notes 3, 4 and 6 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K for additional information.*

*(d) Includes after-tax charges for impaired assets and restructuring costs of $110 million, or $1.47 per diluted common share. See Note 4 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K for additional information.*

*(e) Includes non-controlling interests.*



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**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**OVERVIEW**

We are a major supplier of high-quality food ingredients, industrial products and specialty starches to customers around the world. We have 37 manufacturing plants located throughout North America, South America, Asia Pacific and Europe, the Middle East and Africa ("EMEA"), and we manage and operate our businesses at a regional level. We believe this approach provides us with a unique understanding of the cultures and product requirements in each of the geographic markets in which we operate, bringing added value to our customers. Our sweeteners are found in products such as baked goods, candies, chewing gum, dairy products and ice cream, soft drinks and beer. Our starches are a staple of the food, paper, textile and corrugating industries.

Critical success factors in our business include managing our significant manufacturing costs, including corn and utilities. In addition, due to our global operations we are exposed to fluctuations in foreign currency exchange rates. We use derivative financial instruments, when appropriate, for the purpose of minimizing the risks and/or costs associated with fluctuations in commodity prices, foreign exchange rates and interest rates. Also, the capital intensive nature of the corn wet milling industry requires that we generate significant cash flow on a yearly basis in order to selectively reinvest in the business and grow organically, as well as through strategic acquisitions and alliances. We utilize certain key metrics relating to working capital, debt and return on capital employed to monitor our progress toward achieving our strategic business objectives (see section entitled "Key Performance Metrics").

Net sales, operating income, net income and diluted earnings per common share for 2011 grew substantially from 2010. Higher product selling prices, the impact of our acquired National Starch operations, the first quarter 2011 receipt of a $58 million cash payment from the Government of the United Mexican States pursuant to an award rendered in the Company's favor by a North American Free Trade Agreement ("NAFTA") Tribunal and a $30 million gain from a change in a postretirement plan in the fourth quarter of 2011 were the primary drivers of this strong performance.

Also, as part of a manufacturing optimization plan developed in conjunction with the acquisition of National Starch to improve profitability, in the second quarter of 2011 we committed to a plan that will optimize our production capabilities at certain of our North American facilities. We anticipate that our plan will be completed by September 30, 2012 at which time certain equipment will cease to be used. As a result, we are recording restructuring charges to write the equipment off by September 30, 2012. In 2011, we recorded charges of $10 million, of which $8 million represents accelerated depreciation on the equipment. We will continue to record restructuring charges of $4 million per quarter until the completion of the plan when the equipment will be fully depreciated.

In 2011, we achieved organic sales and earnings growth in each of our segments, despite some significant headwinds. We navigated a difficult economy in the United States and recession-like conditions in Europe. Many of our international markets remained strong however, which helped us to mitigate these challenging economic conditions. We also experienced extreme and unfavorable weather conditions - a tsunami and flooding in the Asia Pacific and cooler than normal temperatures in Brazil, which had an unfavorable impact on demand for certain of our products. Additionally, we shut down our Argo plant, our largest manufacturing facility, for over a week during the second quarter to perform significant maintenance and then resumed production successfully.

All in all, 2011 was a strong year for us. Despite the challenging economic and weather conditions around the world, we grew our profitability and invested for the future. Additionally, our integration of the National Starch acquisition continues on track and we look forward to continued business growth in 2012.



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As the year concluded, numerous foreign currencies devalued against the dollar. We have a history of successfully implementing pricing actions to cover the unfavorable translation effect of foreign currency devaluations, and we expect to be able to do so again in 2012.

We currently expect that our future operating cash flows and borrowing availability under our credit facilities will provide us with sufficient liquidity to fund our anticipated capital expenditures, dividends, and other investing and/or financing strategies for the foreseeable future.

**RESULTS OF OPERATIONS**

We have significant operations in North America, South America, Asia Pacific and EMEA. For most of our foreign subsidiaries, the local foreign currency is the functional currency. Accordingly, revenues and expenses denominated in the functional currencies of these subsidiaries are translated into US dollars at the applicable average exchange rates for the period. Fluctuations in foreign currency exchange rates affect the US dollar amounts of our foreign subsidiaries' revenues and expenses. The impact of currency exchange rate changes, where significant, is provided below.

On October 1, 2010, we acquired National Starch, a global provider of specialty starches. The results of National Starch are included in our consolidated financial results from October 1, 2010 forward. As a result, there are significant fluctuations in our financial statements as compared to 2010. While we identify significant fluctuations due to the acquisition, our discussion below also addresses results of operations absent the impact of the National Starch acquisition and acquired operations for the nine months ended September 30, 2011, where appropriate, to provide a more comparable and meaningful analysis. Additionally, as a result of the acquisition and integration of National Starch, we have changed our reportable business segments. Our operations in Pakistan, Kenya and Nigeria that were historically reported as part of the former Asia/Africa segment (now Asia Pacific) are now included within the EMEA segment. For comparability purposes, amounts for 2010 and 2009 have been reclassified to reflect the new reportable business segments. See also Note 14 of the notes to the consolidated financial statements for additional information.

*2011 Compared to 2010*

***Net Income attributable to CPI***. Net income attributable to CPI for 2011 more than doubled to $416 million, or $5.32 per diluted common share, from 2010 net income of $169 million, or $2.20 per diluted common share. Our results for 2011 include a $58 million NAFTA award ($0.75 per diluted common share) received from the Government of the United Mexican States (see Note 13 of the notes to the consolidated financial statements for additional information) and an after-tax gain of $18 million ($0.23 per diluted common share) pertaining to a change in a postretirement plan (see Note 9 of the notes to the consolidated financial statements for additional information). Additionally, our 2011 results include after-tax costs of $21 million ($0.26 per diluted common share) relating to the integration of National Starch and after-tax restructuring charges of $7 million ($0.08 per diluted common share) associated with our manufacturing optimization plan in North America. Our 2010 results include after-tax acquisition-related costs of $26 million ($0.34 per diluted common share), after-tax restructuring charges of $22 million ($0.29 per diluted common share) for impaired assets and other costs primarily associated with the closing of our plant in Chile, after-tax costs of $18 million ($0.23 per diluted common share) relating to the sale of National Starch inventory that was adjusted to fair value at the acquisition date in accordance with business combination accounting rules and after-tax charges of $14 million for bridge loan and other financing costs ($0.18 per diluted common share) related to the acquisition of National Starch. See also Note 4 of the notes to the consolidated financial statements for additional information pertaining to the asset impairments and restructurings.

Without the integration costs, restructuring charges, the NAFTA award, and the gain from the postretirement plan change in 2011 and the impairment, restructuring, acquisition-related costs and bridge loan and other financing expenses in 2010, net income for 2011 would have grown 47 percent from 2010, while our diluted earnings per common share would have risen 44 percent. This net income growth primarily reflects an increase in operating income driven by earnings of





the acquired National Starch operations and, to a lesser extent, organic earnings growth. Higher financing costs partially offset the increased operating income.

***Net Sales***. Net sales for 2011 increased to $6.22 billion from $4.37 billion in 2010, as sales grew in each of our segments.

A summary of net sales by reportable business segment is shown below:

| **(in millions)** | **2011** | **2010** | **Increase** | **% Change** |
|---|---|---|---|---|
| North America | $ 3,356 | $ 2,439 | $ 917 | 38% |
| South America | 1,569 | 1,241 | 328 | 26% |
| Asia Pacific | 764 | 433 | 331 | 76% |
| EMEA | 530 | 254 | 276 | 109% |
| Total | $ 6,219 | $ 4,367 | $ 1,852 | 42% |

The increase in net sales reflects a 22 percent volume increase driven by sales for the first nine months of 2011 from our acquired National Starch operations, price/product mix improvement of 19 percent reflecting the pass through of higher raw material costs, and favorable currency translation of 1 percent due to stronger foreign currencies. Organic sales growth in each of our segments was strong, driven mainly by improved product selling prices. Organic volume was flat. Co-product sales of approximately $1.12 billion for 2011 increased 43 percent from $781 million in 2010, driven by improved selling prices and increased volume. Co-product sales from acquired operations for the first nine months of 2011 contributed approximately $66 million, or 8 percent, of the increase.

Sales in North America increased 38 percent reflecting sales contributed by the acquired National Starch operations and organic growth. Without sales from the acquired operations for the nine months ended September 30, 2011, net sales on a comparable basis in North America would have increased approximately 18 percent, reflecting price/product mix improvement of 17 percent and a 1 percent increase attributable to currency translation. Volume in the segment was flat. Sales in South America increased 26 percent, driven by a 25 percent price/product mix improvement. Favorable currency translation of 2 percent more than offset a 1 percent volume decline in the segment. The volume decline primarily reflects cooler than normal weather conditions in Brazil which reduced demand for beer and soft drink products. Additionally, our strategy to implement higher pricing contributed to the slight volume decline. Sales in South America increased 26 percent, reflecting improved price/product mix of 25 percent and favorable currency translation of 2 percent, which more than offset a 1 percent volume decline. Asia Pacific sales increased 76 percent, principally driven by sales contributed from acquired operations. Without the acquired operations, Asia Pacific net sales, on a comparable basis, would have increased approximately 11 percent, reflecting price/product mix improvement of 11 percent and a 4 percent currency translation benefit associated with stronger foreign currencies, which more than offset an organic volume decline of 4 percent. The impacts of a tsunami and flooding resulted in reduced demand for our products in the segment. EMEA sales more than doubled, largely due to sales contributed from acquired operations. Without the acquired operations, EMEA net sales, on a comparable basis, would have increased approximately 20 percent, driven by price/product mix improvement. Organic volume growth of 3 percent was offset by a 3 percent decline attributable to weaker foreign currencies in the segment.

***Cost of Sales***. Cost of sales for 2011 increased 40 percent to $5.09 billion from $3.64 billion in 2010. More than half of this increase reflects costs associated with sales of products from acquired operations for the first nine months of 2011. The remainder of the increase was driven principally by higher corn costs and, to a lesser extent, currency translation. Currency translation caused cost of sales for 2011 to increase approximately 2 percent from 2010, reflecting the impact of stronger foreign currencies. Gross corn costs per ton for 2011 increased approximately 36 percent from 2010, driven by higher market prices for corn. Our gross profit margin for 2011 was 18 percent, compared to 17 percent in 2010, reflecting the impact of the acquired National Starch operations and improved product selling prices.





***Selling, General and Administrative Expenses***. Selling, general and administrative ("SG&A") expenses for 2011 increased to $543 million from $370 million in 2010. This increase primarily reflects SG&A expenses of the acquired National Starch operations. Additionally, higher compensation-related costs and stronger foreign currencies also contributed to the increase in SG&A expenses. Currency translation caused operating expenses for 2011 to increase approximately 1 percent from 2010, reflecting the impact of stronger foreign currencies. SG&A expenses for 2011 represented 9 percent of net sales, up from 8 percent in 2010. Without integration and acquisition costs, SG&A expenses, as a percentage of net sales, would have been 8 percent in both 2011 and 2010.

***Other Income-net***. Other income-net of $98 million for 2011 increased from other income-net of $10 million in 2010. This increase primarily reflects the $58 million NAFTA award received from the Government of the United Mexican States in the first quarter of 2011 and a $30 million gain associated with a fourth quarter 2011 postretirement benefit plan change.

***Operating Income***. A summary of operating income is shown below:

| (in millions) | 2011 | 2010 | Favorable (Unfavorable) Variance | Favorable (Unfavorable) % Change |
|---|---|---|---|---|
| North America | $ 322 | $ 249 | $ 73 | 30% |
| South America | 203 | 163 | 40 | 24% |
| Asia Pacific | 79 | 28 | 51 | 181% |
| EMEA | 84 | 37 | 47 | 126% |
| Corporate expenses | (64) | (51) | (13) | (26)% |
| NAFTA award | 58 | — | 58 | nm |
| Gain from change in postretirement plan | 30 | — | 30 | nm |
| Integration/acquisition costs | (31) | (35) | 4 | 12% |
| Restructuring/impairment charges | (10) | (25) | 15 | 59% |
| Charge for fair value mark-up of acquired inventory | — | (27) | 27 | nm |
| Operating income | $ 671 | $ 339 | $ 332 | 98% |

Operating income for 2011 increased to $671 million from $339 million in 2010. Operating income for 2011 includes the $58 million NAFTA award, a $30 million gain from a change in a postretirement plan, $31 million of costs pertaining to the integration of National Starch and a $10 million restructuring charge to reduce the carrying value of certain equipment in connection with our North American manufacturing optimization plan. Operating income for 2010 included acquisition-related costs of $35 million, impairment/restructuring charges of $25 million and the flow through of $27 million of costs associated with acquired National Starch inventory that was marked up to fair value at the acquisition date in accordance with business combination accounting rules. Without the NAFTA award, the gain from the change in the postretirement plan and the integration and restructuring costs in 2011 and the impairment, restructuring, inventory mark-up charge and acquisition-related costs in 2010, operating income for 2011 would have increased 46 percent over the prior year, as earnings grew in each of our segments. This increase was driven by earnings contributed during the first nine months of 2011 from the acquired National Starch operations and, to a lesser extent, organic earnings growth in each of our segments principally driven by improved product pricing. Currency translation associated with stronger foreign currencies caused operating income to increase by approximately $4 million from 2010. North America operating income increased 30 percent to $322 million from $249 million in 2010. Approximately one-fourth of this growth was attributable to income for the first nine months of 2011 from acquired operations. The remaining increase was primarily driven by higher product selling prices. Currency translation associated with the stronger Canadian dollar caused operating income to increase by approximately $3 million in North America. South America operating income increased 24 percent to $203 million from $163 million in 2010. Higher product selling prices drove this earnings growth. Asia Pacific operating income almost tripled to $79 million from $28 million in 2010,





driven by earnings from acquired operations. Without the earnings from acquired operations, operating income in the segment, on a comparable basis, would have grown approximately 5 percent from a year ago. This increase primarily reflects higher product selling prices and favorable currency translation. Stronger foreign currencies (particularly the Korean Won) caused operating income to increase by approximately $1 million in the Asia Pacific. EMEA operating income more than doubled to $84 million, from $37 million in 2010, due in large part to earnings from acquired operations. Without the earnings from acquired operations, operating income, on a comparable basis, would have grown approximately 29 percent from a year ago, primarily driven by higher product selling prices and organic volume growth. While energy infrastructure in Pakistan remains problematic, we installed equipment to help mitigate this issue in 2012.

***Financing Costs-net.*** Financing costs-net increased to $78 million in 2011 from $64 million in 2010. The year ago period included a $20 million charge for bridge loan financing fees related to the acquisition of National Starch. Without this charge in 2010, financing costs for 2011 would have increased approximately 76 percent. This increase primarily reflects interest expense on our higher average borrowings due to the National Starch acquisition.

***Provision for Income Taxes***. Our effective tax rate was 28.7 percent in 2011, as compared to 36.1 percent in 2010. Our effective income tax rate for 2011 includes the benefit of the one-time recognition of tax free income related to the NAFTA award in pretax income, which lowered our effective income tax rate by 3.5 percent. Our 2010 effective income tax rate included the impacts of the National Starch acquisition costs and the Chilean charges for impaired assets and other related costs and an increase in the valuation allowance for Chile. The 2011 impact of National Starch acquisition costs, and changes to the Chilean valuation allowance were not material. Without the impact of the items described above, our effective tax rates for 2011 and 2010 would have been approximately 32 percent and 33 percent, respectively. See also Note 8 of the notes to the consolidated financial statements.

***Net Income Attributable to Non-controlling Interests***. Net income attributable to non-controlling interests was $7 million in 2011, consistent with 2010.

***Comprehensive Income***. We recorded comprehensive income of $193 million in 2011, as compared with $287 million in 2010. The decrease primarily reflects unfavorable currency translation attributable to weaker foreign currencies and losses on cash flow hedges, which more than offset our net income growth. The unfavorable variances in the currency translation adjustment reflect a weakening in end of period foreign currencies relative to the US dollar in 2011, as compared to a year ago when end of period foreign currencies had strengthened.

*2010 Compared to 2009*

***Net Income attributable to CPI***. Net income attributable to CPI for 2010 more than quadrupled to $169 million, or $2.20 per diluted common share, from 2009 net income of $41 million, or $0.54 per diluted common share. Our results for 2010 include $14 million of after-tax charges for bridge loan and other financing costs ($0.18 per diluted common share), after-tax acquisition-related costs of $26 million ($0.34 per diluted common share), after-tax costs of $18 million ($0.23 per diluted common share) relating to the sale of National Starch inventory that was adjusted to fair value at the acquisition date in accordance with business combination accounting rules, and after-tax restructuring charges of $22 million ($0.29 per diluted common share) for impaired assets and other costs primarily associated with the closing of our plant in Chile. Our 2009 results include an after-tax charge of $110 million ($1.47 per diluted common share) for impaired assets and restructuring costs. See also Note 4 of the notes to the consolidated financial statements for additional information pertaining to the asset impairments and restructurings.

Without the bridge loan and other financing costs, and the impairment, restructuring and acquisition-related charges, net income for 2010 would have grown 65 percent over 2009, while our diluted earnings per common share would have risen 61 percent. This net income growth primarily reflects an increase in operating income across all of our segments principally driven by organic sales volume growth, improved plant utilization rates, lower corn costs, stronger foreign currencies and the earnings from the acquired National Starch operations.





***Net Sales***. Net sales for 2010 increased to $4.37 billion from $3.67 billion in 2009, as sales grew in each of our segments.

A summary of net sales by reportable business segment is shown below:

| (in millions) | 2010 | 2009 | Increase | % Change |
|---|---|---|---|---|
| North America | $ 2,439 | $ 2,268 | $ 171 | 8% |
| South America | 1,241 | 1,012 | 229 | 23% |
| Asia Pacific | 433 | 233 | 200 | 86% |
| EMEA | 254 | 159 | 95 | 60% |
| Total | $ 4,367 | $ 3,672 | $ 695 | 19% |

The increase in net sales reflects a 21 percent volume improvement and favorable currency translation of 4 percent due to stronger foreign currencies, which more than offset a price/product mix decline of 6 percent primarily reflecting the normal relationship between lower corn costs and a corresponding decline in selling prices. Net sales from the acquired National Starch operations totaled $351 million, representing approximately 10 percent of our 19 percent sales increase. Additionally, we had strong organic volume growth across all of our segments and particularly in our international businesses. Co-product sales of approximately $781 million for 2010 increased 16 percent from $673 million in 2009, as improved volume and currency translation more than offset lower selling prices. Co-product sales from acquired operations contributed approximately $22 million, or 3 percent, of the increase.

Sales in North America increased 8 percent driven by sales contributed by the acquired National Starch operations. Without the acquired operations, net sales in North America would have been flat as a 10 percent volume improvement and a 2 percent increase attributable to currency translation was offset by a price/product mix decline of 12 percent. Volumes grew across the segment, led by strong organic growth in Mexico where demand for sweeteners from the beverage industry was particularly strong. Improved demand in Canada and the US also contributed to the organic volume growth in North America. Sales in South America increased 23 percent, as volume growth of 14 percent driven by strong demand from various industries and favorable currency translation of 10 percent more than offset a price/product mix decline of 1 percent. Sales from acquired operations contributed 2 percent of the sales growth in the segment. Asia Pacific sales increased 86 percent, driven in part by sales contributed by acquired operations. Without the acquired operations, Asia Pacific net sales would have increased 46 percent, reflecting volume growth of 31 percent, primarily driven by significantly higher demand for sweeteners in South Korea, price/product mix improvement of 3 percent and a 12 percent benefit from currency translation associated with stronger Asian currencies. EMEA sales increased 60 percent, driven in part by sales contributed by acquired operations. Without the acquired operations, EMEA net sales would have increased 16 percent, reflecting price/product mix improvement of 16 percent and volume growth of 4 percent, both of which were driven by improved operations in Pakistan, which more than offset a 4 percent decline from currency translation attributable to weaker foreign currencies.

***Cost of Sales***. Cost of sales for 2010 increased 16 percent to $3.64 billion from $3.15 billion in 2009. More than half of this increase reflects costs associated with sales of National Starch products in the fourth quarter of 2010. The remainder of the increase was driven principally by volume growth and currency translation, which more than offset lower corn costs. Currency translation caused cost of sales for 2010 to increase approximately 5 percent from 2009, reflecting the impact of stronger foreign currencies. Gross corn costs per ton for 2010 declined approximately 11 percent from 2009 driven by lower market prices for corn. Energy costs for 2010 increased approximately 14 percent from the prior year principally due to increased volume and stronger foreign currencies. Our gross profit margin for 2010 was 17 percent, compared to 14 percent in 2009, reflecting improved profit margins throughout our business.

***Selling, General and Administrative Expenses***. SG&A expenses for 2010 were $370 million, up from $247 million in 2009. This increase primarily reflects SG&A expenses of the acquired National Starch operations and $35 million of costs pertaining to the acquisition of National Starch. Higher compensation-related costs, a return to more historical run





rates and stronger foreign currencies also contributed to the increase in SG&A expenses. Currency translation caused operating expenses for 2010 to increase approximately 4 percent from 2009, reflecting the impact of stronger foreign currencies. SG&A expenses for 2010 represented 8 percent of net sales, up from 7 percent in 2009.

***Other Income-net***. Other income-net of $10 million for 2010 increased from other income-net of $5 million in 2009. This increase primarily reflects higher tax recoveries and a $2 million gain associated with a customer bankruptcy settlement.

***Operating Income***. A summary of operating income is shown below:

| (in millions) | 2010 | 2009 | Favorable (Unfavorable) Variance | Favorable (Unfavorable) % Change |
|---|---|---|---|---|
| North America | $ 249 | $ 177 | $ 72 | 41% |

| | | | | |
|---|---|---|---|---|
| South America | 163 | 138 | 25 | 18% |
| Asia Pacific | 28 | (6) | 34 | 533% |
| EMEA | 37 | 23 | 14 | 59% |
| Corporate expenses | (51) | (54) | 3 | 5% |
| Acquisition costs | (35) | — | (35) | nm |
| Impairment/restructuring charges | (25) | (125) | 100 | 80% |
| Charge for fair value mark-up of acquired inventory | (27) | — | (27) | nm |
| Operating income | $ 339 | $ 153 | $ 186 | 122% |

Operating income for 2010 increased to $339 million from $153 million in 2009. Operating income for 2010 and 2009 include impairment/restructuring charges of $25 million and $125 million, respectively. We also incurred $35 million of acquisition-related costs in 2010. Additionally, our 2010 results include the flow through of $27 million of costs associated with acquired National Starch inventory that was marked up to fair value at the acquisition date in accordance with business combination accounting rules. Without the impairment, restructuring, inventory mark-up charge and acquisition-related costs, operating income for 2010 would have grown 53 percent over 2009. Approximately 15 percent of this growth was attributable to earnings from the acquired National Starch operations. The remaining increase of 38 percent reflects organic earnings growth in each of our segments principally driven by higher volume, lower corn costs, improved plant utilization rates and favorable currency translation. Currency translation associated with stronger foreign currencies caused operating income to increase by approximately $20 million from 2009. North America operating income increased 41 percent to $249 million from $177 million in 2009. Approximately one-third of this growth was attributable to earnings from acquired operations. The remaining increase was primarily driven by organic volume growth, lower corn costs and improved plant utilization rates. Currency translation associated with the stronger Canadian dollar caused operating income to increase by approximately $8 million in the segment. South America operating income increased 18 percent to $163 million from $138 million in 2009. This increase primarily reflects improved earnings in the Southern Cone of South America and Brazil driven by strong volume growth and favorable currency translation. Translation effects associated with stronger South American currencies (particularly the Brazilian Real) caused operating income to increase by approximately $11 million in the segment. Asia Pacific operating income grew $34 million to $28 million from an operating loss of $6 million in 2009, due in part to earnings from acquired operations. Without the earnings from acquired operations, operating income would have more than tripled reflecting strong organic volume growth, particularly in South Korea and higher product selling prices. Stronger foreign currencies caused operating income to increase by approximately $2 million in the region. EMEA operating income rose 59 percent to $37 million, from $23 million in 2009, primarily driven by earnings from acquired operations. Without the earnings from acquired operations, operating income would have grown approximately 46 percent, primarily driven by improved product pricing and stronger demand in Pakistan. Weaker foreign currencies caused operating income to decrease by approximately $1 million in the segment.





***Financing Costs-net.*** Financing costs-net increased to $64 million in 2010 from $38 million in 2009. This increase primarily reflects a $20 million charge for bridge loan financing costs recorded in the third quarter of 2010. In connection with the acquisition of National Starch we had obtained a bridge loan financing commitment of $1.35 billion. As a result of our September 2010 sale of $900 million aggregate principal amount of senior unsecured notes and the entry into our $1 billion revolving credit facility (see also Liquidity and Capital Resources section), we terminated the $1.35 billion bridge term loan facility. Fees associated with the bridge loan totaling $20 million were expensed to financing costs in September 2010. Without this charge, financing costs for 2010 would have increased approximately 18 percent from 2009, primarily reflecting higher average borrowings due to the National Starch acquisition and higher interest rates, partially offset by a reduction in foreign currency transaction losses and an increase in interest income driven by higher cash positions.

***Provision for Income Taxes***. Our effective income tax rate was 36.1 percent in 2010, as compared to 59.5 percent in 2009. Our effective income tax rate for 2010 reflects the impacts of the National Starch acquisition costs and the Chilean charges for impaired assets and other related costs and an increase to the valuation allowance for Chile. Our effective income tax rate for 2009 reflects the tax effect of the goodwill write-off and an increase to the valuation allowance in Korea. Without the impact of the impairment and restructuring charges, our effective income tax rate for 2010 and 2009 would have been approximately 33 percent and 35 percent, respectively. See also Note 8 of the notes to the consolidated financial statements.

***Net Income Attributable to Non-controlling Interests***. Net income attributable to non-controlling interests increased to $7 million in 2010 from $6 million in 2009. The increase from 2009 mainly reflects the effect of improved earnings from our operations in Pakistan.

***Comprehensive Income***. We recorded comprehensive income of $287 million in 2010, as compared with $327 million in 2009. The decrease primarily reflects an unfavorable variance in the currency translation adjustment and reduced gains on cash flow hedges, which more than offset our net income growth. The unfavorable variance in the currency translation adjustment reflects a more moderate strengthening in end of period foreign currencies relative to the US dollar, as compared to 2009, when end of period foreign currency appreciation was more significant.

## LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2011, our total assets were $5.32 billion, up from $5.04 billion at December 31, 2010. This increase primarily reflects increased inventories mainly attributable to higher corn costs, higher trade receivables driven by sales growth and a larger cash position, partially offset by translation effects associated with weaker end of period foreign currencies relative to the US dollar. Total equity increased to $2.13 billion at December 31, 2011 from $2.00 billion at December 31, 2010, primarily reflecting our net income for 2011, partially offset by an increase in the accumulated other comprehensive loss due to unfavorable foreign currency translation and deferred losses on our commodity hedging contracts.

We have a senior, unsecured $1 billion revolving credit agreement (the “Revolving Credit Agreement”). On June 6, 2011, we amended our Revolving Credit Agreement to extend the maturity date to June 6, 2014, from September 2, 2013, and to change applicable interest rates for borrowings under the Revolving Credit Agreement.

Subject to certain terms and conditions, we may increase the amount of the revolving credit facility under the Revolving Credit Agreement by up to $250 million in the aggregate. All committed pro rata borrowings under the revolving facility will bear interest at a variable annual rate based on the LIBOR or base rate, at our election, subject to the terms and conditions thereof, plus, in each case, an applicable margin based on our leverage ratio (as reported in the financial statements delivered pursuant to the Revolving Credit Agreement).

The Revolving Credit Agreement contains customary representations, warranties, covenants, events of default, terms and conditions, including limitations on liens, incurrence of debt, mergers and significant asset dispositions. We must also comply with a leverage ratio and an interest coverage ratio covenant. The occurrence of an event of default under the





Revolving Credit Agreement could result in all loans and other obligations under the agreement being declared due and payable and the revolving credit facility being terminated.

At December 31, 2011, there were $376 million of borrowings outstanding under our revolving credit facility.  In addition, we have a number of short-term credit facilities consisting of operating lines of credit.  At December 31, 2011, we had total debt outstanding of $1.95 billion, compared to $1.77 billion at December 31, 2010.  In addition to the borrowings under the Revolving Credit Agreement, the debt includes $350 million (principal amount) of 3.2 percent notes due 2015, $200 million of 6.0 percent senior notes due 2017, $200 million of 5.62 percent senior notes due 2020, $400 million (principal amount) of 4.625 percent notes due 2020, $250 million (principal amount) of 6.625 percent senior notes due 2037 and $148 million of consolidated subsidiary debt consisting of local country short-term borrowings.  Corn Products International, as the parent company, guarantees certain obligations of its consolidated subsidiaries.  At December 31, 2011, such guarantees aggregated $77 million.  Management believes that such consolidated subsidiaries will meet their financial obligations as they become due.

Historically, the principal source of our liquidity has been our internally generated cash flow, which we supplement as necessary with our ability to borrow on our bank lines and to raise funds in the capital markets.  In addition to borrowing availability under our Revolving Credit Agreement, we also have approximately $424 million of unused operating lines of credit in the various foreign countries in which we operate.

The weighted average interest rate on our total indebtedness was approximately 4.8 percent and 5.5 percent for 2011 and 2010, respectively.  The weighted average interest rate for 2010 excludes the $20 million of bridge loan fees charged to financing costs in 2010.

*Net Cash Flows*

A summary of operating cash flows is shown below:

| (in millions) | 2011 | 2010 |
|---|---|---|
| Net income | $ 423 | $ 176 |
| Gain from change in postretirement plan | (30) | — |
| Charge for fair value mark-up of acquired inventory | — | 27 |
| Bridge loan financing cost charge | — | 20 |
| Write-off of impaired assets | — | 19 |
| Depreciation and amortization | 211 | 155 |
| Deferred income taxes | 18 | (30) |
| Changes in working capital | (334) | 45 |
| Other | 12 | (18) |
| Cash provided by operations | $ 300 | $ 394 |

Cash provided by operations was $300 million in 2011, as compared with $394 million in 2010.  The decrease in operating cash flow primarily reflects an increase in our investment in working capital, which more than offset our net income growth.  The working capital increase for 2011 was driven principally by an increase in inventories mainly attributable to higher commodity costs, an increase in accounts receivable primarily reflecting our sales growth and an increase in our margin accounts relating to commodity hedging contracts.  To manage price risk related to corn purchases in North America, we use derivative instruments (corn futures and options contracts) to lock in our corn costs associated with firm-priced customer sales contracts.  We are unable to hedge price risk related to co-product sales.  As the market price of corn fluctuates, our derivative instruments change in value and we fund any unrealized losses or receive cash for any unrealized gains related to outstanding corn futures and option contracts.  Due to the substantial change in the market price of corn in 2011, we were required to fund losses associated with our derivative instruments, particularly during the





second half of 2011.  We expect that these cash payments will be recovered when the related corn is used in our manufacturing process and we collect the proceeds from the sales of our products to our customers.  We plan to continue to use corn futures and option contracts to hedge the price risk associated with firm-priced customer sales contracts in our North American business and accordingly, we will be required to make or be entitled to receive, cash deposits for margin calls depending on the movement in the market price for corn.

Listed below is our primary investing and financing activities for 2011:

| | Sources (Uses) of Cash (in millions) |
|---|---|
| Capital expenditures | $ (263) |
| Proceeds from borrowings | 182 |
| Payments on debt | (22) |
| Repurchases of common stock | (48) |
| Dividends paid (including dividends of $4 to non-controlling interests) | (50) |

In connection with the acquisition of National Starch, on September 17, 2010, we issued and sold $900 million aggregate principal amount of senior unsecured notes (the "Notes") as follows:

| (in millions) | Principal | Premium (Discount) | Selling Price |
|---|---|---|---|
| 3.2% notes due November 1, 2015 | $ 350 | $ (1) | $ 349 |
| 4.625% notes due November 1, 2020 | 400 | (1) | 399 |
| 6.625% notes due April 15, 2037 | 150 | 8 | 158 |
| | $ 900 | $ 6 | $ 906 |

We paid debt issuance costs of approximately $7 million relating to the Notes, which are being amortized to interest expense over the lives of the respective notes. Additionally, the premium and discounts on the Notes are being amortized to interest expense over the lives of the respective notes.

Interest on the 3.2 percent notes and the 4.625 percent notes is required to be paid semi-annually on May 1st and November 1st. Interest on the 6.625 percent notes is required to be paid semi-annually on April 15th and October 15th.

The Notes are redeemable, in whole at any time or in part from time to time, at our option. See Note 6 of the notes to the consolidated financial statements for additional information regarding the Notes.

As a result of the sale of the Notes and the completion of the new revolving credit facility, we terminated the $1.35 billion bridge term loan facility that we had previously arranged. Fees associated with the bridge loan totaling $20 million were expensed to financing costs in September 2010.

On December 14, 2011, our board of directors declared a quarterly cash dividend of $0.20 per share of common stock, a 25 percent increase from the previous quarterly dividend of $0.16 per share. This dividend was paid on January 25, 2012 to stockholders of record at the close of business on December 30, 2011.





We currently anticipate that capital expenditures for 2012 will be in the range of $275 million to $325 million.

We currently expect that our future operating cash flows and borrowing availability under our credit facilities will provide us with sufficient liquidity to fund our anticipated capital expenditures, dividends, and other investing and/or financing strategies for the foreseeable future.

We have not provided federal and state income taxes on accumulated undistributed earnings of certain foreign subsidiaries because these earnings have been permanently reinvested. Approximately $287 million of our cash and cash equivalents as of December 31, 2011 is held by our operations outside of the United States. We expect that available cash balances and credit facilities in the United States, along with cash generated from operations, will be sufficient to meet our operating and cash needs for the foreseeable future, without requiring us to repatriate earnings from our foreign subsidiaries. It is not practicable to determine the amount of the unrecognized deferred tax liability related to the undistributed earnings.

*Hedging*

We are exposed to market risk stemming from changes in commodity prices, foreign currency exchange rates and interest rates. In the normal course of business, we actively manage our exposure to these market risks by entering into various hedging transactions, authorized under established policies that place clear controls on these activities. These transactions utilize exchange traded derivatives or over-the-counter derivatives with investment grade counterparties. Our hedging transactions may include but are not limited to a variety of derivative financial instruments such as commodity futures, options and swap contracts, forward currency contracts and options, interest rate swap agreements and treasury lock agreements. See Note 5 of the notes to the consolidated financial statements for additional information.

*Commodity Price Risk:*

We use derivatives to manage price risk related to purchases of corn and natural gas used in the manufacturing process. We periodically enter into futures, options and swap contracts for a portion of our anticipated corn and natural gas usage, generally over the following twelve to eighteen months, in order to hedge price risk associated with fluctuations in market prices. These derivative instruments are recognized at fair value and have effectively reduced our exposure to changes in market prices for these commodities. We are unable to hedge price risk related to co-product sales. Unrealized gains and losses associated with marking our commodities-based derivative instruments to market are recorded as a component of other comprehensive income ("OCI"). At December 31, 2011, our accumulated other comprehensive loss account ("AOCI") included $23 million of losses, net of tax of $12 million, related to these derivative instruments. It is anticipated that approximately $16 million of these losses, net of tax, will be reclassified into earnings during the next twelve months. We expect the losses to be offset by changes in the underlying commodities cost.

*Foreign Currency Exchange Risk:*

Due to our global operations, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign exchange risk when our foreign operation results are translated to US dollars (USD) and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. We primarily use foreign currency forward contracts, swaps and options to selectively hedge our foreign currency transactional exposures. We generally hedge these exposures up to twelve months forward. As of December 31, 2011, we had $124 million of net notional foreign currency forward contracts that hedged net asset transactional exposures. The fair value of these derivative instruments was approximately $1 million at December 31, 2011.

*Interest Rate Risk:*

We are exposed to interest rate volatility with regard to future issuances of fixed-rate debt, and existing and future issuances of variable-rate debt. Primary exposures include US Treasury rates, LIBOR, and local short-term borrowing rates. We use interest rate swaps and Treasury Lock agreements from time to time to hedge our exposure to interest rate changes, to reduce the volatility of our financing costs, or to achieve a desired proportion of fixed versus floating rate debt, based on current and projected market conditions. At December 31, 2011, we did not have any Treasury Lock agreements outstanding.

On March 25, 2011, we entered into interest rate swap agreements that effectively convert the interest rate on our 3.2 percent $350 million senior notes due November 1, 2015 to a variable rate. These swap agreements call for us to receive interest at a fixed rate (3.2 percent) and to pay interest at a variable rate based on the six-month US dollar LIBOR rate plus a spread. We have designated these interest rate swap agreements as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and account for them as fair value hedges. The fair value of these interest rate swap agreements approximated $19 million at December 31, 2011 and is reflected in the Consolidated Balance Sheet within non-current assets, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.

In conjunction with a plan to issue the 3.2 percent Senior Notes due November 1, 2015 (the “2015 Notes”) and the 4.625 percent Senior Notes due November 1, 2020 (the “2020 Notes”), and in order to manage our exposure to variability in the benchmark interest rates on which the fixed interest rates of these notes would be based, we entered into T-Lock agreements with respect to $300 million of the 2015 Notes and $300 million of the 2020 Notes (the “T-Locks”). The T-Locks were designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Locks were entered into and the time the debt was priced. The T-Locks are accounted for as cash flow hedges. The T-Locks were terminated on September 15, 2010 and we paid approximately $15 million, representing the losses on the T-Locks, to settle the agreements. The losses are included in AOCI and are being amortized to financing costs over the terms of the 2015 and 2020 Notes. See also Note 6 of the notes to the consolidated financial statements for additional information.

In conjunction with a plan to issue the 5.62 percent Senior Series A Notes and in order to manage exposure to variability in the benchmark interest rate on which the fixed interest rate of the Senior Series A Notes would be based, we had previously entered into a Treasury Lock agreement (the “T-Lock”) with respect to $50 million of these borrowings. The T-Lock was designated as a hedge of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Lock was entered into and the time the debt was priced. It is accounted for as a cash flow hedge. The T-Lock expired on April 30, 2009 and we paid approximately $6 million, representing the losses on the T-Lock, to settle the agreement. The losses are included in AOCI in the equity section of our balance sheet and are being amortized to financing costs over the ten-year term of the Senior Series A Notes. See also Note 6 of the notes to the consolidated financial statements for additional information.

At December 31, 2011, our accumulated other comprehensive loss account included $12 million of losses (net of tax of $8 million) related to Treasury Lock agreements. It is anticipated that $2 million of these losses (net of tax of $1 million) will be reclassified into earnings during the next twelve months.

*Contractual Obligations and Off Balance Sheet Arrangements*

The table below summarizes our significant contractual obligations as of December 31, 2011. Information included in the table is cross-referenced to the notes to the consolidated financial statements elsewhere in this report, as applicable.





| (in millions) Contractual Obligations | Note reference | Payments due by period Total | Less than 1 year | 2 – 3 years | 4 – 5 years | More than 5 years |
|---|---|---|---|---|---|---|
| Long-term debt | 6 | $ 1,776 | $ — | $ 376 | $ 350 | $ 1,050 |
| Interest on long-term debt | 6 | 809 | 75 | 147 | 128 | 459 |
| Operating lease obligations | 7 | 196 | 41 | 62 | 46 | 47 |
| Pension and other postretirement obligations | 9 | 541 | 28 | 59 | 63 | 391 |
| Purchase obligations (a) | | 892 | 251 | 138 | 108 | 395 |
| Total | | $ 4,214 | $ 395 | $ 782 | $ 695 | $ 2,342 |

(a) *The purchase obligations relate principally to power supply agreements, including take or pay energy supply contracts, which help to provide us with an adequate power supply at certain of our facilities.*

(b) *The above table does not reflect unrecognized income tax benefits of $35 million, the timing of which is uncertain. See Note 8 of the notes to the consolidated financial statements for additional information with respect to unrecognized income tax benefits.*

On January 20, 2006, Corn Products Brazil (“CPO Brazil”) entered into a Natural Gas Purchase and Sale Agreement (the “Agreement”) with Companhia de Gas de Sao Paulo — Comgas (“Comgas”). Pursuant to the terms of the Agreement, Comgas supplies natural gas to the cogeneration facility at CPO Brazil’s Mogi Guacu plant. This Agreement will expire on March 31, 2023, unless extended or terminated under certain conditions specified in the Agreement. During the term of the Agreement, CPO Brazil is obligated to purchase from Comgas, and Comgas is obligated to provide to CPO Brazil, certain minimum quantities of natural gas that are specified in the Agreement. The price for such quantities of natural gas is determined pursuant to a formula set forth in the Agreement. The price may vary based upon gas commodity cost and transportation costs, which are adjusted annually; the distribution margin which is set by the Brazilian Commission of Public Energy Services; and the fluctuation of exchange rates between the US dollar and the Brazilian real. We estimate that the total minimum expenditures by CPO Brazil through the remaining term of the Agreement will be approximately $227 million based on current exchange rates as of December 31, 2011 and estimates regarding the application of the formula set forth in the Agreement, spread evenly over the remaining term of the

Agreement. These amounts are included in the purchase obligations disclosed in the table above. See also Note 10 of the notes to the consolidated financial statements for additional information.

We currently anticipate that in 2012 we will make cash contributions of $19 million and $7 million to our US and non-US pension plans, respectively. See Note 9 of the notes to the consolidated financial statements for further information with respect to our pension and postretirement benefit plans.

*Key Performance Metrics*

We use certain key metrics to monitor our progress towards achieving our long-term strategic business objectives. These metrics relate to our return on capital employed, our financial leverage, and our management of working capital, each of which is tracked on an ongoing basis. We assess whether we are achieving an adequate return on invested capital by measuring our "Return on Capital Employed" ("ROCE") against our cost of capital. We monitor our financial leverage by regularly reviewing our ratio of debt to earnings before interest, taxes, depreciation and amortization ("Debt to Adjusted EBITDA") and our "Debt to Capitalization" percentage to assure that we are properly financed. We assess our



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level of working capital investment by evaluating our "Operating Working Capital as a percentage of Net Sales." We believe the use of these metrics enables us to better run our business and is useful to investors.

The metrics below include certain information (including Capital Employed, Adjusted Operating Income, Adjusted EBITDA, Adjusted Current Assets, Adjusted Current Liabilities and Operating Working Capital) that is not calculated in accordance with Generally Accepted Accounting Principles ("GAAP"). Management uses non-GAAP financial measures internally for strategic decision making, forecasting future results and evaluating current performance. By disclosing non-GAAP financial measures, management intends to provide a more meaningful, consistent comparison of our operating results and trends for the periods presented. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP and reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with generally accepted accounting principles.

Non-GAAP financial measures are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies. A reconciliation of non-GAAP historical financial measures to the most comparable GAAP measure is provided in the tables below.



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Our calculations of these key metrics for 2011 with comparisons to the prior year are as follows:

| **Return on Capital Employed (dollars in millions)** | **2011** | **2010** |
|---|---|---|
| Total equity * | $ 2,001 | $ 1,704 |
| Add: | | |
| Cumulative translation adjustment * | 180 | 228 |
| Redeemable common stock * | — | 14 |
| Share-based payments subject to redemption* | 9 | 8 |
| Total debt * | 1,769 | 544 |
| Less: | | |
| Cash and cash equivalents * | (302) | (175) |
| Capital employed * (a) | $ 3,657 | $ 2,323 |
| | | |
| Operating income | $ 671 | $ 339 |
| Adjusted for: | | |
| NAFTA award | (58) | — |
| Gain from change in postretirement plan | (30) | — |
| Integration / acquisition costs | 31 | 35 |
| Restructuring / impairment charges | 10 | 25 |
| Charge for fair value mark-up of acquired inventory | — | 27 |
| Adjusted operating income | $ 624 | $ 426 |
| Income taxes (at effective tax rates of 31.9% in 2011 and 33.1% in 2010)** | (199) | (141) |
| Adjusted operating income, net of tax (b) | $ 425 | $ 285 |
| | | |
| Return on Capital Employed (b¸a) | 11.6% | 12.3% |

* *Balance sheet amounts used in computing capital employed represent beginning of period balances.*

** *The effective income tax rate for 2011 and 2010 exclude the impacts of the NAFTA award, integration and acquisition costs, and impairment and restructuring charges. Including these charges, the Company's effective income tax rate for 2011 and 2010 were 28.7 percent and 36.1 percent, respectively. Listed below is a schedule that reconciles our effective income tax rates under US GAAP to the adjusted income tax rates.*

| **(dollars in millions)** | **Income before Income Taxes (a)** | | **Provision for Income Taxes (b)** | | **Effective Income Tax Rate (b÷a)** | |
|---|---|---|---|---|---|---|
| | **2011** | **2010** | **2011** | **2010** | **2011** | **2010** |
| *As reported* | *$ 593* | *$ 275* | *$ 170* | *$ 99* | *28.7%* | *36.1%* |
| *Add back (deduct):* | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| *NAFTA award* | *(58)* | — | — | — | | |
| *Integration/acquisition costs* | *31* | *35* | *10* | *9* | | |
| *Restructuring/impairment charges* | *10* | *25* | *4* | *3* | | |
| *Adjusted-non-GAAP* | *$ 576* | *$ 335* | *$ 184* | *$ 111* | *31.9%* | *33.1%* |



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| **Debt to Adjusted EBITDA ratio (dollars in millions)** | **2011** | **2010** |
|---|---|---|
| Short-term debt | $ 148 | $ 88 |
| Long-term debt | 1,801 | 1,681 |
| Total debt (a) | $ 1,949 | $ 1,769 |
| Net income attributable to CPI | $ 416 | $ 169 |
| Add back (deduct): | | |
| NAFTA award | (58) | — |
| Gain from change in postretirement plan | (30) | — |
| Integration /acquisition costs | 31 | 35 |
| Restructuring / impairment charges | 10 | 25 |
| Charge for fair value mark-up of acquired inventory | — | 27 |
| Net income attributable to non-controlling interest | 7 | 7 |
| Provision for income taxes | 170 | 99 |
| Interest expense, net of interest income of $5 and $6, respectively | 76 | 62 |
| Depreciation and amortization | 211 | 155 |
| Adjusted EBITDA (b) | $ 833 | $ 579 |
| Debt to Adjusted EBITDA ratio (a ÷ b) | 2.3 | 3.1 |

| **Debt to Capitalization percentage (dollars in millions)** | **2011** | **2010** |
|---|---|---|
| Short-term debt | $ 148 | $ 88 |
| Long-term debt | 1,801 | 1,681 |
| Total debt (a) | $ 1,949 | $ 1,769 |
| Deferred income tax liabilities | $ 199 | $ 236 |
| Share-based payments subject to redemption | 15 | 9 |
| Total equity | 2,133 | 2,001 |
| Total capital | $ 2,347 | $ 2,246 |
| Total debt and capital (b) | $ 4,296 | $ 4,015 |
| | | |
| Debt to Capitalization percentage (a¸b) | 45.4% | 44.1% |



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| **Operating Working Capital as a percentage of Net Sales (dollars in millions)** | **2011** | **2010** |
|---|---|---|
| Current assets | $ 2,102 | $ 1,754 |
| Less: Cash and cash equivalents | (401) | (302) |
| Deferred income tax assets | (71) | (24) |
| Adjusted current assets | $ 1,630 | $ 1,428 |
| Current liabilities | $ 926 | $ 873 |
| Less: Short-term debt | (148) | (88) |
| Deferred income tax liabilities | — | (5) |
| Adjusted current liabilities | $ 778 | $ 780 |
| Operating working capital (a) | $ 852 | $ 648 |
| Net sales (b) | $ 6,219 | $ 4,367 |
| Operating Working Capital as a percentage of Net Sales (a ¸ b) | 13.7% | 14.8% |

Commentary on Key Performance Metrics:

In accordance with our long-term objectives, we set certain goals relating to these key performance metrics that we strive to meet. At December 31, 2011, we had achieved two of our four established targets with our debt to capitalization percentage and our operating working capital as a percentage of sales being the exceptions. While these metrics fell short of our targets, we are striving to return them to our targeted level. However, no assurance can be given that these goals will be attained and various factors could affect our ability to achieve not only these goals, but to also continue to meet our other performance metric targets. See Item 1A "Risk Factors" and Item 7A "Quantitative and Qualitative Disclosures About Market Risk." The objectives set out below reflect our current aspirations in light of our present plans and existing circumstances. We may change these objectives from time to time in the future to address new opportunities or changing circumstances as appropriate to meet our long-term needs and those of our shareholders.

*Return on Capital Employed* — Our long-term goal is to achieve a Return on Capital Employed in excess of 8.5 percent. In determining this performance metric, the negative cumulative translation adjustment is added back to total equity to calculate returns based on the Company's original investment costs. Our ROCE for 2011 declined to 11.6 percent from 12.3 percent in 2010, as a higher capital employed base driven by increased debt, more than offset our operating income growth. The capital employed base used in our 2011 ROCE computation increased $1.3 billion from the prior year. Our effective income tax rate for 2011, excluding the impact of the NAFTA award, integration costs and restructuring charges, was 31.9 percent, down from 33.1 percent in 2010, excluding the impact of acquisition costs and impairment/restructuring charges. Including the NAFTA award, the gain from a change in a postretirement plan, integration/acquisition-related costs, restructuring/impairment charges and our actual effective income tax rates, our ROCE for 2011 was 13.1 percent, as compared with 9.3 percent in 2010.

*Debt to Adjusted EBITDA ratio* — Our long-term objective is to maintain a ratio of debt to adjusted EBITDA of less than 2.25. Driven by our strong earnings growth, this ratio declined to 2.3 at December 31, 2011, from 3.1 at December 31, 2010. We expect to lower this ratio further as our earnings grow in 2012 and we reduce our indebtedness.

*Debt to Capitalization percentage* — Our long-term goal is to maintain a Debt to Capitalization percentage in the range of 32 to 35 percent. At December 31, 2011, our Debt to Capitalization percentage was 45.4 percent, up from 44.1 percent a





year ago, primarily reflecting a 10 percent increase in total debt to help fund growth initiatives. The debt incurred to finance our 2010 acquisition of National Starch is the primary reason that this metric remains above our targeted range. We are focused on lowering this ratio to our targeted range by growing our earnings and reducing indebtedness over time.

*Operating Working Capital as a percentage of Net Sales* — Our long-term goal is to maintain operating working capital in a range of 8 to 10 percent of our net sales. At December 31, 2011, the metric was 13.7 percent, down from the 14.8 percent of a year ago. An increase in inventories due to higher corn costs and, to a lesser extent, increased quantities, was the primary reason that this metric remains higher than we would like it to be. We will continue to focus on managing our working capital in 2012.

*Critical Accounting Policies and Estimates*

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates under different assumptions and conditions.

We have identified below the most critical accounting policies upon which the financial statements are based and that involve our most complex and subjective decisions and assessments. Our senior management has discussed the development, selection and disclosure of these policies with members of the Audit Committee of our Board of Directors. These accounting policies are provided in the notes to the consolidated financial statements. The discussion that follows should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

*Long-lived Assets*

We have substantial investments in property, plant and equipment and goodwill. For property, plant and equipment, we recognize the cost of depreciable assets in operations over the estimated useful life of the assets, and we evaluate the recoverability of these assets whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. For goodwill we perform an annual impairment assessment (or more frequently if impairment indicators arise). We have chosen to perform this annual impairment assessment in October of each year. An impairment loss could be recognized in operating earnings if the fair value of goodwill or property, plant and equipment is less than its carrying amount. For long-lived assets, we test for recoverability whenever events or circumstances indicate that the carrying amount may not be recoverable.

In analyzing the fair value of goodwill and assessing the recoverability of the carrying value of property, plant and equipment, we may have to make projections regarding future cash flows. In developing these projections, we make a variety of important assumptions and estimates that have a significant impact on our assessments of whether the carrying values of goodwill and property, plant and equipment should be adjusted to reflect impairment. Among these are assumptions and estimates about the future growth and profitability of the related business unit, anticipated future economic, regulatory and political conditions in the business unit's market, the appropriate discount rates relative to the risk profile of the unit or assets being evaluated and estimates of terminal or disposal values.

As part of a manufacturing optimization plan developed in conjunction with the acquisition of National Starch to improve profitability, the Company entered into a plan that will optimize the production capabilities at certain of our North American facilities. As a result, we are recording restructuring charges to write off certain equipment relating to the plan by September 30, 2012. In 2011, we recorded charges of $10 million, of which $8 million represents accelerated depreciation on the equipment. We will continue to record restructuring charges of $4 million per quarter until the completion of the plan when the equipment will be fully depreciated.





Due to a devastating earthquake, in February 2010, our plant in Llay-Llay, Chile suffered significant damage. In the second quarter of 2010, we determined that the carrying amount of a significant portion of the plant and equipment exceeded its fair value and therefore these assets were impaired. As a result, we recorded a $24 million charge for impaired assets and other related costs. We also wrote off $119 million of goodwill related to our South Korean operations in the second quarter of 2009.

As we integrate National Starch, we will address whether there is a need for additional consolidation of manufacturing facilities or redeploy assets to areas where we can expect to achieve a higher return on our investment. This review may result in the closing or selling of certain of our 37 manufacturing facilities. The closing or selling of any of the facilities could have a significant negative impact on the results of operations in the year that the closing or selling of a facility occurs.

Even though it was determined that there was no additional long-lived asset impairment as of December 31, 2011, the future occurrence of a potential indicator of impairment, such as a significant adverse change in the business climate that would require a change in our assumptions or strategic decisions made in response to economic or competitive conditions, could require us to perform an assessment prior to the next required assessment date of October 1, 2012.

*Income Taxes*

We use the asset and liability method of accounting for income taxes. This method recognizes the expected future tax consequences of temporary differences between book and tax bases of assets and liabilities and provides a valuation allowance when deferred tax assets are not more likely than not to be realized. We have considered forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, we would increase the valuation allowance and make a corresponding charge to earnings in the period in which we make such determination. Likewise, if we later determine that we are more likely than not to realize the net deferred tax assets, we would reverse the applicable portion of the previously provided valuation allowance. At December 31, 2011, the Company maintained a valuation allowance of $22 million against certain foreign net operating losses that management has determined will more likely than not expire prior to realization. The valuation allowance at December 31, 2011, with respect to foreign tax credit carry-forwards, decreased to zero from $4 million at December 31, 2010. The valuation allowance with respect to foreign net operating losses decreased to approximately $22 million at December 31, 2011 from $25 million at December 31, 2010.

We are regularly audited by various taxing authorities, and sometimes these audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We establish reserves when, despite our belief that our tax return positions are appropriate and supportable under local tax law, we believe there is uncertainty with respect to certain positions and we may not succeed in realizing the tax benefit. We evaluate these unrecognized tax benefits and related reserves each quarter and adjust the reserves and the related interest and penalties in light of changing facts and circumstances regarding the probability of realizing tax benefits, such as the settlement of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately provided for any known tax contingencies.

No taxes have been provided on undistributed foreign earnings that are planned to be indefinitely reinvested. If future events, including changes in tax law, material changes in estimates of cash, working capital and long-term investment requirements, necessitate that these earnings be distributed, an additional provision for withholding taxes may apply, which could materially affect our future effective tax rate.





*Retirement Benefits*

We sponsor non-contributory defined benefit plans covering substantially all employees in the United States and Canada, and certain employees in other foreign countries. We also provide healthcare and life insurance benefits for retired employees in the United States and Canada. The net periodic pension and postretirement benefit cost was $20 million in 2011 and $18 million in 2010. The Company estimates that net periodic pension and postretirement benefit expense for 2012 will include approximately $2 million relating to the amortization of its accumulated actuarial loss and prior service cost included in accumulated other comprehensive loss at December 31, 2011. In order to measure the expense and obligations associated with these retirement benefits, our management must make a variety of estimates and assumptions, including discount rates used to value certain liabilities, expected return on plan assets set aside to fund these obligations, rate of compensation increase, employee turnover rates, retirement rates, mortality rates, and other factors. These estimates and assumptions are based on our historical experience, along with our knowledge and understanding of current facts, trends and circumstances. We use third-party specialists to assist management in evaluating our assumptions and estimates, as well as to appropriately measure the costs and obligations associated with our retirement benefit plans. Had we used different estimates and assumptions with respect to these plans, our retirement benefit obligations and related expense could vary from the actual amounts recorded, and such differences could be material. Additionally, adverse changes in investment returns earned on pension assets and discount rates used to calculate pension and related liabilities or changes in required pension funding levels may have an unfavorable impact on future pension expense and cash flow. See also Note 9 of the notes to the consolidated financial statements.

*New Accounting Standards*

In June 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-05, *Presentation of Comprehensive Income*. The objective of this Update is to improve the comparability, consistency, and transparency of financial reporting with respect to comprehensive income. This Update requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Additionally, this Update requires an entity to present, on the face of the financial statements, reclassification adjustments for items that are reclassified from accumulated other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. In December 2011, the FASB deferred the effective date for those changes required in this Update relating to the presentation of reclassification adjustments. Except for the presentation of reclassification adjustments, this Update is effective for interim and annual periods beginning after December 15, 2011. The implementation of the guidance contained in this Update is not expected to have an impact on the Company's consolidated financial statements.

In December 2011, the FASB issued ASU No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities.* This Update requires an entity to disclose both gross information and net information about instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. The guidance in this Update is effective for annual periods beginning January 1, 2013, and interim periods within those annual periods. We are assessing the requirements of this Update and expect to comply with guidance it contains in the first quarter of 2013.

*Forward Looking Statements*

This Form 10-K 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. These statements include, among other things, any predictions 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," "believe," "plan," "project," "estimate," "expect," "intend," "continue," "pro forma," "forecast" or other similar expressions or the negative thereof. All statements other than statements of historical facts in this report or referred to in or incorporated by reference into this report are "forward-looking statements." These statements are based on current 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 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; continued 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 manufacture and/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 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 National Starch; 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 Item 1A-Risk Factors above and subsequent reports on Forms 10-Q or 8-K.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Interest Rate Exposure.** Approximately 54 percent of our borrowings at December 31, 2011 are fixed rate bonds and loans. Interest on the remaining 46 percent of our borrowings is subject to change based on changes in short-term rates, which could affect our interest costs. See also Note 6 of the notes to the consolidated financial statements entitled "Financing Arrangements" for further information. A hypothetical increase of 1 percentage point in the weighted average floating interest rate for 2011 would have increased our interest expense and reduced our pretax income for 2011 by approximately $4 million.





At December 31, 2011 and 2010, the carrying and fair values of long-term debt were as follows:

| | 2011 | | 2010 | |
|---|---|---|---|---|
| (in millions) | Carrying amount | Fair value | Carrying amount | Fair value |
| 4.625% senior notes, due November 1, 2020 | $ 399 | $ 422 | $ 399 | $ 393 |
| 3.2% senior notes, due November 1, 2015 | 350 | 360 | 349 | 351 |
| 6.625% senior notes, due April 15, 2037 | 257 | 297 | 258 | 262 |
| 6.0% senior notes, due April 15, 2017 | 200 | 222 | 200 | 214 |
| 5.62% senior notes, due March 25, 2020 | 200 | 225 | 200 | 212 |
| US revolving credit facility, due June 6, 2014 | 376 | 376 | 275 | 275 |
| Fair value adjustment related to hedged fixed rate debt instrument | 19 | 19 | — | — |
| Total long-term debt | $ 1,801 | $ 1,921 | $ 1,681 | $ 1,707 |

In conjunction with a plan to issue the 5.62 percent Senior Series A Notes and in order to manage exposure to variability in the benchmark interest rate on which the fixed interest rate of the Senior Series A Notes would be based, we had previously entered into a Treasury Lock agreement (the "T-Lock") with respect to $50 million of these borrowings. The T-Lock was designated as a hedge of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Lock was entered and the time the debt was priced. It is accounted for as a cash flow hedge. The T-Lock expired on April 30, 2009 and we paid approximately $6 million, representing the losses on the T-Lock, to settle the agreement. The losses are included in the accumulated other comprehensive loss account ("AOCI") in the equity section of our balance sheet and are being amortized to financing costs over the ten-year term of the Senior Series A Notes.

In conjunction with a plan to issue the 3.2 percent Senior Notes due November 1, 2015 (the "2015 Notes") and the 4.625 percent Senior Notes due November 1, 2020 (the "2020 Notes"), and in order to manage our exposure to variability in the benchmark interest rates on which the fixed interest rates of these notes would be based, we entered into T-Lock agreements with respect to $300 million of the 2015 Notes and $300 million of the 2020 Notes (the "T-Locks"). The T-Locks were designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Locks were entered and the time the debt was priced. The T-Locks are accounted for as cash flow hedges.

The T-Locks were terminated on September 15, 2010 and we paid approximately $15 million, representing the losses on the T-Locks, to settle the agreements. The losses are included in AOCI and are being amortized to financing costs over the terms of the 2015 and 2020 Notes.

On March 25, 2011, we entered into interest rate swap agreements that effectively convert the interest rate on our 2015 Notes to a variable rate. These swap agreements call for us to receive interest at a fixed rate (3.2 percent) and to pay interest at a variable rate based on the six-month US dollar LIBOR rate plus a spread. We have designated these interest rate swap agreements as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and account for them as fair value hedges. The fair value of these interest rate swap agreements approximated $19 million at December 31, 2011 and is reflected in the Consolidated Balance Sheet within non-current assets, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.

**Commodity Costs.** Our finished products are made primarily from corn. In North America, we sell a large portion of finished products at firm prices established in supply contracts typically lasting for periods of up to one year. In order to minimize the effect of volatility in the cost of corn related to these firm-priced supply contracts, we enter into corn futures contracts, or take other hedging positions in the corn futures market. These contracts typically mature within one year. At expiration, we settle the derivative contracts at a net amount equal to the difference between the then-current price of corn and the futures contract price. While these hedging instruments are subject to fluctuations in value, changes in the value of the underlying exposures we are hedging generally offset such fluctuations. While the corn futures contracts or other hedging positions are intended to minimize the volatility of corn costs on operating profits, occasionally the hedging activity can result in losses, some of which may be material. Outside of North America, sales of finished products under long-term, firm-priced supply contracts are not material.

Energy costs represent a significant portion of our operating costs. The primary use of energy is to create steam in the production process and to dry product. We consume coal, natural gas, electricity, wood and fuel oil to generate energy. The market prices for these commodities vary depending on supply and demand, world economies and other factors. We purchase these commodities based on our anticipated usage and the future outlook for these costs. We cannot assure that we will be able to purchase these commodities at prices that we can adequately pass on to customers to sustain or





increase profitability. We use derivative financial instruments to hedge portions of our natural gas costs, primarily in our North American operations.

Our commodity price hedging instruments generally relate to contracted firm-priced business. Based on our overall commodity hedge exposure at December 31, 2011, a hypothetical 10 percent decline in market prices applied to the fair value of the instruments would result in a charge to other comprehensive income of approximately $54 million, net of income tax benefit. It should be noted that any change in the fair value of the contracts, real or hypothetical, would be substantially offset by an inverse change in the value of the underlying hedged item.

**Foreign Currencies**. Due to our global operations, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign exchange risk when our foreign operation results are translated to USD and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. We selectively use derivative instruments such as forward contracts, currency swaps and options to manage transactional foreign exchange risk. Based on our overall foreign currency transactional exposure at December 31, 2011, a hypothetical 10 percent decline in the value of the USD would have resulted in a transactional foreign exchange loss of approximately $4 million. At December 31, 2011, our accumulated other comprehensive loss account included in the equity section of our consolidated balance sheet includes a cumulative translation loss of $306 million. The aggregate net assets of our foreign subsidiaries where the local currency is the functional currency approximated $1.5 billion at December 31, 2011. A hypothetical 10 percent decline in the value of the US dollar relative to foreign currencies would have resulted in a reduction to our cumulative translation loss and a credit to other comprehensive income of approximately $163 million.





## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

### Corn Products International, Inc.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders
Corn Products International, Inc.:

We have audited the accompanying consolidated balance sheets of Corn Products International, Inc. and subsidiaries (the Company) as of December 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, equity and redeemable equity, and cash flows for each of the years in the three-year period ended December 31, 2011. We also have audited the Company's internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, 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 these consolidated financial statements and an opinion on the Company's internal control over financial reporting 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included 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, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corn Products International, Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company





maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ KPMG LLP
Chicago, Illinois
February 27, 2012





**CORN PRODUCTS INTERNATIONAL, INC.**
**Consolidated Statements of Income**

| Years Ended December 31, (in millions, except per share amounts) | 2011 | 2010 | 2009 |
|---|---|---|---|
| Net sales before shipping and handling costs | $ 6,544 | $ 4,632 | $ 3,890 |
| Less — shipping and handling costs | 325 | 265 | 218 |
| Net sales | 6,219 | 4,367 | 3,672 |
| Cost of sales | 5,093 | 3,643 | 3,152 |
| **Gross profit** | **1,126** | **724** | **520** |
| Selling, general and administrative expenses | 543 | 370 | 247 |
| Other (income)-net | (98) | (10) | (5) |
| Restructuring/impairment charges | 10 | 25 | 125 |
| | 455 | 385 | 367 |
| **Operating income** | **671** | **339** | **153** |

| | | | |
|---|---|---|---|
| Financing costs-net | 78 | 64 | 38 |
| Income before income taxes | 593 | 275 | 115 |
| Provision for income taxes | 170 | 99 | 68 |
| Net income | 423 | 176 | 47 |
| Less: Net income attributable to non-controlling interests | 7 | 7 | 6 |
| **Net income attributable to CPI** | **$ 416** | **$ 169** | **$ 41** |
| Weighted average common shares outstanding: | | | |
| Basic | 76.4 | 75.6 | 74.9 |
| Diluted | 78.2 | 76.8 | 75.5 |
| Earnings per common share of CPI: | | | |
| Basic | $ 5.44 | $ 2.24 | $ 0.55 |
| Diluted | 5.32 | 2.20 | 0.54 |

See notes to the consolidated financial statements.



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**CORN PRODUCTS INTERNATIONAL, INC.**
**Consolidated Balance Sheets**

| As of December 31, (in millions, except share and per share amounts) | 2011 | 2010 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 401 | $ 302 |
| Accounts receivable — net | 837 | 763 |
| Inventories | 769 | 645 |
| Prepaid expenses | 24 | 20 |
| Deferred income tax assets | 71 | 24 |
| **Total current assets** | **2,102** | **1,754** |
| Property, plant and equipment, at cost | | |
| Land | 172 | 163 |
| Buildings | 656 | 593 |
| Machinery and equipment | 3,882 | 3,842 |
| | 4,710 | 4,598 |
| Less: accumulated depreciation | (2,554) | (2,442) |
| | 2,156 | 2,156 |
| Goodwill (less accumulated amortization of $11) | 562 | 572 |
| Other intangible assets (less accumulated amortization of $20 and $6, respectively) | 347 | 364 |
| Deferred income tax assets | 19 | 69 |
| Investments | 10 | 12 |
| Other assets | 121 | 113 |
| **Total assets** | **$ 5,317** | **$ 5,040** |
| **Liabilities and equity** | | |
| **Current liabilities** | | |
| Short-term borrowings and current portion of long-term debt | $ 148 | $ 88 |
| Deferred income taxes | — | 5 |
| Accounts payable | 529 | 516 |
| Accrued liabilities | 249 | 264 |
| **Total current liabilities** | **926** | **873** |
| Non-current liabilities | 243 | 240 |
| Long-term debt | 1,801 | 1,681 |
| Deferred income taxes | 199 | 236 |
| Share-based payments subject to redemption | 15 | 9 |
| **CPI stockholders' equity** | | |
| Preferred stock — authorized 25,000,000 shares-$0.01 par value, none issued | — | — |
| Common stock — authorized 200,000,000 shares-$0.01 par value, 76,821,553 and 76,034,780 issued at December 31, 2011 and 2010, respectively | 1 | 1 |
| Additional paid-in capital | 1,146 | 1,119 |
| Less: Treasury stock (common stock; 938,666 and 11,529 shares at December 31, 2011 and 2010, respectively) at cost | (42) | (1) |
| Accumulated other comprehensive loss | (413) | (190) |
| Retained earnings | 1,412 | 1,046 |
| **Total CPI stockholders' equity** | **2,104** | **1,975** |

| | | |
|---|---|---|
| Non-controlling interests | 29 | 26 |
| **Total equity** | **2,133** | **2,001** |
| **Total liabilities and equity** | **$ 5,317** | **$ 5,040** |

See notes to the consolidated financial statements.



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## CORN PRODUCTS INTERNATIONAL, INC.
## Consolidated Statements of Comprehensive Income

| Years ended December 31, (in millions) | 2011 | 2010 | 2009 |
|---|---|---|---|
| **Net income** | **$ 423** | **$ 176** | **$ 47** |
| Other comprehensive income: | | | |
| Gains (losses) on cash flow hedges, net of income tax effect of $19, $12 and $28, respectively | 29 | 20 | (45) |
| Reclassification adjustment for (gains) losses on cash flow hedges included in net income, net of income tax effect of $61, $34 and $117, respectively | (105) | 54 | 199 |
| Actuarial loss on pension and other postretirement obligations, settlements and plan amendments, net of income tax | (10) | (7) | (5) |
| Losses (gains) related to pension and other postretirement obligations reclassified to earnings, net of income tax | (11) | 3 | 2 |
| Currency translation adjustment | (126) | 48 | 135 |
| **Comprehensive income** | **$ 200** | **$ 294** | **$ 333** |
| Less: Comprehensive income attributable to non-controlling interests | 7 | 7 | 6 |
| **Comprehensive income attributable to CPI** | **$ 193** | **$ 287** | **$ 327** |

See notes to the consolidated financial statements.



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## CORN PRODUCTS INTERNATIONAL, INC.
## Consolidated Statements of Equity and Redeemable Equity

| | Equity | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions) | Common Stock | Additional Paid-In Capital | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Retained Earnings | Non-Controlling Interests | Redeemable Common Stock | Share-based Payments Subject to Redemption |
| **Balance, December 31, 2008** | **$ 1** | **$ 1, 086** | **$ (29)** | **$ (594)** | **$ 920** | **$ 22** | **$ 14** | **$ 11** |
| Net income attributable to CPI | | | | | **41** | | | |
| Net income attributable to non-controlling interests | | | | | | **6** | | |
| Dividends declared | | | | | **(42)** | **(3)** | | |
| Losses on cash flow hedges, net of income tax effect of $28 | | | | **(45)** | | | | |
| Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of $117 | | | | **199** | | | | |
| Repurchases of common stock | | | **(3)** | | | | | |
| Issuance of common stock on exercise of stock options | | **(7)** | **11** | | | | | |
| Stock option expense | | **5** | | | | | | |
| Other share-based compensation | | **(1)** | **8** | | | | | **(3)** |
| Excess tax benefit on share-based compensation | | **1** | | | | | | |
| Currency translation adjustment | | | | **135** | | | | |
| Purchase of non-controlling interests | | **(2)** | | | | **(1)** | | |
| Actuarial loss on postretirement obligations, net of income tax | | | | **(5)** | | | | |
| Losses related to postretirement obligations reclassified to earnings, net of income tax | | | | **2** | | | | |
| Other | | | | | | **(1)** | | |
| **Balance, December 31, 2009** | **$ 1** | **$ 1, 082** | **$ (13)** | **$ (308)** | **$ 919** | **$ 23** | **$ 14** | **$ 8** |
| Net income attributable to CPI | | | | | **169** | | | |
| Net income attributable to non-controlling interests | | | | | | **7** | | |
| Dividends declared | | | | | **(42)** | **(3)** | | |
| Gains on cash flow hedges, net of income tax effect of $12 | | | | **20** | | | | |
| Amount of losses on cash flow | | | | **54** | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| hedges reclassified to earnings, net of income tax effect of $34 | | | | | | | | |
| Repurchases of common stock | | | **(5)** | | | | | |
| Issuance of common stock on exercise of stock options | | **5** | **17** | | | | | |
| Stock option expense | | **6** | | | | | | |
| Other share-based compensation | | **6** | | | | | | **1** |
| Excess tax benefit on share-based compensation | | **6** | | | | | | |
| Currency translation adjustment | | | | **48** | | | | |
| Expiration of put option | | **14** | | | | | **(14)** | |
| Actuarial loss on postretirement obligations, settlements and plan amendments, net of income tax | | | | **(7)** | | | | |
| Losses related to postretirement obligations reclassified to earnings, net of income tax | | | | **3** | | | | |
| Other | | | | | | **(1)** | | |
| **Balance, December 31, 2010** | **$ 1** | **$ 1, 119** | **$ (1)** | **$ (190)** | **$ 1,046** | **$ 26** | **$ —** | **$ 9** |
| Net income attributable to CPI | | | | | **416** | | | |
| Net income attributable to non-controlling interests | | | | | | **7** | | |
| Dividends declared | | | | | **(50)** | **(4)** | | |
| Gains on cash flow hedges, net of income tax effect of $19 | | | | **29** | | | | |
| Amount of gains on cash flow hedges reclassified to earnings, net of income tax effect of $61 | | | | **(105)** | | | | |
| Repurchases of common stock | | | **(48)** | | | | | |
| Issuance of common stock on exercise of stock options | | **11** | **7** | | | | | |
| Stock option expense | | **6** | | | | | | |
| Other share-based compensation | | **4** | | | | | | **6** |
| Excess tax benefit on share-based compensation | | **6** | | | | | | |
| Currency translation adjustment | | | | **(126)** | | | | |
| Actuarial loss on postretirement obligations, settlements and plan amendments, net of income tax | | | | **(10)** | | | | |
| Gains related to postretirement obligations reclassified to earnings, net of income tax | | | | **(11)** | | | | |
| **Balance, December 31, 2011** | **$ 1** | **$ 1,146** | **$ (42)** | **$ (413)** | **$ 1,412** | **$ 29** | **$ —** | **$ 15** |

See notes to the consolidated financial statements





**CORN PRODUCTS INTERNATIONAL, INC.**
**Consolidated Statements of Cash Flows**

| Years ended December 31, (in millions) | 2011 | 2010 | 2009 |
|---|---|---|---|
| **Cash provided by operating activities:** | | | |
| Net income | $ 423 | $ 176 | $ 47 |
| Non-cash charges (credits) to net income: | | | |
| Gain from change in postretirement plan | (30) | — | — |
| Charge for fair value mark-up of acquired inventory | — | 27 | — |
| Bridge loan financing cost charge | — | 20 | — |
| Write-off of impaired assets | — | 19 | 124 |
| Depreciation and amortization | 211 | 155 | 130 |
| Deferred income taxes | 18 | (30) | — |
| Changes in working capital: | | | |
| Accounts receivable and prepaid expenses | (134) | (45) | (3) |
| Inventories | (149) | (51) | 82 |
| Accounts payable and accrued liabilities | 27 | 123 | (64) |
| Decrease (increase) in margin accounts | (78) | 18 | 242 |
| Other | 12 | (18) | 28 |
| Cash provided by operating activities | 300 | 394 | 586 |
| **Cash used for investing activities:** | | | |
| Capital expenditures | (263) | (159) | (146) |
| Proceeds from disposal of plants and properties | 3 | 3 | 5 |
| Payments for acquisitions, net of cash acquired of $82 in 2010 | (15) | (1,272) | (4) |
| Other | 2 | — | — |

| | | | |
|---|---|---|---|
| Cash used for investing activities | (273) | (1,428) | (145) |
| | | | |
| **Cash provided by (used for) financing activities:** | | | |
| Payments on debt | (22) | (77) | (340) |
| Proceeds from borrowings | 182 | 1,289 | 8 |
| Bridge loan financing costs | — | (20) | — |
| Debt issuance costs | — | (15) | — |
| Dividends paid (including to non-controlling interests) | (50) | (45) | (45) |
| Repurchases of common stock | (48) | (5) | (3) |
| Issuance of common stock | 18 | 22 | 4 |
| Excess tax benefit on share-based compensation | 6 | 6 | 1 |
| Cash provided by (used for) financing activities | 86 | 1,155 | (375) |
| | | | |
| Effects of foreign exchange rate changes on cash | (14) | 6 | 2 |
| | | | |
| Increase in cash and cash equivalents | 99 | 127 | 68 |
| | | | |
| Cash and cash equivalents, beginning of period | 302 | 175 | 107 |
| | | | |
| Cash and cash equivalents, end of period | $ 401 | $ 302 | $ 175 |

See notes to the consolidated financial statements.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1- Description of the Business**

Corn Products International, Inc. ("CPI" or "the Company") was founded in 1906 and became an independent and public company as of December 31, 1997. The Company operates domestically and internationally in one business segment, the production and sale of starches and sweeteners derived from wet milling and processing of corn and other starch-based materials, for a wide range of industries.

**NOTE 2- Summary of Significant Accounting Policies**

**Basis of presentation** — The consolidated financial statements consist of the accounts of the Company, including all significant subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the value of purchase consideration, valuation of accounts receivable, inventories, goodwill, intangible assets and other long-lived assets, legal contingencies, guarantee obligations, and assumptions used in the calculation of income taxes, and pension and other postretirement benefits, among others. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management will adjust such estimates and assumptions when facts and circumstances dictate. Foreign currency devaluations, corn price volatility, access to difficult credit markets, and declines in the global economic environment have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Assets and liabilities of foreign subsidiaries, other than those whose functional currency is the US dollar, are translated at current exchange rates with the related translation adjustments reported in equity as a component of accumulated other comprehensive income (loss). Income statement accounts are translated at the average exchange rate during the period. Where the US dollar is considered the functional currency, monetary assets and liabilities are translated at current exchange rates with the related adjustment included in net income. Non-monetary assets and liabilities are translated at historical exchange rates. The Company incurs foreign currency transaction gains/losses relating to assets and liabilities that are denominated in a currency other than the functional currency. For 2011, 2010 and 2009, the Company incurred foreign currency transaction losses of $2 million, $2 million and $6 million, respectively. The Company's accumulated other comprehensive loss included in equity on the Consolidated Balance Sheets includes cumulative translation loss adjustments of $306 million and $180 million at December 31, 2011 and 2010, respectively.

Certain prior year amounts in the Consolidated Balance Sheet have been reclassified to conform to the current year's presentation. The prior year Consolidated Balance Sheet has also been reclassified to reflect the finalization of the purchase price allocation for the National Starch acquisition. These reclassifications had no effect on previously reported net income or cash flows.

**Cash and cash equivalents** — Cash equivalents consist of all instruments purchased with an original maturity of three months or less, and which have virtually no risk of loss in value.

**Inventories** — Inventories are stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

**Investments —** Investments in the common stock of affiliated companies over which the Company does not exercise significant influence are accounted for under the cost method and are carried at cost or less. The Company's wholly-owned Canadian subsidiary has an investment that is accounted for under the cost method. The

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carrying value of this investment was $6 million at December 31, 2011 and 2010. Investments that enable the Company to exercise significant influence, but do not represent a controlling interest, are accounted for under the equity method; such investments are carried at cost or less, adjusted to reflect the Company's proportionate share of income or loss, less dividends received. The Company did not have any investments accounted for under the equity method at December 31, 2011 or 2010. The Company also has equity interests in the CME Group Inc., which it classifies as available for sale securities. The investment is carried at fair value with unrealized gains and losses recorded to other comprehensive income. The Company would recognize a loss on its investments when there is a loss in value of an investment that is other than temporary. In 2011, the Company sold its investment in Smurfit-Stone Container Corporation which had been accounted for as an available for sale security and recorded a nominal gain.

**Property, plant and equipment and depreciation —** Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is generally computed on the straight-line method over the estimated useful lives of depreciable assets, which range from 10 to 50 years for buildings and from 3 to 25 years for all other assets. Where permitted by law, accelerated depreciation methods are used for tax purposes. The Company reviews the recoverability of the net book value of property, plant and equipment for impairment whenever events and circumstances indicate that the net book value of an asset may not be recoverable from estimated future cash flows expected to result from its use and eventual disposition. If this review indicates that the carrying values will not be recovered, the carrying values would be reduced to fair value and an impairment loss would be recognized.

**Goodwill and other intangible assets** — Goodwill ($562 million and $572 million at December 31, 2011 and 2010, respectively) represents the excess of cost over fair value of net assets acquired. The Company also has other intangible assets ($347 million at December 31, 2011 and $364 million at December 31, 2010). The carrying amount of goodwill by geographic segment as of December 31, 2011 and 2010 was as follows:

| (in millions) | North America | South America | Asia Pacific | EMEA | Total |
|---|---|---|---|---|---|
| Balance at December 31, 2010 | $ 278 | $ 107 | $ 111 | $ 76 | $ 572 |
| Translation | — | (6) | — | (4) | (10) |
| Balance at December 31, 2011 | $ 278 | $ 101 | $ 111 | $ 72 | $ 562 |
| | | | | | |
| Goodwill before impairment charges | $ 279 | $ 107 | $ 230 | $ 76 | $ 692 |
| Accumulated impairment charges | (1) | — | (119) | — | (120) |
| Balance at December 31, 2010 | $ 278 | $ 107 | $ 111 | $ 76 | $ 572 |
| | | | | | |
| Goodwill before impairment charges | $ 279 | $ 101 | $ 230 | $ 72 | $ 682 |
| Accumulated impairment charges | (1) | — | (119) | — | (120) |
| Balance at December 31, 2011 | $ 278 | $ 101 | $ 111 | $ 72 | $ 562 |

The Company assesses goodwill for impairment annually (or more frequently if impairment indicators arise). The Company has chosen to perform this annual impairment assessment in October of each year. The Company has completed the required impairment assessments and determined there to be no goodwill impairment for 2011.



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The following table summarizes the Company's intangible assets for the periods presented:

| | As of December 31, 2011 | | | | As of December 31, 2010 | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions) | Gross | Accumulated Amortization | Net | Weighted Average Useful Life (years) | Gross | Accumulated Amortization | Net | Weighted Average Useful Life (years) |
| Trademarks/tradenames | $ 137 | — | $ 137 | — | $ 137 | — | $ 137 | — |
| Customer relationships | 141 | (10) | 131 | 25 | 145 | (2) | 143 | 25 |
| Technology | 83 | (7) | 76 | 10 | 83 | (2) | 81 | 10 |
| Other | 6 | (3) | 3 | 8 | 5 | (2) | 3 | 8 |
| Total intangible assets | $ 367 | (20) | $ 347 | 19 | $ 370 | (6) | $ 364 | 19 |

The following table summarizes the Company's amortization expense related to intangible assets for the periods presented:

| | Year ended December 31, | | |
|---|---|---|---|
| (in millions) | 2011 | 2010 | 2009 |
| Amortization expense | $ 14 | $ 4 | $ 1 |

The Company amortizes intangible assets using the straight-line method over their expected economic useful lives.

Based on acquisitions completed through December 31, 2011, the Company expects intangible asset amortization expense for subsequent years to be as follows:

| (in milllions) | |
|---|---|
| 2012 | $ 14 |
| 2013 | 14 |
| 2014 | 14 |
| 2015 | 14 |
| 2016 | 14 |

**Revenue recognition —** The Company recognizes operating revenues at the time title to the goods and all risks of ownership transfer to customers. This transfer is considered complete when a sales agreement is in place, delivery has occurred, pricing is fixed or determinable and collection is reasonably assured. In the case of consigned inventories, the title passes and the transfer of ownership risk occurs when the goods are used by the customer. Taxes assessed by governmental authorities and collected from customers are accounted for on a net basis and thereby excluded from revenues.

**Hedging instruments** — The Company uses derivative financial instruments principally to offset exposure to market risks arising from changes in commodity prices, foreign currency exchange rates and interest rates. Derivative financial instruments used by the Company consist of commodity futures and option contracts, forward currency contracts and options, interest rate swap agreements and treasury lock agreements. The Company enters into futures and option contracts, which are designated as hedges of specific volumes of commodities (corn and natural gas) that will be purchased and processed in a future month. These derivative financial instruments are recognized in the Consolidated Balance Sheets at fair value. The Company has also entered into interest rate swap agreements that effectively convert the interest rate on certain fixed rate debt to a variable interest rate and, on certain variable rate debt, to a fixed interest rate. The Company periodically enters into treasury lock agreements to lock the benchmark rate for an anticipated fixed rate borrowing. See also Note 5 and Note 6 of the notes to the consolidated financial statements for additional information.





On the date a derivative contract is entered into, the Company designates the derivative as either a hedge of variable cash flows to be paid related to interest on variable rate debt, as a hedge of market variation in the benchmark rate for a future fixed rate debt issue or as a hedge of certain forecasted purchases of corn or natural gas used in the manufacturing process (“a cash-flow hedge”), or as a hedge of the fair value of certain debt obligations (“a fair-value hedge”). This process includes linking all derivatives that are designated as fair-value or cash-flow hedges to specific assets and liabilities on the Consolidated Balance Sheet, or to specific firm commitments or forecasted transactions. For all hedging relationships, the Company formally documents the hedging relationships and its risk-management objective and strategy for undertaking the hedge transactions, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument’s effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. The Company also formally assesses, both at the hedge’s inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows or fair values of hedged items. When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, the Company discontinues hedge accounting prospectively.

Changes in the fair value of floating-to-fixed interest rate swaps, treasury locks or commodity futures and option contracts that are highly effective and that are designated and qualify as cash-flow hedges are recorded in other comprehensive income, net of applicable income taxes. Realized gains and losses associated with changes in the fair value of interest rate swaps and treasury locks are reclassified from accumulated other comprehensive income (“AOCI”) to the Consolidated Statement of Income over the life of the underlying debt. Gains and losses on commodity hedging contracts are reclassified from AOCI to the Consolidated Statement of Income when the finished goods produced using the hedged item are sold. The maximum term over which the Company hedges exposures to the variability of cash flows for commodity price risk is 24 months. Changes in the fair value of a fixed-to-floating interest rate swap agreement that is highly effective and that is designated and qualifies as a fair-value hedge, along with the loss or gain on the hedged debt obligation, are recorded in earnings. The ineffective portion of the change in fair value of a derivative instrument that qualifies as either a cash-flow hedge or a fair-value hedge is reported in earnings.

The Company discontinues hedge accounting prospectively when it is determined that the derivative is no longer effective in offsetting changes in the cash flows or fair value of the hedged item, the derivative expires or is sold, terminated or exercised, the derivative is de-designated as a hedging instrument because it is unlikely that a forecasted transaction will occur, or management determines that designation of the derivative as a hedging instrument is no longer appropriate. When hedge accounting is discontinued, the Company continues to carry the derivative on the Consolidated Balance Sheet at its fair value, and gains and losses that were included in AOCI are recognized in earnings.

**Stock-based compensation** — The Company has a stock incentive plan that provides for stock-based employee compensation, including the granting of stock options and shares of restricted stock, to certain key employees. Compensation expense is recognized in the Consolidated Statement of Income for the Company’s stock-based employee compensation plan. The plan is more fully described in Note 12.

**Earnings per common share** — Basic earnings per common share is computed by dividing net income by the weighted average number of shares outstanding (including redeemable common stock for years prior to 2010), which totaled 76.4 million for 2011, 75.6 million for 2010 and 74.9 million for 2009. Diluted earnings per share (EPS) is computed by dividing net income by the weighted average number of shares outstanding, including the dilutive effect of outstanding stock options and other shares associated with long-term incentive compensation plans. The weighted average number of shares outstanding for diluted EPS calculations was 78.2 million, 76.8 million and 75.5 million for 2011, 2010 and 2009, respectively. In 2011, 2010 and 2009, options to purchase approximately 0.4 million, 1.4 million and 2.3 million shares of common stock, respectively, were excluded from the calculation of the weighted average number of shares outstanding for diluted EPS because their effects were anti-dilutive.

**Risks and uncertainties** — The Company operates domestically and internationally in one business segment. In each country, the business and assets are subject to varying degrees of risk and uncertainty. The Company insures its business and assets in each country against insurable risks in a manner that it deems appropriate. Because of this geographic dispersion, the Company believes that a loss from non-insurable events in any one country would not have a material adverse effect on the Company’s operations as a whole. Additionally, the Company believes there





is no significant concentration of risk with any single customer or supplier whose failure or non-performance would materially affect the Company’s results.

**Recently adopted accounting standards —** Effective July 1, 2009, the Company adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 105, *Generally Accepted Accounting Principles* (“ASC 105”). ASC 105 establishes the FASB Accounting Standards Codification (the “Codification”) as the source of authoritative United States generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied to nongovernmental entities and it is not intended to change or alter previously existing US GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification supersedes all previously existing non-SEC accounting and reporting standards and the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, the FASB now issues Accounting Standards Updates ("ASUs"). The FASB does not consider ASUs as authoritative in their own right. ASUs serve only to update the Codification, provide background information about the guidance and provide the bases for conclusions with respect to the change or changes to the Codification. The adoption of the Codification did not have a material impact on the Company's consolidated financial statements.

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, *Improving Disclosures about Fair Value Measurements*. This Update requires entities to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. In addition, this Update requires entities to present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). The disclosures related to Level 1 and Level 2 fair value measurements are effective for interim and annual periods beginning after December 15, 2009. The disclosures related to Level 3 fair value measurements are effective for interim and annual periods beginning after December 15, 2010. The implementation of the guidance contained in this Update did not have a material impact on the Company's consolidated financial statements.

In December 2010, the FASB issued ASU 2010-28, *Intangibles - Goodwill and Other - When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts* to modify Step 1 of the goodwill impairment test for reporting units having a carrying value of zero or less. This Update requires an entity having such a reporting unit to assess whether it is more likely than not that the reporting units' goodwill is impaired. If the entity determines that it is more likely than not that the goodwill of such a reporting unit is impaired, the entity should perform Step 2 of the goodwill impairment test for that reporting unit. Any resulting goodwill impairment should be recorded as a cumulative-effect adjustment to beginning retained earnings in the period of adoption. Any goodwill impairments occurring after the initial adoption of the guidance in this Update should be included in earnings. This Update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The implementation of the guidance contained in this Update did not have a material impact on the Company's consolidated financial statements.

In December 2010, the FASB issued ASU 2010-29, *Disclosure of Supplementary Pro Forma Information for Business Combinations* to address diversity in practice regarding the presentation of pro forma revenue and earnings disclosures pertaining to business combinations. This Update requires that entities present combined pro forma disclosures for business combinations consummated in the current year, as if the business combination occurred at the beginning of the comparable prior annual reporting period. Additionally, this Update requires a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. This Update is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The implementation of the guidance in this Update affects future disclosures only, and will not have an impact on the Company's consolidated financial position, results of operation, or cash flows.

In September 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-08, *Testing Goodwill for Impairment*. The objective of this Update is to simplify how entities test goodwill for impairment. This Update provides an entity with the option to first assess qualitative factors in determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. After assessing the qualitative factors, if an entity determines that it is not more likely than not that the fair value of





a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. If an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test as described in FASB ASC Topic 350. Entities have the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step impairment test as well as resume performing the qualitative assessment in any subsequent period. The guidance in this Update is effective for the Company for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company performed its annual goodwill impairment testing in the fourth quarter of 2011 and early adopted the provisions of this Update. The implementation of the guidance contained in this Update did not have an impact on the Company's consolidated financial statements.

In September 2011, the FASB issued ASU No. 2011-09, *Disclosures about an Employer's Participation in a Multiemployer Plan*. This Update requires additional disclosures regarding the significant multiemployer plans in which an employer participates, the level of an employer's participation including contributions made, and whether the contributions made represent more than five percent of the total contributions made to the plan by all contributing employers. The expanded disclosures also address the financial health of significant multiemployer plans including the funded status and existence of funding improvement plans, the existence of imposed surcharges on contributions to the plan, as well as the nature of employer commitments to the plan. This Update is effective for annual periods for fiscal years ending after December 15, 2011, with early adoption permitted. The disclosures required by this Update are provided in Note 9.

**NOTE 3 — Acquisitions**

On October 1, 2010, Company completed its acquisition of National Starch, a global provider of specialty starches, from Akzo Nobel N.V., a global coatings and specialty chemicals company, headquartered in The Netherlands. The Company acquired 100 percent of National Starch through asset purchases in certain countries and stock purchases in certain countries. The purchase price was $1.369 billion in cash. The funding of the purchase price was provided principally from borrowings. See Note 6 for information regarding the Company's borrowing activity. The Company incurred $35 million of acquisition costs and a $20 million charge for bridge loan financing costs related to the acquisition in 2010. The results of National Starch are included in the Company's consolidated results from October 1, 2010 forward.

The acquisition positions the Company with a broader portfolio of products, enhanced geographic reach, and the ability to offer customers a broad range of value-added ingredient solutions for a variety of their evolving needs. National Starch had sales of $1.2 billion in 2009 and provides the Company with, among other things, 11 additional manufacturing facilities in 8 countries, across 5 continents. The acquisition also provides additional sales and technical offices around the world. With the acquisition, the Company now operates 37 manufacturing facilities in 15 countries; has sales offices in 29 countries, and has research and ingredient development centers in key global markets.

The allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed, based on their fair values as of October 1, 2010, is provided below. Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. It is estimated that approximately 15 percent of the goodwill associated with this acquisition is deductible for tax purposes. The consolidated balance sheet for December 31, 2010 has been reclassified to reflect the finalization of the purchase price allocation.

| | Purchase Price Allocation | | |
|---|---|---|---|
| **(in millions)** | **Preliminary** | **Adjustments** | **Final** |
| Working capital | $ 219 | $ 57 | $ 276 |
| Property, plant and equipment | 549 | | 549 |
| Other assets | 119 | 1 | 120 |
| Intangible assets | 359 | | 359 |
| Goodwill | 392 | (58) | 334 |
| Non-current liabilities assumed | (284) | 15 | (269) |
| Total purchase price | $ 1,354 | $ 15 | $ 1,369 |





*Pro forma financial information:*

Selected unaudited pro forma results of operations for the years ended December 31, 2010 and 2009, assuming the National Starch acquisition occurred as of January 1, 2009, are presented below:

| **(in millions, except per share)** | **2010** | **2009** |
|---|---|---|
| Net sales | $ 5,323 | $ 4,897 |
| Net income attributable to CPI | 283 | 61 |
| Pro forma earnings per common share of CPI: | | |
| Basic | $ 3.74 | $ 0.81 |
| Diluted | $ 3.68 | $ 0.81 |

For the nine months ended September 30, 2010 and for the year ended December 31, 2009, the National Starch financial statements excluded the effects of financing and taxes since Akzo Nobel, its previous parent company, used a centralized approach for cash management and to finance its global operations, as well as to manage its global tax position. A 33 percent tax rate was used to tax effect pro forma adjustments.

The Company made other acquisitions during the last three years, none of which, either individually or in the aggregate, were material.

All of the Company's acquisitions were accounted for under the purchase method.

**NOTE 4 — Restructuring and Asset Impairment Charges**

As part of a manufacturing optimization plan developed in conjunction with the acquisition of National Starch to improve profitability, in the second quarter of 2011 the Company committed to a plan that will optimize its production capabilities at certain of its North American facilities. The Company anticipates that its plan will be completed by September 30, 2012 at which time certain equipment will cease to be used. As a result, the Company is recording restructuring charges to write the equipment off by September 30, 2012. In 2011, the Company recorded charges of $10 million, of which $8 million represents accelerated depreciation on the equipment. The Company will record restructuring charges of $4 million per quarter until the completion of the plan when the equipment will be fully depreciated.

On February 27, 2010, a devastating earthquake occurred off the coast of Chile. The Company's plant in Llay-Llay, Chile suffered damage, including damage to the waste-water treatment facility, corn silos, water tanks and warehousing. There was also structural damage to the buildings. A structural engineering study was completed during the quarter ended June 30, 2010. Based on the results of the study and other factors, the Company determined that the carrying amount of a significant portion of the plant and equipment exceeded its fair value and therefore, these assets were impaired. As a result, the Company recorded a $24 million charge for impaired assets and employee severance and related benefit costs associated with the termination of employees in Chile in its 2010 Statement of Income. As of December 31, 2010, the employee terminations were completed and the restructuring accrual was fully utilized. Shipments to customers in Chile are being fulfilled from the Company's plants in Argentina, Brazil and Mexico.

In the second quarter of 2009, the Company recorded a $125 million charge to its Statement of Income for impaired assets and restructuring costs. The charge included the write-off of $119 million of goodwill pertaining to the Company's operations in South Korea and a $5 million charge to write-off impaired assets in North America. Additionally, the Company recorded a $1 million charge for employee severance and related benefit costs primarily attributable to the termination of employees in its Asia Pacific region. The employee terminations have been completed and the restructuring accrual has been fully utilized.

In testing Goodwill for impairment, the Company first assesses qualitative factors in determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. After assessing the qualitative factors, if the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it is unnecessary for the Company to perform the two-step impairment test. If the Company concludes otherwise, then it is required to perform the first step of the two-step impairment test as





described in FASB ASC Topic 350. In the first step, the fair value of the reporting unit is compared to its carrying value. If the fair value of the reporting unit exceeds the carrying value of its net assets, goodwill is not considered impaired and no further testing is required. If the carrying value of the net assets exceeds the fair value of the reporting unit, a second step of the impairment assessment is performed in order to determine the implied fair value of a reporting unit's goodwill. Determining the implied fair value of goodwill requires a valuation of the reporting unit's tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of its goodwill, goodwill is deemed impaired and is written down to the extent of the difference.

The Company reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. As required under United States generally accepted accounting principles, the impairment analysis for long-lived assets occurs before the goodwill impairment assessment. If the carrying amount of an asset or group of assets exceeds its fair value, the asset may need to be written down to its fair value.

**NOTE 5 — Financial Instruments, Derivatives and Hedging Activities**

The Company is exposed to market risk stemming from changes in commodity prices (corn and natural gas), foreign currency exchange rates and interest rates. In the normal course of business, the Company actively manages its exposure to these market risks by entering into various hedging transactions, authorized under established policies that place clear controls on these activities. These transactions utilize exchange traded derivatives or over-the-counter derivatives with investment grade counterparties. Derivative financial instruments currently used by the Company consist of commodity futures, options and swap contracts, forward currency contracts and options, and interest rate swaps.

*Commodity price hedging:* The Company's principal use of derivative financial instruments is to manage commodity price risk in North America relating to anticipated purchases of corn and natural gas to be used in the manufacturing process, generally over the next twelve to eighteen months. The Company maintains a commodity-price risk management strategy that uses derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity-price volatility. For example, the manufacturing of the Company's products requires a significant volume of corn and natural gas. Price fluctuations in corn and natural gas cause the actual purchase price of corn and natural gas to differ from anticipated prices.

To manage price risk related to corn purchases in North America, the Company uses corn futures and options contracts that trade on regulated commodity exchanges to lock in its corn costs associated with firm-priced customer sales contracts. The Company uses over-the-counter gas swaps to hedge a portion of its natural gas usage in North America. These derivative financial instruments limit the impact that volatility resulting from fluctuations in market prices will have on corn and natural gas purchases and have been designated as cash flow hedges. Unrealized gains and losses associated with marking the commodity hedging contracts to market are recorded as a component of other comprehensive income ("OCI") and included in the equity section of the Consolidated Balance Sheets as part of accumulated other comprehensive income/loss ("AOCI"). These amounts are subsequently reclassified into earnings in the month in which the related corn or natural gas is used or in the month a hedge is determined to be ineffective. The Company assesses the effectiveness of a commodity hedge contract based on changes in the contract's fair value. The changes in the market value of such contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in the price of the hedged items. The amounts representing the ineffectiveness of these cash flow hedges are not significant.

At December 31, 2011, the Company's AOCI account included $23 million of losses, net of tax of $12 million, pertaining to commodities related derivative instruments that hedge the anticipated cash flows from future transactions, of which $16 million, net of tax of $9 million, are expected to be recognized in earnings within the next twelve months. Transactions and events expected to occur over the next twelve months that will necessitate reclassifying these derivative losses to earnings include the sale of finished goods inventory that includes previously hedged purchases of corn and the usage of hedged natural gas. Cash flow hedges discontinued during 2011 were not material.

*Interest rate hedging*: The Company assesses its exposure to variability in interest rates by continually identifying and monitoring changes in interest rates that may adversely impact future cash flows and the fair value of existing



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debt instruments, and by evaluating hedging opportunities. The Company maintains risk management control systems to monitor interest rate risk attributable to both the Company's outstanding and forecasted debt obligations as well as the Company's offsetting hedge positions. The risk management control systems involve the use of analytical techniques, including sensitivity analysis, to estimate the expected impact of changes in interest rates on the fair value of the Company's outstanding and forecasted debt instruments.

Derivative financial instruments that have been used by the Company to manage its interest rate risk consist of Treasury Lock agreements ("T-Locks") and interest rate swaps. The Company periodically enters into T-Locks to fix the benchmark component of the interest rate to be established for certain planned fixed-rate debt issuances (see also Note 6). The T-Locks are designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate until the fixed interest rate is established, and are accounted for as cash flow hedges. Accordingly, changes in the fair value of the T-Locks are recorded to AOCI until the consummation of the underlying debt offering, at which time any realized gain (loss) is amortized to earnings over the life of the debt. The net gain or loss recognized in earnings during 2011, 2010 and 2009, representing the amount of the Company's hedges' ineffectiveness, was not significant. The Company has also, from time to time, entered into interest rate swap agreements that effectively converted the interest rate on certain fixed-rate debt to a variable rate. These swaps called for the Company to receive interest at a fixed rate and to pay interest at a variable rate, thereby creating the equivalent of variable-rate debt. The Company designated these interest rate swap agreements as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and accounted for them as fair value hedges. Changes in the fair value of interest rate swaps designated as hedging instruments that effectively offset the variability in the fair value of outstanding debt obligations are reported in earnings. These amounts offset the gain or loss (that is, the change in fair value) of the hedged debt instrument that is attributable to changes in interest rates (that is, the hedged risk) which is also recognized in earnings. The Company did not have any Treasury Lock agreements outstanding at December 31, 2011 or 2010.

On March 25, 2011, the Company entered into interest rate swap agreements that effectively convert the interest rate on the Company's 3.2 percent $350 million senior notes due November 1, 2015 to a variable rate. These swap agreements call for the Company to receive interest at a fixed rate (3.2 percent) and to pay interest at a variable rate based on the six-month US dollar LIBOR rate plus a spread. The Company has designated these interest rate swap agreements as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and accounts for them as fair value hedges. Changes in the fair value of interest rate swaps designated as hedging instruments that effectively offset the variability in the fair value of outstanding debt obligations are reported in earnings. These amounts offset the gain or loss (that is, the change in fair value) of the hedged debt instrument that is attributable to changes in interest rates (that is, the hedged risk) which is also recognized currently in earnings. The fair value of these interest rate swap agreements approximated $19 million at December 31, 2011 and is reflected in the Consolidated Balance Sheet within non-current assets, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.

On March 25, 2010, the Company issued $200 million of 5.62 percent Senior Series A Notes due March 25, 2020 (the "Series A Notes"). See Note 6 for additional information regarding the Series A Notes. In conjunction with a plan to issue the Series A Notes and in order to manage exposure to variability in the benchmark interest rate on which the fixed interest rate of these notes would be based, the Company had previously entered into a Treasury Lock agreement (the "T-Lock") with respect to $50 million of these borrowings. The T-Lock was designated as a hedge of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Lock was entered and the time the debt was priced. It is accounted for as a cash flow hedge. The T-Lock expired on April 30, 2009 and the Company paid approximately $6 million, representing the losses on the T-Lock, to settle the agreement. The losses are included in AOCI and are being amortized to financing costs over the ten-year term of the Series A Notes.

In connection with the acquisition of National Starch, on September 17, 2010, the Company issued and sold $900 million aggregate principal amount of senior unsecured notes (the "Notes"). The Notes consist of $350 million aggregate principal amount of 3.2 percent notes due November 1, 2015 (the "2015 Notes"), $400 million aggregate principal amount of 4.625 percent notes due November 1, 2020 (the "2020 Notes"), and $150 million aggregate principal amount of 6.625 percent notes due April 15, 2037. See Note 6 for additional information regarding the Notes. In conjunction with a plan to issue these long-term fixed-rate Notes and in order to manage its exposure to variability in the benchmark interest rates on which the fixed interest rates of the Notes would be based, the





Company entered into T-Lock agreements with respect to $300 million of the 2015 Notes and $300 million of the 2020 Notes (the "T-Locks"). The T-Locks were designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Locks were entered and the time the debt was priced. The T-Locks are accounted for as cash flow hedges. The T-Locks were terminated on September 15, 2010 and the Company paid approximately $15 million, representing the losses on the T-Locks, to settle the agreements. The losses are included in AOCI and are being amortized to financing costs over the terms of the 2015 and 2020 Notes.

At December 31, 2011, the Company's AOCI account included $12 million of losses (net of tax of $8 million) related to Treasury Lock agreements. Cash flow hedges discontinued during 2011 were not material.

*Foreign currency hedging*: Due to the Company's global operations, it is exposed to fluctuations in foreign currency exchange rates. As a result, the Company has exposure to translational foreign exchange risk when its foreign operation results are translated to US dollars (USD) and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. The Company primarily uses derivative financial instruments such as foreign currency forward contracts, swaps and options to manage its transactional foreign exchange risk. These derivative financial instruments are primarily accounted for as fair value hedges. As of December 31, 2011, the Company had $124 million of net notional foreign currency forward contracts that hedged net asset transactional exposures. The fair value of these derivative instruments was approximately $1 million at December 31, 2011.

By using derivative financial instruments to hedge exposures, the Company exposes itself to credit risk and market risk. Credit risk is the risk that the counterparty will fail to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates credit risk for the Company. When the fair value of a derivative contract is negative, the Company owes the counterparty and, therefore, it does not possess credit risk. The Company minimizes the credit risk in derivative instruments by entering into over-the-counter transactions only with investment grade counterparties or by utilizing exchange-traded derivatives. Market risk is the adverse effect on the value of a financial instrument that results from a change in commodity prices or interest rates. The market risk associated with commodity-price and interest rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

The fair value and balance sheet location of the Company's derivative instruments accounted for as cash flow hedges are presented below:

| | Fair Value of Derivative Instruments | | | | | |
|---|---|---|---|---|---|---|
| | | Fair Value | | | Fair Value | |
| **Derivatives designated as hedging instruments: (in millions)** | **Balance Sheet Location** | **At December 31, 2011** | **At December 31, 2010** | **Balance Sheet Location** | **At December 31, 2011** | **At December 31, 2010** |
| Commodity contracts | *Accounts receivable-net* | $ 14 | $ 65 | *Accounts payable and accrued liabilities* | $ 34 | $ 4 |
| | | | | *Non-current liabilities* | 11 | — |
| Total | | $ 14 | $ 65 | | $ 45 | $ 4 |

At December 31, 2011, the Company had outstanding futures and option contracts that hedge approximately 123 million bushels of forecasted corn purchases. Also at December 31, 2011, the Company had outstanding swap and option contracts that hedge approximately 23 million mmbtu's of forecasted natural gas purchases.





Additional information relating to the Company's derivative instruments is presented below (in millions)

| | Amount of Gains (Losses) Recognized in OCI on Derivatives | | | Location of Gains (Losses) Reclassified from AOCI into Income | Amount of Gains (Losses) Reclassified from AOCI into Income | | |
|---|---|---|---|---|---|---|---|
| **Derivatives in Cash Flow Hedging Relationships** | **Year Ended December 31, 2011** | **Year Ended December 31, 2010** | **Year Ended December 31, 2009** | | **Year Ended December 31, 2011** | **Year Ended December 31, 2010** | **Year Ended December 31, 2009** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Commodity contracts | $ 48 | $ 47 | $ (77) | *Cost of Sales* | $ 169 | $ (87) | $ (315) |
| Interest rate contracts | — | (15) | 4 | *Financing costs, net* | (3) | (1) | (1) |
| Total | $ 48 | $ 32 | $ (73) | | $ 166 | $ (88) | $ (316) |

At December 31, 2011, the Company's AOCI account included approximately $16 million of losses on commodity hedging contracts, net of income taxes, which are expected to be reclassified into earnings during the next twelve months. The Company expects the losses to be offset by changes in the underlying commodities cost. Additionally, at December 31, 2011, the Company's AOCI account included approximately $2 million of losses on Treasury Lock agreements, net of income taxes, which are expected to be reclassified into earnings during the next twelve months.

Presented below are the fair values of the Company's financial instruments and derivatives for the periods presented:

| | As of December 31, 2011 | | | | As of December 31, 2010 | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions) | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 |
| Available for sale securities | $ 2 | $ 2 | $ — | $ — | $ 6 | $ 6 | $ — | $ — |
| Derivative assets | 33 | 14 | 19 | — | 65 | 64 | 1 | — |
| Derivative liabilities | 46 | 16 | 30 | — | 4 | — | 4 | — |
| Long-term debt | 1,921 | — | 1,921 | — | 1,707 | — | 1,707 | — |

*Level 1 inputs consist of quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly for substantially the full term of the financial instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability or can be derived principally from or corroborated by observable market data. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.*

The carrying values of cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair values. Commodity futures, options and swap contracts, which are designated as hedges of specific volumes of commodities are recognized at fair value. Foreign currency forward contracts, swaps and options hedge transactional foreign exchange risk related to assets and liabilities denominated in currencies other than the functional currency and are recognized at fair value. The fair value of the Company's long-term debt is estimated based on quotations of major securities dealers who are market makers in the securities. Presented below are the carrying amounts and the fair values of the Company's long-term debt at December 31, 2011 and 2010.



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| | 2011 | | 2010 | |
|---|---|---|---|---|
| (in millions) | Carrying amount | Fair value | Carrying amount | Fair value |
| 4.625% senior notes, due November 1, 2020 | $ 399 | $ 422 | $ 399 | $ 393 |
| 3.2% senior notes, due November 1, 2015 | 350 | 360 | 349 | 351 |
| 6.625% senior notes, due April 15, 2037 | 257 | 297 | 258 | 262 |
| 6.0% senior notes, due April 15, 2017 | 200 | 222 | 200 | 214 |
| 5.62% senior notes due March 25, 2020 | 200 | 225 | 200 | 212 |
| US revolving credit facility, due June 6, 2014 | 376 | 376 | 275 | 275 |
| Fair value adjustment related to hedged fixed rate debt instrument | 19 | 19 | — | — |
| Total long-term debt | $ 1,801 | $ 1,921 | $ 1,681 | $ 1,707 |

**NOTE 6 — Financing Arrangements**

The Company had total debt outstanding of $1.95 billion and $1.77 billion at December 31, 2011 and 2010, respectively. Short-term borrowings at December 31, 2011 and 2010 consist primarily of amounts outstanding under various unsecured local country operating lines of credit.

Short-term borrowings consist of the following at December 31:

| (in millions) | 2011 | 2010 |
|---|---|---|
| Short-term borrowings in various currencies (at rates ranging from 2% to 24% for 2011 and 1% to 15% for 2010) | $ 148 | $ 88 |

On March 25, 2010, the Company entered into a Private Shelf Agreement (the "Shelf Agreement") with Prudential Investment Management, Inc. providing for the issuance of senior promissory notes in an aggregate principal amount of $200 million.

On March 25, 2010, pursuant to the Shelf Agreement, the Company issued 5.62 percent Senior Series A Notes due March 25, 2020 in an aggregate principal amount of $200 million (the "Series A Notes"). The Series A Notes rank equally with the Company's other senior unsecured debt. Interest on the Series A Notes is required to be paid semi-annually on March 25th and September 25th, beginning in September 2010. The Series A Notes are subject to optional prepayment by the Company at 100 percent of the principal amount plus interest up to the prepayment date and, in certain circumstances, a make-whole amount. Proceeds from the sale of the Series A Notes have been used for general corporate purposes.

The Shelf Agreement contains various covenants which are substantially similar to the covenants in the Company's revolving credit facility, including financial covenants that require maintenance of a maximum debt to EBITDA ratio and a minimum interest coverage ratio, as well as covenants that restrict the Company's ability to incur debt, create liens and merge with other entities. The Shelf Agreement also contains customary events of default.

On September 2, 2010, the Company entered into a three-year, senior unsecured $1 billion revolving credit facility. On June 6, 2011, the Company amended the revolving credit facility to extend the maturity to June 6, 2014 and to change applicable interest rates for borrowings under the revolving credit agreement. The credit facility replaced the Company's previously existing $500 million senior unsecured revolving credit facility. The Company paid fees of approximately $8 million relating to the new credit facility, which are being amortized to interest expense over the three-year term of the facility. The Company had $376 million of borrowings outstanding under the revolving credit facility at December 31, 2011.



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Subject to certain terms and conditions, the Company may increase the amount of the revolving facility under the Revolving Credit Agreement by up to $250 million in the aggregate. All committed pro rata borrowings under the revolving facility will bear interest at a variable annual rate based on the LIBOR or base rate, at the Company's election, subject to the terms and conditions thereof, plus, in each case, an applicable margin based on the Company's leverage ratio (as reported in the financial statements delivered pursuant to the Revolving Credit Agreement).

The Revolving Credit Agreement contains customary representations, warranties, covenants, events of default, terms and conditions, including limitations on liens, incurrence of debt, mergers and significant asset dispositions. The Company must also comply with a leverage ratio and an interest coverage ratio covenant. The occurrence of an event of default under the Revolving Credit Agreement could result in all loans and other obligations under the agreement being declared due and payable and the revolving credit facility being terminated.

In connection with the acquisition of National Starch, on September 17, 2010, the Company issued and sold $900 million aggregate principal amount of senior unsecured notes (the "Notes") as follows:

| (in millions) | Principal | Premium (Discount) | Selling Price |
|---|---|---|---|
| 3.2% notes due November 1, 2015 | $ 350 | $ (1) | $ 349 |
| 4.625% notes due November 1, 2020 | 400 | (1) | 399 |
| 6.625% notes due April 15, 2037 | 150 | 8 | 158 |
| | $ 900 | $ 6 | $ 906 |

The Company paid debt issuance costs of approximately $7 million relating to the Notes, which are being amortized to interest expense over the lives of the respective notes. Additionally, the premium and discounts on the Notes will be amortized to interest expense over the lives of the respective notes.

Interest on the 3.2 percent notes and the 4.625 percent notes is required to be paid semi-annually on May 1st and November 1st, commencing May 1, 2011. Interest on the 6.625 percent notes is required to be paid semi-annually on April 15th and October 15th, commencing October 15, 2010.

The Notes are redeemable, in whole at any time or in part from time to time, at the Company's option at a redemption price equal to the greater of: (i) 100 percent of the principal amount of the Notes to be redeemed; and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined), plus 30 basis points, plus, in each case, accrued interest thereon to the date of redemption.

As a result of the sale of the Notes and the entry into the new revolving credit facility, the Company terminated the $1.35 billion bridge term loan facility that it had previously arranged. Fees associated with the bridge loan totaling $20 million were expensed to financing costs in September 2010.

On March 25, 2011, the Company entered into interest rate swap agreements that effectively convert the interest rate on the Company's 3.2 percent $350 million senior notes due November 1, 2015 to a variable rate. These swap agreements call for the Company to receive interest at a fixed rate (3.2 percent) and to pay interest at a variable rate based on the six-month US dollar LIBOR rate plus a spread. The Company has designated these interest rate swap agreements as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and accounts for them as fair value hedges. Changes in the fair value of interest rate swaps designated as hedging instruments that effectively offset the variability in the fair value of outstanding debt obligations are reported in earnings. These amounts offset the gain or loss (that is, the change in fair value) of the hedged debt instrument that is attributable to changes in interest rates (that is, the hedged risk) which is also recognized currently in earnings. The fair value of these interest rate swap agreements approximated $19 million at December 31, 2011 and is reflected in the Consolidated Balance Sheet within non-current assets, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.



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Long-term debt consists of the following at December 31:

| (in millions) | 2011 | 2010 |
|---|---|---|
| 4.625% senior notes, due November 1, 2020, net of discount of $1 | $ 399 | $ 399 |
| 3.2% senior notes, due November 1, 2015, net of discount of $1 in 2010 | 350 | 349 |
| 6.625% senior notes, due April 15, 2037, net of premium of $8 and discount of $1 | 257 | 258 |
| 6.0% senior notes, due April 15, 2017 | 200 | 200 |
| 5.62% senior notes, due March 25, 2020 | 200 | 200 |
| US revolving credit facility, due June 6, 2014 (at LIBOR indexed floating rate) | 376 | 275 |
| Fair value adjustment related to hedged fixed rate debt instrument | 19 | — |
| Total | $ 1,801 | $ 1,681 |
| Less: current maturities | — | — |
| Long-term debt | $ 1,801 | $ 1,681 |

The Company's long-term debt matures as follows: $376 million in 2014, $350 million in 2015, $200 million in 2017, $600 million in 2020 and $250 million in 2037.

Corn Products International, Inc. guarantees certain obligations of its consolidated subsidiaries, which aggregated $77 million and $57 million at December 31, 2011 and 2010, respectively.

In conjunction with a plan to issue the Series A Notes and in order to manage exposure to variability in the benchmark interest rate on which the fixed interest rate of these notes would be based, the Company had previously entered into a Treasury Lock agreement (the "T-Lock") with respect to $50 million of these borrowings. The T-Lock was designated as a hedge of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Lock was entered and the time the debt was priced. It is accounted for as a cash flow hedge. The T-Lock expired on April 30, 2009 and the Company paid approximately $6 million, representing the losses on the T-Lock, to settle the agreement. The losses are included in AOCI and are being amortized to financing costs over the ten-year term of the Series A Notes.

In conjunction with a plan to issue the $350 million aggregate principal amount of 3.2 percent senior notes due November 1, 2015 (the "2015 Notes") and the $400 million aggregate principal amount of 4.625 percent senior notes due November 1, 2020 (the "2020 Notes") and in order to manage its exposure to variability in the benchmark interest rates on which the fixed interest rates of these notes would be based, the Company entered into T-Lock agreements with respect to $300 million of the 2015 Notes and $300 million of the 2020 Notes (the "T-Locks"). The T-Locks were designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Locks were entered into and the time the debt was priced. The T-Locks are accounted for as cash flow hedges. The T-Locks were terminated on September 15, 2010 and the Company paid approximately $15 million, representing the losses on the T-Locks, to settle the agreements. The losses are included in AOCI and are being amortized to financing costs over the terms of the 2015 and 2020 Notes.

**NOTE 7 - Leases**

The Company leases rail cars, certain machinery and equipment, and office space under various operating leases. Rental expense under operating leases was $44 million, $33 million and $29 million in 2011, 2010 and 2009, respectively. Minimum lease payments due on leases existing at December 31, 2011 are shown below:



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| (in millions) Year | | Minimum Lease Payments |
|---|---|---|
| 2012 | $ | 41 |
| 2013 | | 34 |
| 2014 | | 28 |
| 2015 | | 25 |
| 2016 | | 21 |
| Balance thereafter | | 47 |



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**NOTE 8 - Income Taxes**

The components of income before income taxes and the provision for income taxes are shown below:

| (in millions) | | 2011 | | 2010 | | 2009 |
|---|---|---|---|---|---|---|
| Income (loss) before income taxes: | | | | | | |
| United States | $ | 158 | $ | (26) | $ | 25 |
| Foreign | | 435 | | 301 | | 90 |
| Total | $ | 593 | $ | 275 | $ | 115 |
| Provision for income taxes: | | | | | | |
| Current tax expense | | | | | | |
| US federal | $ | 9 | $ | (4) | $ | 2 |
| State and local | | 2 | | 2 | | 1 |
| Foreign | | 141 | | 131 | | 65 |
| Total current | $ | 152 | $ | 129 | $ | 68 |
| Deferred tax expense (benefit) | | | | | | |
| US federal | $ | 10 | $ | (8) | $ | (3) |
| State and local | | 3 | | (1) | | (1) |
| Foreign | | 5 | | (21) | | 4 |
| Total deferred | $ | 18 | $ | (30) | $ | — |
| Total provision | $ | 170 | $ | 99 | $ | 68 |

Deferred income taxes are provided for the tax effects of temporary differences between the financial reporting basis and tax basis of assets and liabilities. Significant temporary differences at December 31, 2011 and 2010 are summarized as follows:

| (in millions) | | 2011 | | 2010 |
|---|---|---|---|---|
| Deferred tax assets attributable to: | | | | |
| Employee benefit accruals | $ | 27 | $ | 39 |
| Pensions | | 32 | | 38 |

| | | | | |
|---|---|---|---|---|
| Hedging/derivative contracts | | 19 | | — |
| Net operating loss carryforwards | | 29 | | 28 |
| Foreign tax credit carryforwards | | 29 | | 20 |
| Goodwill | | — | | 4 |
| Other | | 37 | | 44 |
| Gross deferred tax assets | $ | 173 | $ | 173 |
| Valuation allowance | | (23) | | (31) |
| Net deferred tax assets | $ | 150 | $ | 142 |
| Deferred tax liabilities attributable to: | | | | |
| Property, plant and equipment | $ | 191 | $ | 197 |
| Identified intangibles | | 68 | | 71 |
| Hedging/derivative contracts | | — | | 22 |
| Total deferred tax liabilities | $ | 259 | $ | 290 |
| Net deferred tax liabilities | $ | 109 | $ | 148 |



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The $29 million of tax effected net operating loss carryforwards at December 31, 2011 include state net operating losses of $2 million and foreign net operating losses of $27 million. The state net operating losses expire in various years through 2031. Foreign net operating losses will expire in 2012 through 2022, if unused. The tax value of the foreign tax credit carryforwards of $29 million at December 31, 2011 are scheduled to expire in 2012 through 2020. The Company anticipates full utilization of the foreign tax credits before any expiration.

Income tax accounting requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In making this assessment, management considers the level of historical taxable income, scheduled reversal of deferred tax liabilities, tax planning strategies, tax carryovers and projected future taxable income. The Company maintains a valuation allowance of $23 million against certain foreign net operating losses and deferred tax assets that management has determined will more likely than not expire prior to realization. The valuation allowance at December 31, 2011, with respect to foreign tax credit carryforwards, decreased to zero from $4 million at December 31, 2010. The valuation allowance with respect to certain foreign net operating losses decreased to approximately $22 million at December 31, 2011 from $25 million at December 31, 2010. The recent earnings trend in our Korean subsidiary make it reasonably possible that the remaining valuation allowances of $15 million related to their net deferred tax assets could be reversed through the tax provision during 2012.

A reconciliation of the US federal statutory tax rate to the Company’s effective tax rate follows:

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| Provision for tax at US statutory rate | 35.00% | 35.00% | 35.00% |
| Tax rate difference on foreign income | (3.69) | .31 | .50 |
| State and local taxes — net | .58 | .15 | .28 |
| Change in valuation allowance — foreign tax credits | (.62) | (2.26) | .51 |
| Change in foreign statutory tax rates | .07 | — | (.94) |
| Korea goodwill write-off, net of valuation allowance | — | — | 25.50 |
| Chile asset write-off, net of valuation allowance | (.09) | 2.13 | — |
| Non-deductible National Starch acquisition costs | .04 | 1.22 | — |
| NAFTA Award | (3.45) | — | — |
| Other items — net | .83 | (.46) | (1.40) |
| Provision at effective tax rate | 28.67% | 36.09% | 59.45% |

Provisions are made for estimated US and foreign income taxes, less credits that may be available, on distributions from foreign subsidiaries to the extent dividends are anticipated. No provision has been made for income taxes on approximately $1.373 billion of undistributed earnings of foreign subsidiaries at December 31, 2011, as such amounts are considered permanently reinvested. It is not practicable to estimate the additional income taxes, including applicable holding taxes and credits that would be due upon the repatriation of these earnings.



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A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, for 2011 and 2010 is as follows:

| (in millions) | | 2011 | | 2010 |
|---|---|---|---|---|
| Balance at January 1 | $ | 29 | $ | 22 |
| Additions for tax positions related to prior years | | 9 | | 1 |
| Reductions for tax positions related to prior years | | (1) | | (1) |
| Additions based on tax positions related to the current year | | 4 | | 10 |
| Reductions related to a lapse in the statute of limitations | | (6) | | (3) |
| Balance at December 31 | $ | 35 | $ | 29 |

Of the $35 million at December 31, 2011, $24 million represents the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate in future periods. The remaining $11 million includes $9 million of foreign tax credit carryforwards that would be created as part of the Canada and US audit process described below, and $2 million of indemnity claims that we would expect to collect from Akzo as part of the National Starch acquisition.

The Company accounts for interest and penalties related to income tax matters in income tax expense. The Company had accrued $4 million of interest expense (net of $3 million interest income) and $1 million of penalties related to the unrecognized tax benefits as of December 31, 2011. The accrued interest expense was $3 million (net of $3 million interest income) and $1 million of penalties as of December 31, 2010.

The Company is subject to US federal income tax as well as income tax in multiple state and non-US jurisdictions. The US federal tax returns are subject to audit for the years 2008 to 2011. The Company remains subject to potential examination in Canada, Argentina and Germany for the years 2005 to 2011, and in Brazil, Mexico and Pakistan for the years 2006 to 2011. The statute of limitations is generally open for similar periods in various other non-US jurisdictions.

In 2008 and 2007, the Company made deposits of approximately $13 million and $17 million, respectively, to the Canadian tax authorities relating to an ongoing audit examination. The Company did not make any additional deposits relating to this ongoing audit examination in 2011. The Company has settled $2 million of the claims and is in the process of pursuing relief from double taxation under the US and Canadian tax treaty for the remaining items raised in the audit. As a result, the US and Canadian tax returns are subject to adjustment from 2000 and forward for the specific issues being contested. The Company believes that it has adequately provided for the most likely outcome of the settlement process.

It is reasonably possible that the total amount of unrecognized tax benefits will increase or decrease within twelve months of December 31, 2011. The Company currently estimates that such increases or decreases will not be significant.

**NOTE 9 — Benefit Plans**

The Company and its subsidiaries sponsor noncontributory defined benefit pension plans covering substantially all employees in the United States and Canada, and certain employees in other foreign countries. Plans for most salaried employees provide pay-related benefits based on years of service. Plans for hourly employees generally provide benefits based on flat dollar amounts and years of service. The Company's general funding policy is to make contributions to the plans in amounts that are within the limits of deductibility under current tax regulations. Certain foreign countries allow income tax deductions without regard to contribution levels, and the Company's policy in those countries is to make the contribution required by the terms of the applicable plan. Domestic plan assets consist primarily of common stock, corporate debt securities and short-term investment funds.

Domestic salaried employees are covered by a defined benefit "cash balance" pension plan, which provides benefits based on service and Company credits to the participating employees' accounts of between 3 percent and 10 percent of base salary, bonus and overtime.



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The Company also provides healthcare and/or life insurance benefits for retired employees in the United States, Canada and Brazil. US salaried employees are provided with access to postretirement medical insurance through Retirement Health Care Spending Accounts. US salaried employees earn a benefit during employment, which can be used after employment to purchase postretirement medical insurance from the Company and Medigap or through Medicare HMO policies after age 65. The accounts are credited with a flat dollar amount and indexed for inflation annually during employment. The accounts also accrue interest credits using a rate equal to a specified amount above the yield on five-year Treasury notes. Employees become eligible for benefits when they meet minimum age and service requirements. The Company has the right to modify or terminate these benefits. Healthcare benefits for retirees outside the United States, Canada and Brazil are generally covered through local government plans.

**Pension Obligation and Funded Status** — The changes in pension benefit obligations and plan assets during 2011 and 2010, as well as the funded status and the amounts recognized in the Company's Consolidated Balance Sheets related to the Company's pension plans at December 31, 2011 and 2010, were as follows:

| | US Plans | | Non-US Plans | |
|---|---|---|---|---|
| **(in millions)** | **2011** | **2010** | **2011** | **2010** |
| Benefit obligation | | | | |
| At January 1 | $ 244 | $ 84 | $ 205 | $ 123 |
| Service cost | 7 | 5 | 5 | 3 |
| Interest cost | 13 | 7 | 15 | 10 |
| Benefits paid | (13) | (7) | (11) | (7) |
| Actuarial loss (gain) | 19 | (9) | 12 | 25 |
| Business combinations/transfers | — | 164 | 8 | 43 |
| Plan amendment | 1 | — | — | — |
| Curtailment / settlement | — | — | (11) | — |
| Foreign currency translation | — | — | (7) | 8 |
| Benefit obligation at December 31 | $ 271 | $ 244 | $ 216 | $ 205 |
| Fair value of plan assets | | | | |
| At January 1 | $ 204 | $ 69 | $ 157 | $ 116 |
| Actual return on plan assets | 14 | 10 | 8 | 14 |
| Employer contributions | 17 | 31 | 15 | 9 |
| Benefits paid | (13) | (7) | (11) | (7) |
| Settlements | — | — | (11) | — |
| Business combinations/transfers | — | 101 | 3 | 18 |
| Foreign currency translation | — | — | (5) | 7 |
| Fair value of plan assets at December 31 | $ 222 | $ 204 | $ 156 | $ 157 |
| Funded status | $ (49) | $ (40) | $ (60) | $ (48) |



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Amounts recognized in the Consolidated Balance Sheets consist of:

| (in millions) | US Plans 2011 | US Plans 2010 | Non-US Plans 2011 | Non-US Plans 2010 |
|---|---|---|---|---|
| Non current asset | $ — | $ — | $ (1) | $ (1) |
| Current liabilities | — | 1 | 2 | 2 |
| Non current liabilities | 49 | 39 | 59 | 47 |
| Net amount recognized | $ 49 | $ 40 | $ 60 | $ 48 |

Amounts recognized in accumulated other comprehensive loss consist of:

| (in millions) | US Plans 2011 | US Plans 2010 | Non-US Plans 2011 | Non-US Plans 2010 |
|---|---|---|---|---|
| Net actuarial loss | $ 32 | $ 12 | $ 65 | $ 52 |
| Prior service cost (credit) | — | 2 | (1) | — |
| Transition obligation | — | — | 3 | 4 |
| Net amount recognized | $ 32 | $ 14 | $ 67 | $ 56 |

The accumulated benefit obligation for all defined benefit pension plans was $447 million and $405 million at December 31, 2011 and December 31, 2010, respectively.

Information about plan obligations and assets for plans with an accumulated benefit obligation in excess of plan assets is as follows:

| (in millions) | US Plans 2011 | US Plans 2010 | Non-US Plans 2011 | Non-US Plans 2010 |
|---|---|---|---|---|
| Projected benefit obligation | $ 271 | $ 244 | $ 102 | $ 58 |
| Accumulated benefit obligation | 265 | 238 | 85 | 50 |
| Fair value of plan assets | 222 | 204 | 51 | 19 |

Included in the Company's pension obligation are nonqualified supplemental retirement plans for certain key employees. All benefits provided under these plans are unfunded, and payments to plan participants are made by the Company.

Components of net periodic benefit cost and other amounts recognized in other comprehensive income consist of:

| (in millions) | US Plans 2011 | US Plans 2010 | US Plans 2009 | Non-US Plans 2011 | Non-US Plans 2010 | Non-US Plans 2009 |
|---|---|---|---|---|---|---|
| Service cost | $ 7 | $ 5 | $ 3 | $ 5 | $ 3 | $ 3 |
| Interest cost | 13 | 7 | 5 | 15 | 10 | 8 |
| Expected return on plan assets | (15) | (7) | (4) | (11) | (10) | (9) |
| Amortization of actuarial loss | 1 | 1 | 1 | 2 | 1 | — |
| Amortization of transition obligation | — | — | — | 1 | — | — |
| Amortization of prior service cost | — | — | — | — | — | — |
| Settlement/curtailment | 2 | — | 1 | — | — | 1 |
| Net pension cost | $ 8 | $ 6 | $ 6 | $ 12 | $ 4 | $ 3 |



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For the US plans, the Company estimates that net pension expense for 2012 will include approximately $2 million relating to the amortization of its accumulated actuarial loss included in accumulated other comprehensive loss at December 31, 2011.

For the non-US plans, the Company estimates that net pension expense for 2012 will include approximately $4 million relating to the amortization of its accumulated actuarial loss and $0.4 million relating to the amortization of transition obligation included in accumulated other comprehensive loss at December 31, 2011.

Other changes in plan assets and benefit obligations recognized in other comprehensive income for 2011 consist of:

| (in millions) | US Plans | Non-US Plans |
|---|---|---|
| Net actuarial loss | $ 20 | $ 17 |
| Amortization of actuarial loss | (1) | (3) |
| Prior service cost | 1 | — |
| Amortization of prior service cost | (2) | — |
| Amortization of transition obligation | — | (1) |
| Amortization loss recognized due to settlement | — | (3) |
| Foreign currency translation | — | 1 |
| Total recorded in other comprehensive income | 18 | 11 |
| Net periodic benefit cost | 8 | 12 |
| Total recorded in other comprehensive income and net periodic benefit cost | 26 | 23 |

The following weighted average assumptions were used to determine the Company's obligations under the pension plans:

| | US Plans 2011 | US Plans 2010 | Non-US Plans 2011 | Non-US Plans 2010 |
|---|---|---|---|---|
| Discount rate | 4.50% | 5.35% | 5.68% | 5.73% |
| Rate of compensation increase | 2.75% | 2.75% | 4.51% | 3.79% |

The following weighted average assumptions were used to determine the Company's net periodic benefit cost for the pension plans:

| | US Plans | | | Non-US Plans | | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2011 | 2010 | 2009 |
| Discount rate | 5.35% | 5.85% | 6.05% | 5.73% | 7.24% | 8.63% |
| Expected long-term return on plan assets | 7.25% | 7.25% | 7.25% | 6.73% | 7.37% | 7.65% |
| Rate of compensation increase | 2.75% | 2.75% | 2.75% | 3.79% | 4.12% | 5.30% |

The Company has assumed an expected long-term rate of return on assets of 7.25 percent for US plans and 6.75 percent for Canadian plans. In developing the expected long-term rate of return assumption on plan assets, which consist mainly of US and Canadian equity and debt securities, management evaluated historical rates of return achieved on plan assets and the asset allocation of the plans, input from the Company's independent actuaries and investment consultants, and historical trends in long-term inflation rates. Projected return estimates made by such consultants are based upon broad equity and bond indices.

The discount rate reflects a rate of return on high quality fixed income investments that match the duration of the expected benefit payments. The Company has typically used returns on long-term, high quality corporate AA bonds as a benchmark in establishing this assumption. The discount rate is reviewed annually.





**Plan Assets** — The Company's investment policy for its pension plans is to balance risk and return through diversified portfolios of equity instruments, fixed income securities, and short-term investments. Maturities for fixed income securities are managed such that sufficient liquidity exists to meet near-term benefit payment obligations. For US pension plans, the weighted average target range allocation of assets was 38-72 percent with equity managers, 31-58 percent with fixed income managers and 1-3 percent in cash. The asset allocation is reviewed regularly and portfolio investments are rebalanced to the targeted allocation when considered appropriate.

The Company's pension plan weighted average asset allocation as of December 31, 2011 and December 31, 2010 for US plans and non-US plans is as follows:

| | US Plans | | Non-US Plans | |
|---|---|---|---|---|
| Asset Category | 2011 | 2010 | 2011 | 2010 |
| Equity securities | 53% | 54% | 46% | 46% |
| Debt securities | 45% | 43% | 46% | 43% |
| Other | 2% | 3% | 8% | 11% |
| Total | 100% | 100% | 100% | 100% |

The fair values of the Company's plan assets, by asset category and level, are as follows:

| | Fair Value Measurements at December 31, 2011 | | | |
|---|---|---|---|---|
| Asset Category (in millions) | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
| US Plans: | | | | |
| Equity index: | | | | |
| US (*a*) | | $ 83 | | $ 83 |
| International (*b*) | | 25 | | 25 |
| Real estate (*c*) | | 3 | | 3 |
| Fixed income index: | | | | |
| Intermediate bond (*d*) | | 20 | | 20 |
| Long bond (*e*) | | 87 | | 87 |
| Cash (*f*) | 4 | | | 4 |
| Total US Plans | $ 4 | $ 218 | | $ 222 |
| Non-US Plans: | | | | |
| Equity index: | | | | |
| US (*a*) | | $ 24 | | $ 24 |
| Canada (*g*) | | 27 | | 27 |
| International (*b*) | | 20 | | 20 |
| Fixed income index: | | | | |
| Long bond (*h*) | | 73 | | 73 |
| Other (*i*) | | 3 | | 3 |
| Cash (*f*) | 9 | | | 9 |
| Total Non-US Plans | $ 9 | $ 147 | | $ 156 |

*(a) This category consists of a passively managed equity index fund that tracks the return of large capitalization US equities.*
*(b) This category consists of a passively managed equity index fund that tracks an index of returns on international developed market stocks.*
*(c) This category consists of a passively managed equity index fund that tracks a US real estate equity securities index that includes stocks of real estate investment trusts and real estate operating companies.*

*(d) This category consists of a passively managed fixed income index fund that tracks the return of intermediate duration US government and investment grade corporate bonds.*
*(e) This category consists of a passively managed fixed income fund that tracks the return of long duration US government and investment grade corporate bonds.*
*(f) This category represents cash or cash-like instruments.*
*(g) This category consists of a passively managed equity index fund that tracks the return of large and mid-sized capitalization equities traded on the Toronto Stock Exchange.*
*(h) This category consists of a passively managed fixed income index fund that tracks the return of the universe of Canada government and investment grade corporate bonds.*
*(i) This category consists of an investment product provided by an insurance company that offers returns that are subject to a minimum guarantee.*

All significant pension plan assets are held in collective trusts by the Company's US and non-US plans (the "Plan"). The fair values of shares of collective trusts are based upon the net asset values of the funds reported by the fund managers as of the balance sheet date (level 2 inputs). This may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies could result in a different fair value measurement at the reporting date.

In 2011, the Company made cash contributions of $17 million and $15 million to its US and non-US pension plans, respectively. The Company anticipates that in 2012 it will make cash contributions of $19 million and $7 million to its US and non-US pension plans, respectively. Cash contributions in subsequent years will depend on a number of factors including the performance of plan assets. The following benefit payments, which reflect anticipated future service, as appropriate, are expected to be made:

| (in millions) | US Plans | Non-US Plans |
|---|---|---|
| 2012 | $ 15 | $ 11 |
| 2013 | 16 | 11 |
| 2014 | 16 | 12 |
| 2015 | 16 | 12 |
| 2016 | 17 | 13 |
| Years 2017 - 2021 | 98 | 74 |

The Company and certain subsidiaries also maintain defined contribution plans. The Company makes matching contributions to these plans based on a percentage of employee contributions. Amounts charged to expense for defined contribution plans totaled $12 million, $8 million and $6 million in 2011, 2010 and 2009, respectively.



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**Postretirement Benefit Plans** — The Company's postretirement benefit plans currently are not funded. The information presented below includes plans in the United States, Brazil and Canada. The changes in the benefit obligations of the plans during 2011 and 2010, and the amounts recognized in the Company's Consolidated Balance Sheets at December 31, 2011 and 2010, are as follows:

| (in millions) | 2011 | 2010 |
|---|---|---|
| Accumulated postretirement benefit obligation | | |
| At January 1 | $ 88 | $ 66 |
| Service cost | 2 | 2 |
| Interest cost | 4 | 4 |
| Plan amendment | (23) | — |
| Curtailment/settlement | (26) | — |
| Actuarial loss | 10 | 4 |
| Benefits paid | (3) | (3) |
| Business combinations/transfers | 4 | 14 |
| Foreign currency translation | (2) | 1 |
| At December 31 | $ 54 | $ 88 |
| Fair value of plan assets | — | — |
| Funded status | $ 54 | $ 88 |

Effective January 1, 2012, a United States hourly postretirement plan became a member of a multi-employer plan. Because of this change, a non-cash gain of $30 million was recognized as a reduction of net periodic benefit cost in fiscal year 2011. This gain represented the previously established liability related to this coverage, net of unrecognized actuarial amounts and prior service previously included in accumulated other comprehensive loss.

Because the transfer to the multi-employer plan does not take place until January 1, 2012, there have been no contributions made to the plan as of December 31, 2011. The plan covers medical and dental benefits for hourly union employee represented by the United Steel Workers Union. There is a lifetime cap on the amount of benefits that will be paid to the employee and spouse.

Amounts recognized in the Consolidated Balance Sheets consist of:

| (in millions) | 2011 | 2010 |
|---|---|---|
| Current liabilities | $ 2 | $ 3 |
| Non current liabilities | 52 | 85 |
| Net amount recognized | $ 54 | $ 88 |

Amounts recognized in accumulated other comprehensive loss consist of:

| (in millions) | | 2011 | | 2010 |
|---|---|---|---|---|
| Net actuarial loss | $ | 10 | $ | 16 |
| Prior service cost | | 1 | | 1 |
| Net amount recognized | $ | 11 | $ | 17 |



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Components of net periodic benefit cost and other amounts recognized in other comprehensive income consist of:

| (in millions) | | 2011 | | 2010 | | 2009 |
|---|---|---|---|---|---|---|
| Service cost | $ | 2 | $ | 2 | $ | 2 |
| Interest cost | | 4 | | 4 | | 4 |
| Amortization of actuarial loss (gain) | | (1) | | 2 | | 1 |
| Amortization of prior service cost | | 1 | | | | |
| Settlement/curtailment | | (31) | | — | | — |
| Net periodic benefit cost | $ | (25) | $ | 8 | $ | 7 |

The Company estimates that postretirement benefit expense for 2012 will include approximately $0.5 million relating to the amortization of its accumulated actuarial loss and $0.2 million relating to the amortization of its prior service cost included in accumulated other comprehensive loss at December 31, 2011.

Changes in amounts recorded in other comprehensive income for 2011 consist of:

| (in millions) | | |
|---|---|---|
| Net actuarial gain | $ | (8) |
| Amortization of actuarial loss | | (1) |
| Amortization of prior service credit | | 22 |
| Plan amendment | | (23) |
| Foreign currency translation | | (1) |
| Total recorded in other comprehensive income | | (11) |
| Net periodic benefit cost | | (25) |
| Total recorded in other comprehensive income and net periodic benefit cost | | (36) |

The following weighted average assumptions were used to determine the Company's obligations under the postretirement plans:

| | 2011 | 2010 |
|---|---|---|
| Discount rate | 6.23% | 5.69% |

The change from 2010 to 2011 includes the transfer of the US Hourly postretirement medical plan to a multiemployer plan.

The following weighted average assumptions were used to determine the Company's net postretirement benefit cost:

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| Discount rate | 5.69% | 6.22% | 6.66% |

The discount rate reflects a rate of return on high quality fixed income investments that match the duration of expected benefit payments. The Company has typically used returns on long-term, high-quality corporate AA bonds as a benchmark in establishing this assumption. The discount rate is reviewed annually.

| | US | Canada | Brazil |
|---|---|---|---|
| 2012 increase in per capita cost | 7.30% | 7.50% | 7.74% |



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| | US | Canada | Brazil |
|---|---|---|---|
| Ultimate trend | 4.50% | 4.50% | 7.74% |
| Year ultimate trend reached | 2028 | 2031 | 2012 |

In addition, for Canada, the Company assumed an increase in the per capita cost of dental benefits of 4.5 percent per year. For Brazil, the Company assumed an increase in the per capita cost of life insurance benefits of 9.0 percent per year.

| Sensitivity to Trend Assumptions (in millions) | | 2011 |
|---|---|---|
| One-percent increase in trend rate | | |
| · Effect on service cost and interest cost components | $ | 1 |
| · Effect on year-end benefit obligations | $ | 5 |
| | | |
| One-percent decrease in trend rate | | |
| · Effect on service cost and interest cost components | $ | (1) |
| · Effect on year-end benefit obligations | $ | (5) |

The following benefit payments, which reflect anticipated future service, as appropriate, are expected to be made under the Company's postretirement benefit plans:

| (in millions) | | |
|---|---|---|
| 2012 | $ | 2 |
| 2013 | | 2 |
| 2014 | | 2 |
| 2015 | | 2 |
| 2016 | | 3 |
| Years 2017 - 2021 | | 17 |

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 provides a federal subsidy to employers sponsoring retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. The Company receives a Medicare Part D subsidy for the certain retirees. The impact of the Medicare Part D subsidy is immaterial for benefit payment cash flows.



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**NOTE 10 — Supplementary Information**

*Balance Sheets*

| (in millions) | | 2011 | | 2010 |
|---|---|---|---|---|
| Accounts receivable — net: | | | | |
| Accounts receivable — trade | $ | 683 | $ | 623 |
| Accounts receivable — other | | 165 | | 153 |
| Allowance for doubtful accounts | | (11) | | (13) |
| Total accounts receivable — net | $ | 837 | $ | 763 |
| Inventories: | | | | |
| Finished and in process | $ | 436 | $ | 345 |
| Raw materials | | 294 | | 266 |
| Manufacturing supplies | | 39 | | 34 |
| Total inventories | $ | 769 | $ | 645 |
| Accrued liabilities: | | | | |
| Compensation expenses | $ | 85 | $ | 105 |
| Income taxes payable | | 36 | | 45 |
| Dividends payable | | 15 | | 11 |
| Accrued interest | | 15 | | 19 |
| Taxes payable other than income taxes | | 31 | | 27 |
| Other | | 67 | | 57 |
| Total accrued liabilities | $ | 249 | $ | 264 |
| Non-current liabilities: | | | | |
| Employees' pension, indemnity, retirement, and other | $ | 180 | $ | 196 |
| Other | | 63 | | 44 |
| Total non-current liabilities | $ | 243 | $ | 240 |

*Statements of Income*

| (in millions) | | 2011 | | 2010 | | 2009 |
|---|---|---|---|---|---|---|
| Other income-net: | | | | | | |
| NAFTA award | $ | 58 | $ | — | $ | — |
| Gain from change in a postretirement plan | | 30 | | — | | — |
| Gain on investment | | — | | 2 | | — |
| Gain from sale of land | | — | | — | | 2 |
| Other | | 10 | | 8 | | 3 |
| Other income-net | $ | 98 | $ | 10 | $ | 5 |
| | | | | | | |
| Financing costs-net: | | | | | | |
| Interest expense, net of amounts capitalized *(a)* | $ | 81 | $ | 68 | $ | 33 |
| Interest income | | (5) | | (6) | | (1) |
| Foreign currency transaction losses | | 2 | | 2 | | 6 |
| Financing costs-net | $ | 78 | $ | 64 | $ | 38 |

*(a) Interest capitalized amounted to $5 million, $3 million and $7 million in 2011, 2010 and 2009, respectively.*



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*Statements of Cash Flow*

| (in millions) | | 2011 | | 2010 | | 2009 |
|---|---|---|---|---|---|---|
| Interest paid | $ | 85 | $ | 50 | $ | 47 |
| Income taxes paid | | 177 | | 98 | | 82 |

| | | | |
|---|---|---|---|
| Noncash investing and financing activities: | | | |
| Assumption of debt in connection with acquisition | — | 11 | — |

*Natural Gas Purchase Agreement:*
On January 20, 2006, Corn Products Brazil ("CPO Brazil"), the Company's wholly-owned Brazilian subsidiary entered into a Natural Gas Purchase and Sale Agreement (the "Agreement") with Companhia de Gas de Sao Paulo — Comgas ("Comgas"). Pursuant to the terms of the Agreement, Comgas supplies natural gas to the cogeneration facility at CPO Brazil's Mogi Guacu plant. This agreement will expire on March 31, 2023, unless extended or terminated under certain conditions specified in the Agreement. During the term of the Agreement, CPO Brazil is obligated to purchase from Comgas, and Comgas is obligated to provide to CPO Brazil, certain minimum quantities of natural gas that are specified in the Agreement. The price for such quantities of natural gas is determined pursuant to a formula set forth in the Agreement. The price may vary based upon: gas commodity costs and transportation costs, which are adjusted annually; the distribution margin which is set by the Brazilian Commission of Public Energy Services; and the fluctuation of exchange rates between the US dollar and the Brazilian real. We estimate that the total minimum expenditures by CPO Brazil through the remaining term of the Agreement will be approximately $227 million based on current exchange rates as of December 31, 2011 and estimates regarding the application of the formula set forth in the Agreement, spread evenly over the remaining term of the Agreement. CPO Brazil will make payments of approximately $20 million in each of the next five years in accordance with the Agreement. The amount of gas purchased under this Agreement for the years ended December 31, 2011, 2010 and 2009 was approximately $26 million, $24 million and $21 million, respectively.

**NOTE 11 — Redeemable Common Stock**

The Company had an agreement with certain common stockholders (collectively the "holder"), relating to 500,000 shares of our common stock, that provided the holder with the right to require us to repurchase those common shares for cash at a price equal to the average of the closing per share market price of our common stock for the 20 trading days immediately preceding the date that the holder exercised the put option. This put option was exercisable at any time, until January 2010, when it expired. The shares associated with the put option were classified as redeemable common stock in our consolidated balance sheet prior to the expiration of the put option. The carrying value of the redeemable common stock was $14 million at December 31, 2009. Effective with the expiration of the agreement, the Company discontinued reporting the shares as redeemable common stock and reclassified the $14 million from redeemable common stock to additional paid-in capital.

The carrying value of the redeemable common stock was $14 million at December 31, 2009, based on the average of the closing per share market price of the Company's common stock for the 20 trading days immediately preceding December 31, 2009 ($29.03 per share). Adjustments to mark the redeemable common stock to market value were recorded directly to additional paid-in capital in the equity section of the Company's Consolidated Balance Sheets.





**NOTE 12 - Equity**

Preferred stock:

The Company has authorized 25 million shares of $0.01 par value preferred stock, none of which were issued or outstanding as of December 31, 2011 and December 31, 2010.

Treasury stock:

The Company reacquired 73,260, 51,999 and 17,191 shares of its common stock during 2011, 2010 and 2009, respectively, by both repurchasing shares from employees under the stock incentive plan and through the cancellation of forfeited restricted stock. The Company repurchased shares from employees at average purchase prices of $47.48, $33.53 and $29.76, or fair value at the date of purchase, during 2011, 2010 and 2009, respectively. All of the acquired shares are held as common stock in treasury, less shares issued to employees under the stock incentive plan.

On November 17, 2010, the Board of Directors authorized an extension of the Company's stock repurchase program permitting the Company to purchase of up to 5 million of its outstanding common shares through November 30, 2015. The stock repurchase program was authorized by the Board of Directors on November 7, 2007 and would have expired on November 30, 2010. In 2011, the Company repurchased 1,000,000 common shares in open marked transactions at a cost of approximately $45 million. In 2010, the Company repurchased 100,000 common shares in open market transactions at a cost of approximately $4 million. In 2009, the Company repurchased 157,508 common shares in open market transactions at a cost of approximately $3 million. At December 31, 2011, the Company had 3,685,382 shares available to be repurchased under its program. The parameters of the Company's stock repurchase program are not established solely with reference to the dilutive impact of shares issued under the Company's stock incentive plan. However, the Company expects that, over time, share repurchases will offset the dilutive impact of shares issued under the stock incentive plan.





Set forth below is a reconciliation of common stock share activity for the years ended December 31, 2009, 2010 and 2011:

| (Shares of common stock, in thousands) | Issued | Held in Treasury | Redeemable Shares | Outstanding |
|---|---|---|---|---|
| Balance at December 31, 2008 | 75,320 | 777 | 500 | 74,043 |
| Issuance of restricted stock as compensation | — | (84) | — | 84 |
| Issuance under incentive and other plans | — | (147) | — | 147 |
| Stock options exercised | — | (287) | — | 287 |
| Purchase/acquisition of treasury stock | — | 175 | — | (175) |
| Balance at December 31, 2009 | 75,320 | 434 | 500 | 74,386 |
| Issuance of restricted stock as compensation | 66 | (19) | — | 85 |
| Issuance under incentive and other plans | 42 | (2) | — | 44 |
| Stock options exercised | 607 | (552) | — | 1,159 |

| | | | | |
|---|---|---|---|---|
| Purchase/acquisition of treasury stock | — | 151 | — | (151) |
| Expiration of put option (see Note 11) | — | — | (500) | 500 |
| Balance at December 31, 2010 | 76,035 | 12 | — | 76,023 |
| Issuance of restricted units stock as compensation | 56 | — | — | 56 |
| Issuance under incentive and other plans | 91 | (9) | — | 100 |
| Stock options exercised | 640 | (137) | — | 777 |
| Purchase/acquisition of treasury stock | — | 1,073 | — | (1,073) |
| Balance at December 31, 2011 | 76,822 | 939 | — | 75,883 |

Share-based payments:

The Company has a stock incentive plan ("SIP") administered by the compensation committee of its Board of Directors that provides for the granting of stock options, restricted stock and other stock-based awards to certain key employees. A maximum of 8 million shares were originally authorized for awards under the SIP. As of December 31, 2011, 4.8 million shares were available for future grants under the SIP. Shares covered by awards that expire, terminate or lapse will again be available for the grant of awards under the SIP. Total share-based compensation expense for 2011 was $11 million, net of income tax effect of $5 million. Total share-based compensation expense for 2010 was $8 million, net of income tax effect of $4 million. Total share-based compensation expense for 2009 was $6 million, net of income tax effect of $4 million.

The Company grants nonqualified options to purchase shares of the Company's common stock. The stock options have a ten-year life and are exercisable upon vesting, which occurs evenly over a three-year period at the anniversary dates of the date of grant. Compensation expense is recognized on a straight-line basis for awards. As of December 31, 2011, certain of these nonqualified options have been forfeited due to the termination of employees.

The fair value of stock option awards was estimated at the grant dates using the Black-Scholes option-pricing model with the following assumptions:

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| Expected life (in years) | 5.8 | 5.8 | 5.3 |
| Risk-free interest rate | 2.8% | 2.7% | 2.0% |
| Expected volatility | 32.7% | 33.1% | 31.2% |
| Expected dividend yield | 1.2% | 1.9% | 2.1% |

The expected life of options represents the weighted-average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and the Company's historical exercise patterns. The risk-free interest rate is based on the US Treasury yield curve in effect at the time of the grant for periods corresponding with the expected life of the options. Expected volatility is based on historical volatilities of the Company's common stock. Dividend yields are based on historical dividend payments. The weighted average fair value of options granted during 2011, 2010 and 2009 was estimated to be $15.17, $8.41 and $6.36, respectively.



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A summary of stock option transactions for the last three years follows:

| (shares in thousands) | Stock Option Shares | Stock Option Price Range | Weighted Average per Share Exercise Price for Stock Options |
|---|---|---|---|
| Outstanding at December 31, 2008 | 4,370 | $11.37 to $40.71 | $ 24.76 |
| Granted | 899 | 18.31 to 25.74 | 25.53 |
| Exercised / vested | (287) | 11.37 to 25.83 | 14.82 |
| Cancelled | (140) | 25.58 to 34.36 | 30.81 |
| Outstanding at December 31, 2009 | 4,842 | 11.37 to 40.71 | 25.32 |
| Granted | 828 | 28.75 to 33.63 | 28.95 |
| Exercised / vested | (1,158) | 11.37 to 34.93 | 19.29 |
| Cancelled | (78) | 25.58 to 34.36 | 29.68 |
| Outstanding at December 31, 2010 | 4,434 | 14.17 to 40.71 | 27.49 |
| Granted | 438 | 47.95 to 52.64 | 47.96 |
| Exercised / vested | (777) | 14.17 to 40.71 | 24.24 |
| Cancelled | (65) | 18.31 to 47.95 | 30.60 |
| Outstanding at December 31, 2011 | 4,030 | $14.33 to $52.64 | $ 30.29 |

The intrinsic values of stock options exercised during 2011, 2010 and 2009 were approximately $22 million, $22 million and $4 million, respectively. For the years ended December 31, 2011, 2010 and 2009, cash received from the exercise of stock options was $18 million, $22 million and $4 million, respectively. The excess income tax benefit realized from share-based compensation was $6 million, $6 million and $1 million in 2011, 2010 and 2009, respectively. As of December 31, 2011, the unrecognized compensation cost related to non-vested stock options totaled $7 million, which will be amortized over the weighted-average period of approximately one year.

The following table summarizes information about stock options outstanding at December 31, 2011:

| (shares in thousands) Range of Exercise Prices | Options Outstanding | Weighted Average Exercise Price per Share | Average Remaining Contractual Life (Years) | Options Exercisable | Weighted Average Exercise Price Per Share |
|---|---|---|---|---|---|
| $10.53 to 15.79 | 78 | $ 14.47 | 0.9 | 78 | $ 14.47 |
| $15.80 to 21.06 | 163 | 16.89 | 1.7 | 163 | 16.89 |
| $21.07 to 26.32 | 1,522 | 25.48 | 5.1 | 1,282 | 25.46 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| $26.33 to 31.58 | 734 | | 28.90 | 8.0 | 262 | | 28.87 |
| $31.59 to 36.85 | 1,095 | | 34.05 | 5.6 | 1,089 | | 34.06 |
| $36.86 to 42.11 | 9 | | 40.71 | 5.4 | 9 | | 40.71 |
| $42.12 to 52.64 | 429 | | 47.96 | 9.1 | — | | — |
| | 4,030 | $ | 30.29 | 6.0 | 2,883 | $ | 28.28 |

The number of options exercisable at December 31, 2011 was 2.9 million.

Stock options outstanding at December 31, 2011 had an aggregate intrinsic value of approximately $90 million and an average remaining contractual life of 6.0 years. Stock options exercisable at December 31, 2011 had an aggregate intrinsic value of approximately $70 million and an average remaining contractual life of 5.1 years. Stock options outstanding at December 31, 2010 had an aggregate intrinsic value of approximately $82 million and an average remaining contractual life of 6.3 years. Stock options exercisable at December 31, 2010 had an aggregate intrinsic value of approximately $56 million and an average remaining contractual life of 5.2 years.

In addition to stock options, the Company awards shares of restricted common stock and restricted stock units to certain key employees. The restricted shares and restricted units issued under the plan are subject to cliff vesting, generally after three to five years provided the employee remains in the service of the Company. Expense is recognized on a straight-line basis



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over the vesting period taking into account an estimated forfeiture rate. The fair value of the restricted stock and restricted units is determined based upon the number of shares granted and the quoted market price of the Company's common stock at the date of the grant. The compensation expense recognized for restricted shares and restricted units was $4 million in 2011, $3 million in 2010 and $2 million in 2009.

The following table summarizes restricted share and restricted stock unit activity for the last three years:

| (shares in thousands) | Number of Restricted Shares | | Weighted Average Fair Value per Share | Number of Restricted Units | | Weighted Average Fair Value per Share |
|---|---|---|---|---|---|---|
| Non-vested at December 31, 2008 | 179 | $ | 31.02 | 10 | $ | 43.13 |
| Granted | 84 | | 25.85 | 136 | | 26.06 |
| Vested | (14) | | 23.77 | — | | — |
| Cancelled | (14) | | 30.63 | — | | — |
| Non-vested at December 31, 2009 | 235 | | 29.60 | 146 | | 27.17 |
| Granted | 30 | | 30.86 | 25 | | 40.82 |
| Vested | (76) | | 28.90 | (56) | | 25.81 |
| Cancelled | (8) | | 30.78 | (2) | | 45.21 |
| Non-vested at December 31, 2010 | 181 | $ | 30.04 | 113 | $ | 30.56 |
| Granted | — | | — | 182 | | 48.04 |
| Vested | (34) | | 27.56 | (56) | | 26.08 |
| Cancelled | (11) | | 29.74 | (4) | | 47.98 |
| Non-vested at December 31, 2011 | 136 | $ | 30.69 | 235 | $ | 44.24 |

The total fair value of restricted stock that vested in 2011, 2010 and 2009 was $1 million, $2 million and $.3 million, respectively. The total fair value of restricted stock units that vested in 2011 and 2010 was $1 million and $1 million, respectively. No restricted stock units vested in 2009.

As of December 31, 2011, there was $1 million of unrecognized compensation cost related to restricted stock that will be amortized on a weighted-average basis over 1.5 years. As of December 31, 2011, the total remaining unrecognized compensation cost related to restricted units was $7 million which will be amortized on a weighted-average basis over approximately 2.4 years. The recognized compensation cost related to restricted shares and restricted units totaling $6 million at December 31, 2011 is included in share-based payments subject to redemption in the Consolidated Balance Sheet.

Other share-based awards under the SIP:

Under the compensation agreement with the Board of Directors at least 50 percent of a director's compensation is awarded based on each director's election to receive such compensation in the form of restricted stock units, which track investment returns to changes in value of the Company's common stock with dividends being reinvested. Stock units under this plan vest immediately. The compensation expense relating to this plan included in the Consolidated Statements of Income for 2011, 2010 and 2009 was not material. At December 31, 2011, there were approximately 229,000 share units outstanding under this plan at a carrying value of approximately $7 million.

The Company has a long term incentive plan for officers in the form of performance shares. The ultimate payment of performance shares awarded in 2009 and to be paid in 2012 is based 50 percent on the Company's stock performance as compared to the stock performance of a peer group and 50 percent on return on capital employed versus the target percentage. The ultimate payment of performance shares awarded in 2010 and 2011 are based solely on stock performance as compared to the stock performance of a peer group. Compensation expense for the stock performance portion of the plan is based on the fair value of the plan that is determined on the day the plan is established. The fair value is calculated using a Monte Carlo simulation model. Compensation expense for the return on capital employed portion of the plan is based on the probability of attaining the target percentage goal and is reviewed at the end of each reporting period. The total compensation expense for these awards is being amortized over a three-year service period. Compensation expense relating to these awards included in the Consolidated Statements of Income for 2011, 2010 and 2009 was $6 million, $3 million and $1 million, respectively. As of December 31, 2011, the unrecognized compensation cost relating to these plans was $4 million, which will be amortized over the remaining requisite service periods of 1 to 2 years. This amount will vary each reporting period based on changes in the probability of attaining the goal. The recognized compensation cost related to these awards totaling $9 million at December 31, 2011 is included in share-based payments subject to redemption in the Consolidated Balance Sheet.

Accumulated Other Comprehensive Loss:

A summary of accumulated other comprehensive income (loss) for the years ended December 31, 2009, 2010 and 2011 is presented below:

| (in millions) | Currency Translation Adjustment | Deferred Gain/(Loss) on Hedging Activities | Pension Liability Adjustment | Unrealized Gain (Loss) on Investment | Accumulated Other Comprehensive Income/(Loss) |
|---|---|---|---|---|---|
| Balance, December 31, 2008 | $ (363) | $ (187) | $ (42) | $ (2) | $ (594) |
| Losses on cash flow hedges, net of income tax effect of $28 | | (45) | | | (45) |
| Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of $117 | | 199 | | | 199 |
| Actuarial loss on pension and other postretirement obligations, settlements and plan amendments, net of income tax | | | (5) | | (5) |
| Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax | | | 2 | | 2 |
| Currency translation adjustment | 135 | | | | 135 |
| Balance, December 31, 2009 | $ (228) | $ (33) | $ (45) | $ (2) | $ (308) |
| Gains on cash flow hedges, net of income tax effect of $12 | | 20 | | | 20 |
| Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of $34 | | 54 | | | 54 |
| Actuarial loss on pension and other postretirement obligations, settlements and plan amendments, net of income tax | | | (7) | | (7) |
| Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax | | | 3 | | 3 |
| Currency translation adjustment | 48 | | | | 48 |
| Balance, December 31, 2010 | $ (180) | $ 41 | $ (49) | $ (2) | $ (190) |
| Gains on cash flow hedges, net of income tax effect of $19 | | 29 | | | 29 |
| Amount of gains on cash flow hedges reclassified to earnings, net of income tax effect of $61 | | (105) | | | (105) |
| Actuarial loss on pension and other postretirement obligations, settlements and plan amendments, net of income tax | | | (10) | | (10) |
| Gains related to pension and other postretirement obligations reclassified to earnings, net of income tax | | | (11) | | (11) |
| Currency translation adjustment | (126) | | | | (126) |
| Balance, December 31, 2011 | $ (306) | $ (35) | $ (70) | $ (2) | $ (413) |

**NOTE 13 — Mexican Tax on Beverages Sweetened with HFCS**

On January 1, 2002, a discriminatory tax on beverages sweetened with high fructose corn syrup ("HFCS") approved by the Mexican Congress late in 2001, became effective. In response to the enactment of the tax, which at the time effectively ended the use of HFCS for beverages in Mexico, the Company ceased production of HFCS 55 at its San Juan del Rio plant, one of its three plants in Mexico. Over time, the Company resumed production and sales of HFCS and by 2006 had returned to levels attained prior to the imposition of the tax as a result of certain customers having obtained court rulings exempting them from paying the tax. The Mexican Congress repealed this tax effective January 1, 2007.

On October 21, 2003, the Company submitted, on its own behalf and on behalf of its Mexican affiliate, CPIngredientes, S.A. de C.V. (previously known as Compania Proveedora de Ingredientes), a Request for Institution of Arbitration Proceedings Submitted Pursuant to Chapter 11 of the North American Free Trade Agreement ("NAFTA") (the "Request"). The Request was submitted to the Additional Office of the International Centre for Settlement of Investment Disputes and was brought against the United Mexican States. In the Request, the Company asserted that the imposition by Mexico of a discriminatory tax on beverages containing HFCS in force from 2002 through 2006 breached various obligations of Mexico under the investment protection provisions of NAFTA. The case was bifurcated into two phases, liability and damages, and a hearing on liability was held before a Tribunal in July 2006. In a Decision dated January 15, 2008, the Tribunal unanimously held that Mexico had violated NAFTA Article 1102, National Treatment, by treating beverages sweetened with HFCS produced by foreign companies differently than those sweetened with domestic sugar. In July 2008, a hearing regarding the quantum of damages was held before the same Tribunal. The Company sought damages and pre- and post-judgment interest totaling $288 million through December 31, 2008.





In an award rendered August 18, 2009, the Tribunal awarded damages to CPIngredientes in the amount of $58.4 million, as a result of the tax and certain out-of-pocket expenses incurred by CPIngredientes, together with accrued interest. On October 1, 2009, the Company submitted to the Tribunal a request for correction of this award to avoid effective double taxation on the amount of the award in Mexico.

On March 26, 2010, the Tribunal issued a correction of its August 18, 2009 damages award. While the amount of damages had not changed, the decision made the damages payable to Corn Products International, Inc. instead of CPIngredientes.

On January 24 and 25, 2011, the Company received cash payments totaling $58.4 million from the Government of the United Mexican States pursuant to the corrected award. Mexico made these payments pursuant to an agreement with Corn Products International that provides for terminating pending post-award litigation and waiving post-award interest. The $58.4 million award is included in other income in the Company's Consolidated Statement of Income for 2011.

**NOTE 14 - Segment Information**

The Company is principally engaged in the production and sale of starches and sweeteners for a wide range of industries, and is managed geographically on a regional basis. The Company's operations are classified into four reportable business segments: North America, South America, Asia Pacific and Europe, Middle East and Africa ("EMEA"). Its North America segment includes businesses in the United States, Canada and Mexico. The Company's South America segment includes businesses in Brazil, Colombia, Ecuador, Peru and the Southern Cone of South America, which includes Argentina, Chile and Uruguay. Its Asia Pacific segment includes businesses in Korea, Malaysia, China, Japan, Indonesia, the Philippines, Singapore, India, Australia and New Zealand and tapioca root processing operations in Thailand. The Company's EMEA segment includes businesses in the United Kingdom, Germany, South Africa, Pakistan, Kenya and Nigeria. As a result of the acquisition and integration of National Starch, the Company has changed its reporting segments. Operations in Pakistan, Kenya and Nigeria that were historically reported as part of the former Asia/Africa segment (now Asia Pacific) are now included within the EMEA segment. For comparability purposes, amounts for 2010 and 2009 have been reclassified to reflect the new business segments.



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| (in millions) | 2011 | 2010 | 2009 |
|---|---|---|---|
| Net sales to unaffiliated customers (*a*): | | | |
| North America | $ 3,356 | $ 2,439 | $ 2,268 |
| South America | 1,569 | 1,241 | 1,012 |
| Asia Pacific | 764 | 433 | 233 |
| EMEA | 530 | 254 | 159 |
| Total | $ 6,219 | $ 4,367 | $ 3,672 |
| Operating income: | | | |
| North America | $ 322 | $ 249 | $ 177 |
| South America | 203 | 163 | 138 |
| Asia Pacific | 79 | 28 | (6) |
| EMEA | 84 | 37 | 23 |
| Corporate | (64) | (51) | (54) |
| Subtotal | 624 | 426 | 278 |
| NAFTA award | 58 | — | — |
| Gain from change in a postretirement plan | 30 | — | — |
| Integration / acquisition costs | (31) | (35) | — |
| Restructuring / impairment charges (*b*) | (10) | (25) | (125) |
| Charge for fair value mark-up of acquired inventory | — | (27) | — |
| Total | $ 671 | $ 339 | $ 153 |
| Total assets: | | | |
| North America | $ 2,879 | $ 2,727 | $ 1,651 |
| South America | 1,218 | 1,178 | 999 |
| Asia Pacific | 757 | 676 | 213 |
| EMEA | 463 | 459 | 89 |
| Total | $ 5,317 | $ 5,040 | $ 2,952 |
| Depreciation and amortization: | | | |
| North America | $ 128 | $ 96 | $ 83 |
| South America | 47 | 42 | 36 |
| Asia Pacific | 23 | 13 | 8 |
| EMEA | 13 | 4 | 3 |
| Total | $ 211 | $ 155 | $ 130 |
| Capital expenditures: | | | |
| North America | $ 119 | $ 73 | $ 75 |
| South America | 84 | 65 | 54 |
| Asia Pacific | 24 | 10 | 6 |
| EMEA | 36 | 11 | 11 |
| Total | $ 263 | $ 159 | $ 146 |

*(a) Sales between geographic regions for each of the periods presented are insignificant and therefore are not presented.*

*(b) For 2011, includes a $10 million charge to write-down certain equipment as part of the Company's North American manufacturing optimization plan. For 2010, includes a $19 million write-off of impaired assets in Chile and a charge of $6 million principally consisting of employee severance and related benefit costs associated with the termination of employees in Chile. For 2009, includes a $119 million write-off of goodwill pertaining to the Company's operations in South Korea, a $5 million write-off of impaired assets in North America and a $1 million charge for employee severance and related benefit costs primarily attributable to the termination of employees in our Asia Pacific segment.*

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The following table presents net sales to unaffiliated customers by country of origin for the last three years:

| (in millions) | Net Sales 2011 | Net Sales 2010 | Net Sales 2009 |
|---|---|---|---|
| United States | $ 1,863 | $ 1,157 | $ 1,124 |
| Mexico | 957 | 863 | 756 |
| Brazil | 841 | 662 | 522 |
| Canada | 536 | 419 | 388 |
| Argentina | 344 | 243 | 186 |
| Korea | 284 | 235 | 159 |
| Others | 1,394 | 788 | 537 |
| Total | $ 6,219 | $ 4,367 | $ 3,672 |

The following table presents long-lived assets by country at December 31:

| (in millions) | Long-lived Assets 2011 | Long-lived Assets 2010 | Long-lived Assets 2009 |
|---|---|---|---|
| United States | $ 1,197 | $ 1,183 | $ 500 |
| Mexico | 421 | 430 | 406 |
| Brazil | 415 | 443 | 364 |
| Canada | 194 | 198 | 187 |
| Thailand | 154 | 162 | 47 |
| Argentina | 160 | 155 | 151 |
| Germany | 147 | 134 | — |
| United Kingdom | 77 | 80 | — |
| Korea | 83 | 87 | 86 |
| Others | 348 | 345 | 193 |
| Total | $ 3,196 | $ 3,217 | $ 1,934 |



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**Quarterly Financial Data (Unaudited)**

Summarized quarterly financial data is as follows:

| (in millions, except per share amounts) | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR * |
|---|---|---|---|---|
| **2011** | | | | |
| Net sales before shipping and handling costs | $ 1,536 | $ 1,667 | $ 1,712 | $ 1,629 |
| Less: shipping and handling costs | 76 | 82 | 84 | 81 |
| Net sales | $ 1,460 | $ 1,585 | $ 1,628 | $ 1,548 |
| Gross profit | 298 | 272 | 276 | 280 |
| Net income attributable to CPI | 154 | 79 | 88 | 95 |
| Basic earnings per common share of CPI | $ 2.01 | $ 1.03 | $ 1.15 | $ 1.25 |
| Diluted earnings per common share of CPI | $ 1.97 | $ 1.01 | $ 1.12 | $ 1.22 |

| (in millions, except per share amounts) | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR * |
|---|---|---|---|---|
| **2010** | | | | |
| Net sales before shipping and handling costs | $ 995 | $ 1,066 | $ 1,083 | $ 1,488 |
| Less: shipping and handling costs | 58 | 63 | 64 | 81 |
| Net sales | $ 937 | $ 1,003 | $ 1,019 | $ 1,407 |
| Gross profit | 143 | 164 | 172 | 246 |
| Net income attributable to CPI | 43 | 37 | 37 | 52 |
| Basic earnings per common share of CPI | $ 0.58 | $ 0.49 | $ 0.49 | $ 0.68 |
| Diluted earnings per common share of CPI | $ 0.57 | $ 0.48 | $ 0.48 | $ 0.67 |

** Fourth quarter 2011 includes a gain of $30 million ($18 million after-tax, or $0.23 per diluted common share) pertaining to a change in a postretirement plan, integration costs of $11 million ($7 million after-tax, or $0.09 per diluted common share) pertaining to the integration of National Starch and a restructuring charge of $4 million ($3 million after-tax, or $0.03 per diluted common share) relating to the Company's North American manufacturing optimization plan. Fourth quarter 2010 includes costs of $27 million ($18 million after-tax, or $0.23 per diluted common share) relating to the sale of National Starch inventory that was adjusted to fair value at the acquisition date in accordance with business combination accounting rules and acquisition costs of $18 million ($11 million after-tax, or $0.15 per diluted common share) pertaining to the purchase of National Starch.*



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**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

Not applicable.

**ITEM 9A. CONTROLS AND PROCEDURES**

Evaluation of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and our Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2011. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures (a) are effective in providing reasonable assurance that all material information required to be filed in this report has been recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. This system of internal controls is designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management's authorization.

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 our assets.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework of *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2011. The effectiveness of our internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their attestation report included herein.

**ITEM 9B. OTHER INFORMATION**

None.



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**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information contained under the headings "Proposal 1. Election of Directors," "The Board and Committees" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's definitive proxy statement for the Company's 2012 Annual Meeting of Stockholders (the "Proxy Statement") is incorporated herein by reference. The information regarding executive officers called for by Item 401 of Regulation S-K is included in Part 1 of this report under the heading "Executive Officers of the Registrant." The Company has adopted a code of ethics that applies to its principal executive officer, principal financial officer, and controller. The code of ethics is posted on the Company's Internet website, which is found at www.cornproducts.com. The Company intends to include on its website any amendments to, or waivers from, a provision of its code of ethics that applies to the Company's principal executive officer, principal financial officer or controller that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K.

**ITEM 11. EXECUTIVE COMPENSATION**

The information contained under the headings "Executive Compensation," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" in the Proxy Statement is incorporated herein by reference.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information contained under the headings "Equity Compensation Plan Information as of December 31, 2011" and "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement is incorporated herein by reference.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information contained under the headings "Review and Approval of Transactions with Related Persons," "Certain Relationships and Related Transactions" and "Independence of Board Members" in the Proxy Statement is incorporated herein by reference.

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information contained under the heading "2011 and 2010 Audit Firm Fee Summary" in the Proxy Statement is incorporated herein by reference.

## PART IV

## ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Item 15(a)(1) Consolidated Financial Statements

Financial Statements (see the Index to the Consolidated Financial Statements on page 48 of this report).

Item 15(a)(2) Financial Statement Schedules

All financial statement schedules have been omitted because the information either is not required or is otherwise included in the consolidated financial statements and notes thereto.





Item 15(a)(3) Exhibits

The following list of exhibits includes both exhibits submitted with this Form 10-K as filed with the SEC and those incorporated by reference from other filings.

| Exhibit No. | Description |
|---|---|
| 3.1* | Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Registration Statement on Form 10, File No. 1-13397. |
| 3.2* | Certificate of Elimination of Series A Junior Participating Preferred Stock of Corn Products International, Inc., filed on May 25, 2010 as Exhibit 10.5 to the Company's Current Report on Form 8-K dated May 19, 2010, File No. 1-3397. |
| 3.3* | Amendments to Amended and Restated Certificate of Incorporation are incorporated by reference to Appendix A to the Company's Proxy Statement for its 2010 Annual Meeting of Stockholders filed on April 9, 2010, File No. 1-3397. |
| 3.4* | Amended By-Laws of the Company, filed on March 21, 2007 as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 21, 2007, File No. 1-13397. |
| 4.1* | Revolving Credit Agreement, dated as of September 2, 2010, among Corn Products International, Inc., as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, National Association, as administrative agent, Bank of Montreal, as syndication agent, and Bank of America, N.A. and Citibank, N.A., as co-documentation agents, filed on September 9, 2010 as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 2, 2010, File No. 1-13397. |
| 4.2* | Amendment No. 1 to Revolving Credit Agreement, dated as of September 29, 2010, among Corn Products International, Inc., as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, National Association, as administrative agent, Bank of Montreal, as syndication agent, and Bank of America, N.A. and Citibank, N.A., as co-documentation agents, filed on November 5, 2010 as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, File No. 1-13397. |
| 4.3* | Amendment No. 2 to Revolving Credit Agreement, dated as of June 6, 2011, among Corn Products International, Inc., as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, National Association, as administrative agent, Bank of Montreal, as syndication agent, and Bank of America, N.A. and Citibank, N.A., as co-documentation agents, filed on June 9, 2011 as Exhibit 4.1 to the Company's Current Report on Form 8-K dated June 6, 2011, File No. 1-13397. |
| 4.4* | Private Shelf Agreement, dated as of March 25, 2010 by and between Corn Products International, Inc. and Prudential Investment Management, Inc., filed on May 5, 2010 as Exhibit 4.10 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2010. |
| 4.5* | Indenture Agreement dated as of August 18, 1999 between the Company and The Bank of New York, as Trustee, filed on August 27, 1999 as Exhibit 4.1 to the Company's Current Report on Form 8-K, File No. 1-13397. |
| 4.6* | Third Supplemental Indenture dated as of April 10, 2007 between Corn Products International, Inc. and The Bank of New York Trust Company, N.A., as trustee, filed on April 10, 2007 as Exhibit 4.3 to the Company's Current Report on Form 8-K, dated April 10, 2007, File No. 1-13397. |





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| 4.7* | Fourth Supplemental Indenture dated as of April 10, 2007 between Corn Products International, Inc. and The Bank of New York Trust Company, N.A., as trustee, filed on April 10, 2007 as Exhibit 4.4 to the Company's Current Report on Form 8-K dated April 10, 2007, File No. 1-13397. |
| 4.8* | Fifth Supplemental Indenture, dated September 17, 2010, between Corn Products International, Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to The Bank of New York), as trustee, filed on September 20, 2010 as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 14, 2010, File No. 1-13397. |

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|---|---|
| 4.9* | Sixth Supplemental Indenture, dated September 17, 2010, between Corn Products International, Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to The Bank of New York), as trustee, filed on September 20, 2010 as Exhibit 4.2 to the Company's Current Report on Form 8-K dated September 14, 2010, File No. 1-13397. |
| 4.10* | Seventh Supplemental Indenture, dated September 17, 2010, between Corn Products International, Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to The Bank of New York), as trustee, filed on September 20, 2010 as Exhibit 4.3 to the Company's Current Report on Form 8-K dated September 14, 2010, File No. 1-13397. |
| 4.11* | Amendment No. 1 to Private Shelf Agreement, dated as of February 25, 2011 by and between Corn Products International, Inc. and Prudential Investment Management, Inc., filed on May 6, 2011 as Exhibit 4.11 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2011. |
| 10.1 *** | Stock Incentive Plan as effective May 19, 2010 is incorporated by reference to Appendix B to the Company's Proxy Statement for its 2010 Annual Meeting of Stockholders filed on April 9, 2010, File No. 1-13397. |
| 10.2** *** | Deferred Stock Unit Plan of the Company. |
| 10.3* *** | Form of Severance Agreement entered into by each of the Named Executive Officers other than Jorge L. Fiamenghi, filed on May 6, 2008 as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2008, File No. 1-13397. |
| 10.4* | International Share and Business Sale Agreement, dated as of June 19, 2010, between Akzo Nobel N.V. and Corn Products International, Inc., filed on September 21, 2010 as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 19, 2010, File No. 1-13397. |
| 10.5** *** | Form of Indemnification Agreement entered into by each of the members of the Company's Board of Directors and the Named Executive Officers. |
| 10.6* *** | Deferred Compensation Plan for Outside Directors of the Company (Amended and Restated as of September 19, 2001), filed as Exhibit 4(d) to the Company's Registration Statement on Form S-8, File No. 333-75844, as amended by Amendment No. 1 dated December 1, 2004, filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397. |
| 10.7* *** | Supplemental Executive Retirement Plan as effective February 7, 2011 filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended |



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| | December 31, 2010, File No. 1-13397. |
| 10.8** *** | Executive Life Insurance Plan. |
| 10.9* *** | Deferred Compensation Plan, as amended by Amendment No. 1 filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001, File No. 1-13397. |
| 10.10* *** | Annual Incentive Plan as effective May 18, 2010 is incorporated by reference to Appendix C to the Company's Proxy Statement for its 2010 Annual Meeting of Stockholders filed on April 9, 2010, File No. 1-3397. |
| 10.11* *** | Form of Notice of Restricted Stock Award Agreement for use in connection with awards under the Stock Incentive Plan, filed on February 27, 2009 as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-13397. |
| 10.12** | Tax Sharing Agreement dated December 1, 1997 between the Company and Bestfoods. |
| 10.13* *** | Employee Benefits Agreement dated December 1, 1997 between the Company and Bestfoods, filed as Exhibit 4.E to the Company's Registration Statement on Form S-8, File No. 333-43525. |
| 10.14* *** | Executive Life Insurance Plan, Compensation Committee Summary, filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397. |
| 10.15* *** | Form of Executive Life Insurance Plan Participation Agreement and Collateral Assignment entered into by the Named Executive Officers with the exception of Jorge Fiamenghi, filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397. |
| 10.16* *** | Form of Performance Share Award Agreement for use in connection with awards under the Stock Incentive Plan,, filed on February 11, 2011 as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 7, 2011, File No. 1-13397. |
| 10.17* *** | Form of Notice of Grant of Stock Option and Option Award Agreement for use in connection with awards under the Stock Incentive Plan, filed on February 11, 2011 as Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 7, 2011, File No. 1-13397. |
| 10.18* | Natural Gas Purchase and Sale Agreement between Corn Products Brasil-Ingredientes Industrias Ltda. and Companhia de Ga de Sao Paulo-Comgas, filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, File |

No. 1-13397.





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|---|---|
| 10.19* *** | Form of Separation Agreement dated as of December 11, 2007 between the Company and Jeffrey B. Hebble, filed on May 6, 2008 as Exhibit 10.19 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2008, File No. 1-13397. |
| 10.20* *** | Form of Severance Agreement entered into by the Company and Jorge L. Fiamenghi, filed on May 6, 2008 as Exhibit 10.20 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2008, File No. 1-13397. |
| 10.21* *** | Letter of Agreement dated as of April 2, 2009 between the Company and Ilene S. Gordon, filed on August 6, 2009 as Exhibit 10.21 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2009, file No. 1-13397. |
| 10.22* *** | Consulting Agreement dated as of April 27, 2009 between the Company and Samuel C. Scott III, filed on August 6, 2009 as Exhibit 10.22 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2009, File No. 1-13397. |
| 10.23* *** | Form of Notice of Grant of Restricted Stock Units and Restricted Stock Units Award Agreement for use in connection with awards under the Stock Incentive Plan, filed on February 11, 2011 as Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 7, 2011, File No. 1-13397. |
| 10.24* *** | Confidential Separation and General Release, dated as of January 26, 2010 by and between the Company and James J. Hirchak, filed on May 5, 2010 as Exhibit 10.24 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2010. |
| 10.25* *** | Letter of Agreement dated as of April 2, 2010 between the Company and Diane Frisch, filed on August 6, 2010 as Exhibit 10.24 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2010. |
| 10.26* *** | Executive Severance Agreement dated as of May 1, 2010 between the Company and Diane Frisch, filed on August 6, 2010 as Exhibit 10.25 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2010. |
| 10.27* *** | Confidentiality and Noncompete Agreement, dated as of July 23, 2010, between Corn Products Brasil-Ingredientes Industrias Ltda., the Company and Jorge L. Fiamenghi, filed November 5, 2010 as Exhibit 10.26 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010. |
| 10.28* *** | Consulting Agreement, dated as of July 23, 2010, between the Company and Jorge L. Fiamenghi, filed November 5, 2010 as Exhibit 10.27 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010. |
| 10.29* *** | Term Sheet, dated as of July 23, 2010 for Employment Agreements between the Company and Julio dos Reis and Productos de Maiz S.A. and Julio dos Reis, filed on November 5, 2010 as Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2010. |
| 10.30* *** | Letter of Agreement dated as of September 28, 2010 between the Company and James Zallie, filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, File No. 1-13397. |
| 10.31* *** | Employment Agreement, dated as of July 31, 2009, by and between National Starch LLC and James Zallie, filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, File No. 1-13397. |
| 10.32* *** | National Starch LLC Severance Plan For Full Time And Part Time Non-Union Employees, effective April 1, 2008, filed as Exhibit 10.32 to the Company's Annual |





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|---|---|
| | Report on Form 10-K for the year ended December 31, 2010, File No. 1-13397. |
| 10.33 *** | Amendment No. 1 to Stock Incentive Plan dated December 14, 2011. |
| 10.34 *** | Executive Severance Agreement dated as of December 28, 2011 between the Company and James Zallie. |
| 11.1 | Earnings Per Share Computation |
| 12.1 | Computation of Ratio of Earnings to Fixed Charges |
| 21.1 | Subsidiaries of the Registrant |
| 23.1 | Consent of Independent Registered Public Accounting Firm |
| 24.1 | Power of Attorney |
| 31.1 | CEO Section 302 Certification Pursuant to the Sarbanes-Oxley Act of 2002 |
| 31.2 | CFO Section 302 Certification Pursuant to the Sarbanes-Oxley Act of 2002 |

| | |
|---|---|
| 32.1 | CEO Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code as created by the Sarbanes-Oxley Act of 2002 |
| 32.2 | CFO Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code as created by the Sarbanes-Oxley Act of 2002 |
| 101 | The following financial information from Corn Products International, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Income; (ii) the Consolidated Balance Sheets; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Equity and Redeemable Equity; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to the Consolidated Financial Statements**** |

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* Incorporated herein by reference as indicated in the exhibit description.
** Incorporated herein by reference to the exhibits filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1997.
*** Management contract or compensatory plan or arrangement required to be filed as an exhibit to this form pursuant to item 15(b) of this report.
**** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as Amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as Amended, and otherwise are not subject to liability under those sections.



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**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, on the 27th day of February, 2012.

**CORN PRODUCTS INTERNATIONAL, INC.**

By: /s/Ilene S. Gordon
Ilene S. Gordon
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant, in the capacities indicated and on the 27th day of February, 2012.

| Signature | Title |
|---|---|
| /s/ Ilene S. Gordon<br>Ilene S. Gordon | Chairman, President, Chief Executive Officer and Director |
| /s/ Cheryl K. Beebe<br>Cheryl K. Beebe | Chief Financial Officer |
| /s/ Robin A. Kornmeyer<br>Robin A. Kornmeyer | Controller |
| *Richard J. Almeida<br>Richard J. Almeida | Director |
| *Luis Aranguren-Trellez<br>Luis Aranguren-Trellez | Director |
| *Paul Hanrahan<br>Paul Hanrahan | Director |
| *Karen L. Hendricks<br>Karen L. Hendricks | Director |
| *Wayne M. Hewett<br>Wayne M. Hewett | Director |
| *Gregory B. Kenny<br>Gregory B. Kenny | Director |



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| | |
|---|---|
| *Barbara A. Klein<br>Barbara A. Klein | Director |
| * James M. Ringler<br>James M. Ringler | Director |
| *Dwayne A. Wilson<br>Dwayne A. Wilson | Director |

*By: /s/ Mary Ann Hynes
Mary Ann Hynes
Attorney-in-fact

(Being the principal executive officer, the principal financial officer, the controller and a majority of the directors of Corn Products International, Inc.)

**Exhibit 10.33**

**Amendment No. 1 to**
**Corn Products International, Inc. Stock Incentive Plan**
**(as amended March 17 and March 26, 2010)**

Amendment No. 1, dated as of December 14, 2011, (this “Amendment”), to the Stock Incentive Plan (as amended March 17 and March 26, 2010) (the “Plan”).

WHEREAS, the Company established the Plan to promote the long-term financial success of the Company;

WHEREAS, the Company desires to amend the Plan in certain respects; and

WHEREAS, the Board of Directors of the Company is authorized under Section 5.2 of the Plan to amend the Plan.

NOW, THEREFORE, pursuant to the power of amendment contained in Section 5.2 of the Plan, the Plan is hereby amended, effective immediately, as follows:

1. Paragraph (c) of Section 2.1 is hereby amended in its entirety to read as follows:

> (c) *Method of Exercise*. An option may be exercised (i) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanied by payment therefore in full (or arrangement made for such payment to the Company’s satisfaction) either (A) by the delivery of cash in the amount of the aggregate purchase price payable by reason of such exercise, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of previously acquired shares of Common Stock that have an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) by the delivery of cash in the amount of the aggregate purchase price payable by reason of such exercise by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise, (D) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, or (E) a combination of (A), (B) and (D), (ii) if applicable, by surrendering to the Company any Tandem SARs which are cancelled by reason of the exercise of the option and (iii) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be paid in cash by the optionee. No certificate representing Common Stock shall be delivered until the full purchase price therefore has been paid (or arrangement made for such payment to the Company’s satisfaction). The provisions of this paragraph shall



> supersede the provisions of any Agreement relating to an option, including any option outstanding as of the date of this Amendment.

2. Section 5.5 is hereby amended in its entirety to read as follows:

> *Tax Withholding*. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash pursuant to an award made hereunder, payment by the holder of such award of any Federal, state, local or other taxes which may be required to be withheld or paid in connection with such award. Such obligation shall be satisfied either (i) by the Company by withholding whole shares of Common Stock which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the “Tax Date”), or withholding an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) by the holder by any of the following means: (A) a cash payment to the Company in the amount necessary to satisfy any such obligation, (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to the holder, equal to the amount necessary to satisfy any such obligation, (D) in the case of the exercise of an Incentive Stock Option or Non-Statutory Stock Option, a cash payment in the amount necessary to satisfy any such obligation by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) any combination of (A), (B) and (C). Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value, determined as of the Tax Date, in excess of the amount determined by applying the minimum statutory withholding rate. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder. The provisions of this Section shall supersede the provisions of any Agreement relating to an award, including any award outstanding as of the date of this Amendment.

**Corn Products International**
**Executive Severance Agreement**

Agreement, made this 28th day of December, 2011, by and between **Corn Products International**, **Inc**., a Delaware corporation (the "Company"), and James Zallie (the "Executive").

WHEREAS, the Executive is a key employee of the Company or a subsidiary of the Company as defined in Section 1.1(b) hereof ("Subsidiary"), and

WHEREAS, the Board of Directors of the Company (the "Board") considers the maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company and its stockholders and recognizes that the possibility of a change in control raises uncertainty and questions among key employees and may result in the departure or distraction of such key employees to the detriment of the Company and its stockholders; and

WHEREAS, the Board wishes to assure that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat or occurrence of a bid to take over control of the Company, and to induce the Executive to remain in the employ of the Company or a Subsidiary; and

WHEREAS, the Executive is willing to continue to serve the Company and its Subsidiaries taking into account the provisions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing, and the respective covenants and agreements of the parties herein contained, the parties agree as follows:



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**Article 1. Change in Control**

**1.1** Benefits shall be provided under Article 3 hereof only in the event there shall have occurred a "Change in Control", as such term is defined below, and the Executive's employment by the Company and its Subsidiaries shall thereafter have terminated in accordance with Article 2 below within the period beginning on the date of the "Change in Control" and ending on the second anniversary of the date of the "Change in Control" (the "Protection Period"). If any Protection Period terminates without the Executive's employment having terminated, any subsequent "Change in Control" shall give rise to a new Protection Period. No benefits shall be paid under Article 3 of this Agreement if the Executive's employment terminates outside of a Protection Period.

(a) "Change in Control" shall mean:

(1) The acquisition by any individual, entity or group (a "<u>Person</u>"), including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "<u>Outstanding Common Stock</u>") or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "<u>Outstanding Voting Securities</u>"); excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this Section 1.1(a); provided further, that for purposes of clause (B), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 20% or more of the Outstanding Common Stock or 20% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Common Stock or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

(2) Individuals who, as of the beginning of any consecutive two-year period constitute the Board of Directors (the "<u>Incumbent Board</u>") cease for any reason to constitute at least a majority of such Board; provided that any individual who subsequently becomes a director of the Company and whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that



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any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(3) The consummation of a reorganization, merger or consolidation of the Company or sale or other disposition of all or substantially all of the assets of the Company (a "<u>Corporate Transaction</u>"); excluding, however, a Corporate Transaction pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without

limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be, (ii) no Person (other than: the Company; any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 15% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 25% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(4) The consummation of a plan of complete liquidation or dissolution of the Company.

(b) For purposes of this Agreement, the term "Subsidiary" shall mean any corporation in which the Company possesses directly or indirectly fifty percent (50%) or more of the total combined voting power of all classes of stock.

(c) Upon a Change in Control, any restricted stock, stock options or other equity awards granted to the Executive pursuant to the Corn Products International, Inc. Stock Incentive Plan (the "Incentive Plan") that are not vested shall vest on the date of Change in Control



in accordance with the terms of such plans and related agreements. The Executive's beneficiary with respect to such benefits shall be the same person or persons as determined under the respective plan.

(d) Immediately prior to a Change in Control, the Company shall deliver to the Corn Products International, Inc. Executive Benefit Trust, or a comparable "rabbi trust", to be held for the benefit of the Executive thereunder, cash or marketable securities with a fair market value equal to the anticipated payments and benefits to be provided to the Executive hereunder, as determined by the Company in good faith, subject to approval by the Executive, which approval shall not unreasonably be withheld.

**Article 2. Termination Following Change in Control**

**2.1** The Executive shall be entitled to the benefits provided in Article 3 hereof upon any termination of his employment with the Company and its Subsidiaries within a Protection Period, except a termination of employment because of his death, because of a "Disability," by the Company for "Cause," or by the Executive other than for "Good Reason."

(a) **Disability**. The Executive's employment shall be deemed to have terminated because of a "Disability" on the date on which the Executive becomes eligible to receive long-term disability benefits under the Company's Master Welfare and Cafeteria Plan (the "Cafeteria Plan") (or any other plan), or a similar long-term disability plan of a Subsidiary, or a successor to the Cafeteria Plan or to any such similar plan which is applicable to the Executive. If the Executive is not covered for long-term disability benefits by the Cafeteria Plan or a similar or successor long-term disability plan, the Executive shall be deemed to have terminated because of a "Disability" on the date on which he would have become eligible to receive long-term disability benefits if he were covered for long-term disability benefits by the Company's Cafeteria Plan.

(b) **Cause**. Termination of the Executive's employment by the Company or a Subsidiary for "Cause" shall mean termination by reason of (A) the Executive's willful engagement in conduct which involves dishonesty or moral turpitude which either (1) results in substantial personal enrichment of the Executive at the expense of the Company or any of its Subsidiaries, or (2) is demonstrably and materially injurious to the financial condition or reputation of the Company or any of its Subsidiaries, (B) the Executive's willful violation of the provisions of the confidentiality or non-competition agreement entered into between the Company or any of its Subsidiaries and the Executive or (C) the commission by the Executive of a felony. An act or omission shall be deemed "willful" only if done, or omitted to be done, in bad faith and without reasonable belief that it was in the best interest of the Company and its Subsidiaries. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a written notice of termination from the Compensation and Nominating Committee of the Board or any successor thereto (the "Committee") after reasonable notice to the Executive and an opportunity for the Executive, together with his counsel, to be heard before the Committee, finding that, in the good faith opinion of such Committee, the Executive was guilty of conduct set forth above in clause (A) or (B) of the first sentence of this subsection (b) and specifying the particulars in detail.



(c) **Without Cause**. The Company or a Subsidiary may terminate the employment of the Executive without Cause during a Protection Period only by giving the Executive written notice of termination to that effect. In that event, the Executive's employment shall terminate on the last day of the month in which such notice is given (or such later date as may be specified in such notice).

(d) **Good Reason**. Termination of employment by the Executive for "Good Reason" shall mean termination within a Protection Period:

(i) If there has occurred a reduction by the Company or a Subsidiary in the Executive's base salary in effect immediately before the beginning of the Protection Period or as increased from time to time thereafter;

(ii) If the Company or a Subsidiary, without the Executive's written consent, has required the Executive to be relocated anywhere in excess of thirty-five (35) miles from his office location immediately before the beginning of the Protection Period, except for required travel on the business of the Company or a Subsidiary to an extent substantially consistent with the Executive's business travel obligations immediately before the beginning of the Protection Period;

(iii) If there has occurred a failure by the Company or a Subsidiary to maintain plans providing benefits substantially the same as those provided by any benefit or compensation plan, retirement or pension plan, stock option plan, life insurance plan, health and accident plan or disability plan in which the Executive is participating immediately before the beginning of the Protection Period, or if the Company or a Subsidiary has taken any action which would adversely affect the Executive's participation in or materially reduce the Executive's benefits under any of such plans or deprive the Executive of any material fringe benefit enjoyed by the Executive immediately before the beginning of the Protection Period, or if the Company or a Subsidiary has failed to provide the Executive with the number of paid vacation days to which he would be entitled in accordance with the applicable vacation policy of the Company or Subsidiary as in effect immediately before the beginning of the Protection Period;

(iv) If the Company or a Subsidiary has reduced in any manner which the Executive reasonably considers important the Executive's title, job authorities or responsibilities immediately before the beginning of the Protection Period;

(v) If the Company has failed to obtain the assumption of the obligations contained in this Agreement by any successor as contemplated in Section 9.2 hereof; or

(vi) If there occurs any purported termination of the Executive's employment by the Company or a Subsidiary which is not effected pursuant to a written notice of termination as described in subsection (ii) or (iii) above; and for purposes of this Agreement, no such purported termination shall be effective.

The Executive shall exercise his right to terminate his employment for Good Reason by giving the Company a written notice of termination specifying in reasonable detail the



circumstances constituting such Good Reason. However, the Company shall have thirty (30) days to "cure" such that the circumstances constituting such Good Reason are eliminated. The Executive's employment shall terminate at the end of such thirty (30)-day period only if the Company has failed to cure such circumstances constituting the Good Reason.

A termination of employment by the Executive within a Protection Period shall be for Good Reason if one of the occurrences specified in this subsection (d) shall have occurred (and subject to the cure provision of the immediately preceding paragraph), notwithstanding that the Executive may have other reasons for terminating employment, including employment by another employer which the Executive desires to accept.

(e) **Transfers; Sale of Subsidiary**. A transfer of employment from the Company to a Subsidiary, from a Subsidiary to the Company, or between Subsidiaries shall not be considered a termination of employment for purposes of this Agreement. If the Company's ownership of a corporation is reduced so as to cause such corporation to cease to be a "Subsidiary" as defined in Section 1.1(b) of this Agreement and the Executive continues in employment with such corporation, the Executive shall not be considered to have terminated employment for purposes of this Agreement and the Executive shall have no right to any benefits pursuant to Article 3 unless (a) a Change in Control occurred prior to such reduction in ownership and (b) the Executive's employment terminates within the Protection Period beginning on the date of such Change in Control under circumstances that would have entitled the Executive to benefits if such corporation were still a Subsidiary.

**Article 3. Benefits Upon Termination Within Protection Period**

**3.1** If, within a Protection Period, the Executive's employment by the Company or a Subsidiary shall terminate other than because of his death, because of a Disability, by the Company for Cause, or by the Executive other than for Good Reason, if the Executive signs a general release in a form acceptable to the Company that releases the Company from any and all claims that the Executive may have, and the Executive affirmatively agrees not to violate the provisions of Article 6 (a "General Release"), the Executive shall be entitled to the benefits provided for below:

(a) The Company or a Subsidiary shall pay to the Executive through the date of the Executive's termination of employment base salary at the rate then in effect, together with salary in lieu of vacation accrued and unused to the date on which Executive's employment terminates, and all other benefits due to Executive through the date of Executive's termination of employment, in accordance with the standard payroll and other practices of the Company or Subsidiary.

(b) The Company or Subsidiary shall also pay to the Executive the amount equal to the target annual bonus established for the Executive under the Company's Annual Incentive Program or a similar bonus plan of a Subsidiary (or a successor to any such bonus plan) for the fiscal year in which the Executive's termination of employment occurs, reduced pro rata for that portion of the fiscal year not completed as of the date of the Executive's termination of employment.



(c) The Company or a Subsidiary shall pay the Executive as a severance payment an amount equal to three (3) times the sum of (A) his highest base salary in effect during any period of twelve (12) consecutive months within the thirty-six (36) months immediately preceding his date of termination of employment; and (B) the target annual bonus established for the Executive under the Company's Annual Incentive Program or a similar bonus plan of a Subsidiary (or a successor to any such bonus plan) for the fiscal year in which the Executive's termination of employment occurs. However, if the Executive is at least sixty-two (62) years of age as of the date of his termination of employment, the Committee shall have the discretion to alternatively provide the Executive a severance payment prorated for the number of full months until the Executive attains age sixty-five (65).

(d) If the Executive is a participant in the Executive Life Insurance Plan ("ELIP") on the date of the Executive's termination of employment, the Executive's eligibility to participate in the ELIP with respect to a Policy (as defined in the ELIP) shall continue; provided that, during the thirty-six (36) or lesser month benefit continuation period described in Section 3.1(e) below, the Executive will attain at least age fifty-five (55) and would have completed, if the Executive's termination of employment had not occurred, at least five (5) Policy Years (as defined in the ELIP) with respect to such Policy.

(e) Subject to (i) and (ii) below, the Company or a Subsidiary shall provide, at the exact same cost as to the Executive, and at the same coverage level, as in effect as of the Executive's date of termination of employment, a continuation of the Executive's (and, where applicable, the Executive's eligible dependents') welfare benefit coverage, including health insurance, dental insurance, group term life insurance and long-term disability insurance (but excluding any flexible spending accounts) for thirty-six (36) months from his date of termination of employment (the "Benefit Period"). However, if the Executive is at least sixty-two (62) years of age as of the date of his termination of employment, the Committee shall have the discretion to alternatively provide the Executive's (and the Executive's eligible dependents') health insurance coverage as described under this subsection (e) for the number of full months until the Executive attains age sixty-five (65). The Executive's applicable COBRA health insurance benefit continuation period shall begin at the end of this thirty-six (36) or lesser month benefit continuation period. If the Company is not able to provide under its welfare benefit plans for employees all or any portion of the welfare benefit coverage required to be provided to the Executive pursuant to this Section 3.1(e), the Company shall provide such coverage through alternative insurance coverage, at the exact same cost as to the Executive, and at the same level of benefits to the Executive, as in effect as of the date of the Executive's termination of employment.

(i) If the Executive becomes covered under the health insurance, dental insurance, group term life insurance or long-term disability insurance coverage of a subsequent employer which does not contain any exclusion or limitation with respect to any preexisting condition of the Executive or the Executive's eligible dependents, the Company's obligation to provide health insurance, dental insurance, group term life insurance or long-term disability insurance coverage pursuant to this Section 3.1(e), whichever is applicable, shall be discontinued prior to the end of the thirty-six (36)



or lesser month continuation period. For purposes of enforcing this offset provision, the Executive shall have a duty to inform the Company as to the terms and conditions of any subsequent employment and the corresponding benefits earned from such employment. The Executive shall provide, or cause to provide, to the Company in writing correct, complete, and timely information concerning the same.

(ii) If, as of the Executive's date of termination of employment, the provision to the Executive of the health insurance, dental insurance, group term life insurance or long-term disability insurance coverage described in this Section 3.1(e) would either: (1) violate the terms of the Company's health insurance, dental insurance, group term life insurance or long-term disability insurance plan (or any other related insurance policies), (2) violate any of the Code's nondiscrimination requirements applicable to the health insurance, dental insurance, group term life insurance or long-term disability insurance coverage, or (3) cause the Executive to be subject to the excise tax under IRC 409A, then the Company, in its sole discretion, may elect to pay the Executive, in lieu of the health insurance, dental insurance, group term life insurance or long-term disability insurance coverage, described under this Section 3.1(e), whichever is applicable, cash payments equal to the total monthly premiums (or in the case of a self-funded health insurance plan, the cost of COBRA continuation coverage) that would have been paid by the Company for the Executive under the health insurance, dental insurance, group term life insurance or long-term disability insurance plan from the date of termination through the thirty-six (36) or lesser months following such date.

In the event that any health insurance, dental insurance, group term life insurance or long-term disability insurance coverage provided under this Section 3.1(e) is subject to federal, state, or local income or employment taxes (other than any such taxes which were applicable to the same extent to the Executive's insurance coverage prior to the Executive's termination of employment) or IRC Section 409A excise tax, or in the event that cash payments are made in lieu of all or a part of such insurance coverage, the Company shall provide the Executive with an additional payment in the amount necessary such that after payment by the Executive of all such taxes (calculated after assuming the Executive pays such taxes for the year in which the payment or benefit occurs at the highest marginal tax rate applicable), including any taxes imposed on the additional payments, the Executive effectively received coverage on a tax-free basis (other than any such taxes which were applicable to the same extent to the Executive's insurance coverage prior to the Executive's termination of employment) or retains a cash amount equal to the cash payments in lieu of insurance coverage provided pursuant to this Section 3.1(e), reduced by any such taxes which are applicable to the Executive's insurance coverage same extent as prior to the Executive's termination of employment.

(f) The Company shall also (i) credit to the Executive's Cash Balance Plan Make-Up Account in the Company's Supplemental Executive Retirement Plan or any successor plan (the "SERP") an amount equal to the value of any benefits forfeited under the Company's Cash Balance Plan for Salaried Employees or any successor plan and (ii) credit to the Executive's Savings Plan Make-Up Account in the SERP an amount equal



to the value of any benefits forfeited under the Company's Retirement Savings Plan for Salaried Employees or any successor plan.

(g) The Company shall provide the Executive with three (3) additional years of service credits under the Company's Cash Balance Plan for Salaried Employees and under the Executive's Cash Balance Plan Make-Up Account in the SERP or any successor plans. However, if the Executive is at least sixty-two (62) years of age as of the date of his termination of employment, the Company shall provide the Executive with a pro rata portion of three (3) additional years of service credits, based on the number of full months until the Executive attains age sixty-five (65). All additional years of service credits (including credits under the Company's Cash Balance Plan for Salaried Employees and under the Executive's Cash Balance Plan Make-Up Account in the SERP) will be calculated consistently with the provisions in the plans, will be based on target total cash compensation as of the date employment terminates (base salary plus target annual bonus), and will be credited to the Executive's Cash Balance Plan Make-Up Account in the SERP. Any distribution from the SERP with respect to such additional credits shall comply with Section 5.1.

(h) The Company shall credit to the Executive's Savings Plan Make-Up Account in the SERP an amount equal to three (3) times the sum of (i) the employer matching contributions and profit sharing contributions made to the Executive's accounts under the Company's Retirement Savings Plan for Salaried Employees and (ii) the employer matching contributions and profit sharing contributions credited to the Executive's Savings

Plan Make-Up Account in the SERP or any successor plans, in each case for the most recent plan year that ended before the date of the Change in Control or, if higher, for the most recent plan year that ended after the date of the Change in Control (in either case, annualized to the extent that such plan year consisted of less than twelve (12) months and/or the Executive was not eligible to participate in the Company's Retirement Savings Plan or Savings Plan Make-Up Account in the SERP, as applicable, for the full plan year). However, if the Executive is at least sixty-two (62) years of age as of the date of his termination of employment, the Company shall provide the Executive with a pro rata portion of three (3) times the sum of such employer matching contributions and profit sharing contributions, based on the number of full months until the Executive attains age sixty-five (65). Any distribution from the SERP with respect to such additional credits shall comply with Section 5.1.

(i) The Executive's Cash Balance Plan Make-Up Account and Savings Plan Make-Up Account in the SERP shall be fully vested on the date of the Executive's termination of employment.

(j) The Executive shall receive the cash value of his current retiree healthcare spending account ("RHCSA") and related dependent healthcare spending account, plus the value of three (3) additional years of Company contributions to such accounts. However, if the Executive is at least sixty-two (62) years of age as of the date of his termination of employment, the Company shall provide the Executive with a pro rata portion of the value of three (3) additional years of Company contributions to such accounts, based on the number of full months until the Executive attains age sixty-five (65). The Executive



shall be immediately vested in his RHCSA and related dependent healthcare spending account on the date of the Executive's termination of employment and the account balances will be paid out in accordance with the terms of the Company's Master Retiree Welfare Plan or any successor plan. To the extent the Executive's RHCSA and related dependent healthcare spending account may not be immediately vested and paid out under the Company's Master Retiree Welfare Plan or any successor plan, such amounts shall be paid out of the general assets of the Company. In addition, notwithstanding anything to the contrary in the Company's Master Retiree Welfare Plan or any successor plan, the Executive shall be immediately eligible to participate in the benefits available to Retirees thereunder, and the Executive and the Executive's spouse shall remain eligible for their lifetimes, to participate, on an after-tax basis in the event that the Executive's RHCSA or dependent healthcare spending account, whichever is applicable, has a zero balance, to participate the benefits provided to Retiree's under the Company's Master Retiree Welfare Plan or any successor plan as of the date of the Executive's termination of employment. If the Company is not able to provide under its Master Retiree Welfare Plans or any successor plan all or any portion of the welfare benefit coverage required to be provided to the Executive and the Executive's spouse pursuant to this Section 3.1(j), the Company shall provide such coverage through alternative insurance coverage.

(k) The Company shall provide the Executive with executive-level outplacement services for a period of one (1) year from the date of the Executive's termination of employment. Such outplacement services shall be provided through an outplacement firm that is mutually agreed upon by the parties.

(l) The Company shall (i) pay the Executive a lump sum cash amount equivalent to the same level of personal allowances (such as club dues and automobile expenses) for the period of three (3) months, as the Executive received immediately prior to his termination of employment, and (ii) continue to pay the lease payments on the vehicle provided to the Executive by the Company for a period of three (3) months or, if less, the remainder of the lease period in effect as of the Executive's date of termination of employment. The Executive shall be entitled to the continued use of such vehicle during such period and to purchase the vehicle at the end of such period on the terms provided in the applicable lease agreement.

(m) All other rights and benefits that the Executive is vested in, pursuant to other plans and programs of the Company.

The Executive shall be entitled to all payments and benefits provided for by or pursuant to this Section 3.1 whether or not he seeks or obtains other employment, except as otherwise specifically provided in this Section 3.1.

**Article 4. Benefits Upon Termination Outside of Protection Period**

**4.1** If, outside of a Protection Period, the Executive's employment by the Company or a Subsidiary shall be terminated by the Company without Cause, if the Executive signs a General Release, the Executive shall be entitled to the benefits provided for below:



(a) The Company or a Subsidiary shall pay to the Executive through the date of the Executive's termination of employment base salary at the rate then in effect, together with salary in lieu of vacation accrued and unused to the date on which Executive's employment terminates, and all other benefits due to Executive through the date of Executive's termination of employment, in accordance with the standard payroll and other practices of the Company or Subsidiary.

(b) The Company or Subsidiary shall also pay to the Executive as a severance payment an amount equal to one (1) times his base salary in effect on the date of his date of termination of employment.

**Article 5. Benefits Payment Schedule**

**5.1** **Payment Schedule.** Payments due to the Executive pursuant to Article 3 or Article 4 shall be paid as follows:

(a) If the Executive is not a "Specified Employee" (as that term is defined and determined under IRC Section 409A) or if the Executive is a Specified Employee, then only with respect to payments provided in Section 3.1 or 4.1 that are not deferred compensation subject to IRC Section 409A, as soon as administratively practicable, but in no event later than March 15 of the calendar year after the calendar year of the Executive's date of Separation from Service (as defined under IRC Section 409A); and

(b) If the Executive is a Specified Employee, for payments that are deferred compensation subject to IRC Section 409A, as soon as administratively practicable on or after, but in no event later than the end of the calendar year in which such date occurs, or, if later, the 15th day of the third calendar month following such date, the date six (6) months following the Executive's date of Separation from Service.

Notwithstanding the above, the Company's obligation to pay severance amounts due to the Executive pursuant to Article 3 or Article 4, to the extent not already paid, shall cease immediately and such payments will be forfeited, if the Executive violates any condition described in Sections 6.1, 6.2, 6.3 or 6.4, after his termination of employment. To the extent already paid, should the Executive violate any condition described in Sections 6.1, 6.2, 6.3 or 6.4, after his termination of employment, the severance amounts provided hereunder shall be repaid in their entirety by the Executive to the Company, and all rights to such payments shall be forfeited.

**Article 6. Restrictive Covenants**

**6.1 Confidentiality.** The Company has advised the Executive and the Executive acknowledges that it is the policy of the Company to maintain as secret and confidential all Protected Information (as defined below), and that Protected Information has been and will be developed at substantial cost and effort to the Company. The Executive shall not at any time, directly or indirectly, divulge, furnish or make accessible to any person, firm, corporation, association, or other entity (otherwise than as may be required in the regular course of Executive's employment), nor use in any manner, either during the Executive's employment period or after the termination, for any reason, any Protected Information, or cause any such information of the Company or its Subsidiaries to enter the public domain. For purposes of this Agreement, "Protected Information" means trade secrets, confidential and proprietary business information of the Company or its Subsidiaries, and any other



information of the Company, including but not limited to, software, records, manuals, books, forms, documents, notes, letters, reports, data, tables, compositions, articles, devices, apparatus, customer lists (including potential customers), sources of supply, processes, plans, materials, pricing information, internal memoranda, marketing plans, internal policies, and products and services which may be developed from time to time by the Company, its Subsidiaries and its agents or employees, including the Executive; provided, however that information that is in the public domain (other than as a result of a breach of this Agreement), approved for release by the Company or lawfully obtained from third parties who are not bound by a confidentiality agreement with the Company, is not Protected Information.

**6.2 Nonsolicitation.** During the term of this Agreement and for a period after the Executive's date of termination of employment equal to (i) thirty-six (36) months if the Executive's employment by the Company or a Subsidiary is terminated within a Protection Period or (ii) twelve (12) months if the Executive's employment by the Company or a Subsidiary is terminated outside of a Protection Period, the Executive shall not , directly or indirectly, other than on behalf of the Company or its Subsidiaries:

(A) Induce or assist in the inducement of any individual away from the Company's or any of its Subsidiaries' employ or from the faithful discharge of such individual's contractual and fiduciary obligations to serve the Company's or any of its Subsidiaries' interests with undivided loyalty; or

(B) Induce or assist in the inducement of any individual or entity that provides services to the Company or any of its Subsidiaries to reduce any such services provided to, or to terminate their relationship with the Company or any of its Subsidiaries.

**6.3 Noncompetition.** The Executive expressly acknowledges that the Company and its Subsidiaries market and sell products globally, and given the Executive's substantial experience and expertise in the industry including his significant exposure, access to, and participation in the development of the Company's and its Subsidiaries' strategy, marketing, intellectual property and confidential and proprietary information, his business affiliation with any individual or entity that sells or develops products similar to, or that may serve as a substitute for, the Company's or any of its Subsidiaries' products, would cause substantial and irreparable harm to the Company's, and/or its Subsidiaries' business. Accordingly, the Executive agrees that during his employment with the Company or any of its Subsidiaries, and for a period after the termination of his employment with the Company and its Subsidiaries equal to (i) thirty-six (36) months if the Executive's employment by the Company or a Subsidiary is terminated within a Protection Period or (ii) twelve (12) months if the Executive's employment by the Company or a Subsidiary is terminated outside of a Protection Period, the Executive shall not, directly or indirectly, other than on behalf of the Company or its Subsidiaries, participate or become involved as an owner, partner, member, director, officer, employee, or consultant, or otherwise enter into any business relationship, with any individual or entity anywhere in the world that develops, produces, manufactures, sells, or distributes starch, corn, rice, potato, oils, sweeteners, starches or other products produced by the Company or any of its Subsidiaries or that could be used as a substitute for such products including, but not limited to, Tapioca, Manioc, Yucca or Potato starches; Dextrose, Stevia-based or other high intensity sweeteners, Glucose, Polyols, HFCS, High



Meltose syrup, texturants, and Maltodextrin sweeteners; Prebiotics; Omega-3; seed development, emulsifiers, encapsulants, non-synthetic green products, Plant derived calcium and minerals; Inulin fibers; Resins used in adhesives and fragrances; Corn oil; Gluten protein; and Caramel Color, and specifically including but not limited to the following entities that manufacture such or similar products: ADM, Cargill, Bunge, Roquette, Penford, Staley, Tate & Lyle, and Avebe.

**6.4 Ownership.** The Executive agrees that all inventions, copyrightable material, business and/or technical information, marketing plans, customer lists, and trade secrets which arise out of the performance of this Agreement are the property of the Company.

**6.5 Injunctive Relief.** The Executive acknowledges and agrees that the covenants contained in this Article 6 are reasonable in scope and duration, and are necessary to protect the Company's, and its Subsidiaries' legitimate business interests. Without limiting the rights of the Company and/or its Subsidiaries to pursue any other legal and/or equitable remedies available to them for any breach by the Executive of the covenants contained in this Article 6, the Executive acknowledges that a breach of those covenants would cause a loss to the Company and/or its Subsidiaries for which it could not reasonably or adequately be compensated by damages in an action at law, that remedies other than injunctive relief could not fully compensate the Company and/or its Subsidiaries for a breach of those covenants and that, accordingly, the Company and/or its Subsidiaries shall be entitled to seek injunctive relief to prevent any breach or continuing breaches of the Executive's covenants as set forth in this Article 6. It is the intention of the parties that if, in any action before any court empowered to enforce such covenants, any term, restriction, covenant, or promise is found to be unenforceable, then such term, restriction, covenant, or promise shall be deemed modified to the extent necessary to make it enforceable by such court.

**Article 7. No Other Severance Benefits; Right to Other Plan Benefits.**

In the event of termination of the Executive's employment under circumstances entitling the Executive to benefits hereunder, the Executive shall not be entitled to any other severance benefits except those provided by or pursuant to this Agreement, and the Executive hereby waives any claim against the Company or any of its Subsidiaries or affiliates for any additional severance benefits to which he might otherwise be entitled, including under any plan, program, policy or arrangement maintained by the Company or any of its Subsidiaries or affiliates. Except as provided in the preceding sentence, nothing in this Agreement shall be construed as limiting in any way any rights or benefits that the Executive may have pursuant to the terms of any other plan, program, policy or arrangement maintained by the Company or any of its Subsidiaries or affiliates.

**Article 8. Termination of Employment Agreements.**

Any and all Employment Agreements entered into between the Company or any of its Subsidiaries and the Executive prior to the date of this Agreement are hereby terminated.

**Article 9. Termination and Amendment; Successors; Binding Agreement.**

**9.1** This Agreement shall terminate on the close of business on the date preceding the one-year anniversary of the date of this Agreement; provided, however, that commencing on the annual anniversary of the date of this Agreement and each anniversary of the date of this Agreement thereafter, the term of this Agreement shall automatically be extended for one additional year unless at least six (6) months prior to such anniversary date, the Company or the Executive shall have given



notice to the other party, in accordance with Article 10, that this Agreement shall not be extended. This Agreement may be amended only by an instrument in writing signed by the Company and the Executive. The Company expressly acknowledges that, during the term of this Agreement, the Executive shall have a binding and irrevocable right to the benefits set forth hereunder in the event of his termination of employment during a Protection Period to the extent provided in Section 2.1. Any purported amendment or termination of this Agreement by the Company, other than pursuant to the terms of this Section 9.1, shall be ineffective, and the Executive shall not lose any right hereunder by failing to contest such a purported amendment or termination.

**9.2** The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or to any subsidiary that employs the Executive, to expressly assume and agree to honor this Agreement in the same manner and to the same extent that the Company would be required to so honor if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a violation of this Agreement and shall entitle the Executive to benefits from the Company or such successor in the same amount and on the same terms as the Executive would be entitled hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of termination of employment. As used in this Section 9.2, "Company" shall mean the Company hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 9.2 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. The Company shall promptly notify the Executive of any succession by purchase, merger, consolidation or otherwise to all or substantially all the business and/or assets of the Company and shall state whether or not the successor has executed the agreement required by this Section 9.2 and, if so, shall make a copy of such agreement available to the Executive.

**9.3** This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and shall be enforceable by, the Executive and the Executive's legal representatives. If the Executive should die while any amounts remain payable to his hereunder, all such amounts shall be paid to his designated beneficiary or, if there be no such beneficiary, to his estate**.**

**9.4** The Company expressly acknowledges and agrees that the Executive shall have a contractual right to the benefits provided hereunder, and the Company expressly waives any ability, if possible, to deny liability for any breach of its contractual commitment hereunder upon the grounds of lack of consideration, accord and satisfaction or any other defense. If any dispute arises after a Change in Control as to whether the Executive is entitled to benefits under this Agreement, there shall be a presumption that the Executive is entitled to such benefits and the burden of proving otherwise shall be on the Company.

**9.5** The Company's obligation to provide the benefits set forth in this Agreement shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, or other right which the Company or any Subsidiary may have against the Executive or anyone else. All amounts payable by the Company hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Company or any Subsidiary shall be final, and neither the Company nor any Subsidiary will seek to



recover all or any portion of such payment from the Executive or from whomsoever may be entitled thereto, for any reason whatsoever.

**Article 10. Notice.**

All notices of termination and other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or mailed by United States registered mail, return receipt requested, addressed as follows:

If to the Executive:

James Zallie
5 Sea Island Court

Skillman, NJ 08558

If to the Company:

Corn Products International, Inc.
5 Westbrook Corporate Center
Westchester, IL 60154
**Attention**: Vice President — Human Resources

or to such other address as either party may have furnished to the other in writing in accordance herewith.

**Article 11. Miscellaneous.**

No provision of this Agreement may be waived or modified unless such waiver or modification is in writing and signed by the Executive and the Company's Chief Executive Officer or such other officer as may be designated by the Board. No waiver by either party of any breach by the other party of, or compliance with, any provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions at the same or any prior or subsequent time. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Illinois, without regard to its principles of conflict of laws, and by applicable laws of the United States.

**Article 12. Validity.**

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision, which shall remain in full force and effect.

**Article 13. Legal Expenses; Dispute Resolution; Arbitration; Pre-Judgment Interest.**

**13.1** The Company shall promptly pay all legal fees and related expenses incurred by the Executive in seeking to obtain or enforce any right or benefit under this Agreement (including all fees and expenses, if any, incurred in seeking advice in connection therewith).



**13.2** If any dispute or controversy arises under or in connection with this Agreement, including without limitation any claim under any Federal, state or local law, rule, decision or order relating to employment or the fact or manner of its termination, the Company and the Executive shall attempt to resolve such dispute or controversy through good faith negotiations.

**13.3** If such parties fail to resolve such dispute or controversy within ninety days, such dispute or controversy shall, if the Executive so elects, be settled by arbitration, conducted before a panel of three arbitrators in Chicago, Illinois in accordance with the applicable rules and procedures of the Center for Public Resources then in effect. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. Such arbitration shall be final and binding on the parties. Costs of any arbitration, including, without limitation, reasonable attorneys' fees of both parties, shall be borne by the Company.

**13.4** If such parties fail to resolve such dispute or controversy within ninety days and the Executive does not elect arbitration, legal proceedings may be instituted, in which event the Company shall be required to pay the Executive's legal fees and related expenses to the extent set forth in Section 13.1 above.

**13.5** Pending the resolution of any arbitration or court proceeding, the Company shall continue payment of all amounts due the Executive under this Agreement and all benefits to which the Executive is entitled, including medical and life insurance benefits, other than those specifically at issue in the arbitration or court proceeding and excluding long term disability benefits.

**13.6** If the Executive is awarded amounts pursuant to arbitration or court proceeding, the Company shall also pay pre-judgment interest on such amounts calculated at the Prime Rate (as defined below) in effect on the date of such payment. For purposes of this Agreement, the term "Prime Rate" shall mean the prime rate as published in the Wall Street Journal Midwest edition showing such rate in effect as of the first business day of each calendar quarter.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

/s/ James P. Zallie
**Executive**

Corn Products International, Inc.

By: /s/ Ilene S. Gordon
**Company Representative Position**

**Earnings Per Share Computation**

**CORN PRODUCTS INTERNATIONAL, INC.**
**Computation of Net Income per Share of Common Stock**

| (in millions, except per share data) | | Year Ended December 31, 2011 |
|---|---|---|
| Basic | | |
| Shares outstanding at the start of the period | | 76.0 |
| Weighted average of new shares issued during the period | | .6 |
| Weighted average of treasury shares issued during the period for exercise of stock options and other stock compensation plans | | .2 |
| Weighted average of treasury shares purchased during the period | | (.4) |
| Average shares outstanding — basic | | 76.4 |
| | | |
| Effect of Dilutive Securities | | |
| Average dilutive shares outstanding — assuming dilution | | 1.8 |
| Average shares outstanding — diluted | | 78.2 |
| | | |
| Net income attributable to CPI | $ | 415.7 |
| | | |
| Net income per common share of CPI — Basic | $ | 5.44 |
| | | |
| Net income per common share of CPI — Diluted | $ | 5.32 |

EXHIBIT 12.1

**COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**

**CORN PRODUCTS INTERNATIONAL, INC.**
**Computation of Ratios of Earnings to Fixed Charges**

| (in millions, except ratios) | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|
| Income before income taxes and earnings of non-controlling interests | $ 593.4 | $ 275.5 | $ 115.2 | $ 404.8 | $ 305.4 |
| Fixed charges | 88.5 | 72.4 | 41.2 | 52.5 | 55.2 |
| Capitalized interest | (5.2) | (2.6) | (6.6) | (8.0) | (4.1) |
| Total | $ 676.7 | $ 345.3 | $ 149.8 | $ 449.3 | $ 356.5 |
| | | | | | |
| RATIO OF EARNINGS TO FIXED CHARGES | 7.65 | 4.77 | 3.64 | 8.56 | 6.46 |
| | | | | | |
| FIXED CHARGES: | | | | | |
| Interest expense on debt | $ 83.4 | $ 69.4 | $ 38.8 | $ 50.2 | $ 52.5 |
| Amortization of discount on debt | 3.0 | 1.6 | 1.3 | .8 | 1.1 |
| Interest portion of rental expense on operating leases | 2.1 | 1.4 | 1.1 | 1.5 | 1.6 |
| Total | $ 88.5 | $ 72.4 | $ 41.2 | $ 52.5 | $ 55.2 |

**EXHIBIT 21.1**

## SUBSIDIARIES OF THE REGISTRANT

The Registrant's subsidiaries as of December 31, 2011, are listed below showing the percentage of voting securities directly or indirectly owned by the Registrant. All other subsidiaries, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

| | Percentage of voting securities directly or indirectly owned by the Registrant (1) | State or Country of incorporation or organization |
|---|---|---|
| aevotis GmbH | 10 | Germany |
| Arrendadora Gefemesa, S.A. de C.V. | 100 | Mexico |
| Bebidas y Algo Mas S.A. de C.V. | 100 | Mexico |
| Bedford Construction Company | 100 | New Jersey |
| Bedford Mix LLC | 50 | Delaware |
| Brunob II B.V. | 100 | The Netherlands |
| Brunob IV B.V. | 100 | The Netherlands |
| Cali Investment Corp. | 100 | Delaware |
| Casco Inc. | 100 | Canada |
| Casco Holding LLC | 100 | Delaware |
| Colombia Millers Ltd. | 100 | Delaware |
| Corn Products Americas Holdings S.a.r.l. | 100 | Luxembourg |
| Corn Products Chile-Inducorn S.A. | 100 | Chile |
| Corn Products Brasil Ingredientes Industriais Ltda. | 100 | Brazil |
| Corn Products Development, Inc. | 100 | Delaware |
| Corn Products Employee Services S.a.r.l. | 100 | Luxembourg |
| Corn Products Espana, S.L. | 100 | Spain |
| Corn Products Espana Holding LLC | 100 | Delaware |
| Corn Products Finance LLC | 100 | Delaware |
| Corn Products Germany GmbH | 100 | Germany |
| Corn Products Global Holding S.a.r.l. | 100 | Luxembourg |
| Corn Products Inc. & Co. KG | 100 | Germany |
| Corn Products Kenya Limited | 100 | Kenya |
| Corn Products Korea, Inc. | 100 | Korea |
| Corn Products Malaysia Sdn. Bhd. | 100 | Malaysia |
| Corn Products Mauritius (Pty) Ltd. | 100 | Mauritius |
| Corn Products Netherlands Holding S.a.r.l. | 100 | Luxembourg |
| Corn Products Netherlands Holding S.a.r.l. US Branch LLC | 100 | Illinois |
| Corn Products Puerto Rico Inc. | 100 | Delaware |
| Corn Products Sales Corporation | 100 | Delaware |
| Corn Products Southern Cone S.A. | 100 | Argentina |
| Corn Products Thailand Co., Ltd. | 100 | Thailand |
| Corn Products Trading Co. Pte. Ltd. | 100 | Singapore |
| Corn Products UK Finance LP | 100 | England and Wales |
| Corn Products UK Limited | 100 | England and Wales |
| Corn Products Venezuela, C.A. | 100 | Venezuela |
| CPC/African Products Technical Venture Co. | 50.1 | Mauritius |
| CPD Holding LLC | 100 | Delaware |
| CPIngredients Limited | 100 | England and Wales |
| CPIngredients, LLC d/b/a GTC Nutrition | 100 | Colorado |
| CPIngredientes, S.A. de C.V. | 100 | Mexico |
| CP Ingredients India Private Limited | 100 | India |
| CPI Flavors (Thailand) Co. Ltd. | 100 | Thailand |
| CPI Ingredients South Africa (Pty) Ltd. | 100 | South Africa |
| Crystal Car Line, Inc. | 100 | Illinois |
| Deutsche ICI GmbH | 100 | Germany |
| Derivados del Maiz, S.A. | 100 | Peru |
| Feed Products Limited | 100 | New Jersey |
| Globe Ingredients Nigeria Limited | 100 | Nigeria |
| GreenField Ethanol, Inc. | 8.6 | Canada |
| Hispano-American Company, Inc. | 100 | Delaware |
| ICI Mauritius (Holdings) Limited | 100 | Mauritius |
| ICI Servicios Mexico, SA de CV | 100 | Mexico |
| Indumaiz del Ecuador S.A. | 100 | Ecuador |
| Industrias del Maiz S.A. - Corn Products Andina | 100 | Colombia |
| Inter-National Starch Inc. | 100 | Philippines |
| Inversiones Latinoamericanas S.A. | 100 | Delaware |
| Laing National Limited | 100 | England and Wales |
| National Starch & Chemical GmbH | 100 | Germany |
| National Starch & Chemical (Thailand) Ltd | 100 | Thailand |
| National Starch Company | 100 | Nevada |
| National Starch Pte. Ltd. | 100 | Singapore |

| | | |
|---|---|---|
| National Starch Pty Limited | 100 | Australia |
| National Starch Servicios, SA de CV | 100 | Mexico |
| National Starch Specialties (Shanghai) Ltd | 100 | China |
| Nippon NSC Ltd | 100 | Japan |
| N-Starch Sdn. Bhd. | 100 | Malaysia |
| Productos de Maiz, S.A. | 100 | Argentina |
| Productos de Maiz Uruguay S.A. | 100 | Uruguay |
| PT National Starch | 100 | Indonesia |
| Rafhan Maize Products Co. Ltd. | 70.3 | Pakistan |
| Raymond & White River LLC | 100 | Indiana |
| Shouguang Golden Far East Modified Starch Co., Ltd | 51 | China |
| The Chicago, Peoria and Western Railway Company | 100 | Illinois |

(1) With respect to certain companies, shares in the names of nominees and qualifying shares in the names of directors are included in the above percentages.

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors
Corn Products International, Inc.:

We consent to the incorporation by reference in the registration statements on Form S-8 (Nos. 333-43525, 333-71573, 333-75844, 333-33100, 333-105660, 333-113746, 333-129498, 333-143516, 333-160612 and 333-171310) and Form S-3 (No. 333-141870) of Corn Products International, Inc. of our report dated February 27, 2012, with respect to the consolidated balance sheets of Corn Products International, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, equity and redeemable equity, and cash flows for each of the years in the three-year period ended December 31, 2011, and the effectiveness of internal control over financial reporting as of December 31, 2011, which report appears in this December 31, 2011 annual report on Form 10-K of Corn Products International, Inc.

/s/ KPMG LLP

Chicago, Illinois
February 27, 2012

**Exhibit 24.1**

**CORN PRODUCTS INTERNATIONAL, INC.**
**POWER OF ATTORNEY**
Form 10-K for the Fiscal Year Ended December 31, 2011

KNOW ALL MEN BY THESE PRESENTS, that I, as a director of Corn Products International, Inc., a Delaware corporation (the "Company"), do hereby constitute and appoint Mary Ann Hynes as my true and lawful attorney-in-fact and agent, for me and in my name, place and stead, to sign the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2011, and any and all amendments thereto, and to file the same and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorney-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorney-in-fact may lawfully do or cause to be done by virtue thereof.

IN WITNESS WHEREOF, I have executed this instrument this 27th day of February, 2012.

/s/ Richard J. Almeida
Richard J. Almeida

/s/ Luis Aranguren-Trellez
Luis Aranguren-Trellez

/s/ Ilene S. Gordon
Ilene S. Gordon

/s/ Paul Hanrahan
Paul Hanrahan

/s/ Karen L. Hendricks
Karen L. Hendricks

/s/ Wayne M. Hewett
Wayne M. Hewett

/s/ Gregory B. Kenny
Gregory B. Kenny

/s/ Barbara A. Klein
Barbara A. Klein

/s/ James M. Ringler
James M. Ringler

/s/ Dwayne A. Wilson
Dwayne A. Wilson

**EXHIBIT 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Ilene S. Gordon, certify that:

1. I have reviewed this annual report on Form 10-K of Corn Products International, Inc.;

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 the 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 control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2012

/s/ Ilene S. Gordon
Ilene S. Gordon
Chairman, President and Chief Executive Officer

**EXHIBIT 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Cheryl K. Beebe, certify that:

1. I have reviewed this annual report on Form 10-K of Corn Products International, Inc.;

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 the 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 control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2012

/s/ Cheryl K. Beebe
Cheryl K. Beebe
Executive Vice President and Chief Financial Officer

**Certification Pursuant to**
**18 U.S.C. Section 1350,**
**as Adopted Pursuant to**
**Section 906 of the**
**Sarbanes-Oxley Act of 2002**

I, Ilene S. Gordon, the Chief Executive Officer of Corn Products International, Inc., certify that to my knowledge (i) the report on Form 10-K for the fiscal year ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Corn Products International, Inc.

/s/ Ilene S. Gordon
Ilene S. Gordon
Chief Executive Officer
February 27, 2012

A signed original of this written statement required by Section 906 has been provided to Corn Products International, Inc. and will be retained by Corn Products International, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

**Certification Pursuant to**
**18 U.S.C. Section 1350,**
**as Adopted Pursuant to**
**Section 906 of the**
**Sarbanes-Oxley Act of 2002**

I, Cheryl K. Beebe, the Chief Financial Officer of Corn Products International, Inc., certify that to my knowledge (i) the report on Form 10-K for the fiscal year ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Corn Products International, Inc.

/s/ Cheryl K. Beebe
Cheryl K. Beebe
Chief Financial Officer
February 27, 2012

A signed original of this written statement required by Section 906 has been provided to Corn Products International, Inc. and will be retained by Corn Products International, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.