

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2004

Or

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

(State or Other Jurisdiction of Incorporation or Organization)

22-3514823

(I.R.S. Employer Identification No.)

5 Westbrook Corporate Center, Westchester, Illinois

(Address of Principal Executive Offices)

60154

(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

Preferred Stock Purchase Rights
(currently traded with Common Stock)

New York Stock Exchange

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

NONE

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 No

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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

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 \$23.27 on June 30, 2004, and, for the purpose of this calculation only, the assumption that all of the Registrant's directors and executive officers are affiliates) was approximately \$1,720,614,081.

The number of shares outstanding of the Registrant's Common Stock, par value \$.01 per share, as of February 28, 2005, was 75,156,695.

Documents Incorporated by Reference:

Information required by Part I (Items 1 and 2), Part II (Items 5, 6, 7, 7A and 8) and Part IV (Item 15(a)(1)) of this document is incorporated by reference to Exhibit 13.1 included as part of this 2004 Annual Report on Form 10-K.

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 distributed in connection with its 2005 Annual Meeting of Stockholders.

TABLE OF CONTENTS

PART I.

ITEM 1. BUSINESS

ITEM 2. PROPERTIES

ITEM 3. LEGAL PROCEEDINGS

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

PART II

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

ITEM 6. SELECTED FINANCIAL DATA

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

ITEM 9A. CONTROLS AND PROCEDURES

ITEM 9B. OTHER INFORMATION

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

ITEM 11. EXECUTIVE COMPENSATION

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

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

SIGNATURES

First Amendment to Revolving Credit Agreement

Amendment No. 1

Executive Life Insurance Plan

Form of Executive Life Insurance Plan

Earnings Per Share Computation

Computation of Ratio of Earnings to Fixed Charges

Management's Discussion and Analysis of Financial Condition

Subsidiaries

Consent of Independent Registered Public Accounting Firm

Power of Attorney

CEO Section 302 Certification

CFO Section 302 Certification

CEO Certification Pursuant to Section 1350

CFO Certification Pursuant to Section 1350

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 (the “Company” or “Corn Products”), manufactures and sells a number of ingredients to a wide variety of food and industrial customers.

The Company is a leading regional producer of starches, liquid sweeteners and other ingredients around the world. It is one of the world’s largest corn refiners and is the leading corn refiner in Latin America.

The Company had consolidated net sales of \$2.3 billion in 2004. Approximately 62 percent of the Company’s 2004 revenues were provided from its North American operations, with the remainder coming from its South America and Asia/Africa operations.

The Company’s ingredients are derived primarily from the processing of corn and other starch-based materials, such as tapioca. Corn refining is a capital-intensive, two-step process that involves the wet milling and processing of corn. During the front-end process, corn is steeped in a water-based solution and separated into starch and other co-products such as animal feed and germ. The starch is then either dried for sale or further processed to make sweeteners and other ingredients that serve the particular needs of various industries.

The Company’s sweetener products include high fructose corn syrup (“HFCS”), glucose corn syrups, high maltose corn syrups, caramel color, dextrose, maltodextrins and glucose and corn syrup solids. The Company’s starch-based products include both industrial and food-grade starches.

The Company supplies a broad range of customers in many diverse industries around the world, including the food and beverage, pharmaceutical, paper products, corrugated, laminated paper, textile and brewing industries, as well as the global animal feed markets.

The Company believes its local approach to production and service, which focuses on local management and control of its worldwide operations, is of high value to its customers.

Products

Sweetener Products. The Company’s sweetener products represented approximately 52 percent, 54 percent and 55 percent of the Company’s net sales for 2004, 2003 and 2002, respectively.

High Fructose Corn Syrup: The Company primarily produces two types of high fructose corn syrup: (i) HFCS-55, which is mainly used as a sweetener in soft drinks; and (ii) HFCS-42, which is used as a sweetener in various consumer products such as fruit-flavored beverages, yeast-raised breads, rolls, dough, ready-to-eat cakes, yogurt and ice cream.

Table of Contents

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. In many markets the Company offers corn syrups that are manufactured through an ion exchange process, a method that creates the highest quality, purest corn syrups.

High Maltose Corn Syrup: This special type of glucose syrup has a unique carbohydrate profile, making it ideal for use as a source of fermentable sugars in brewing beers. High maltose corn syrups are also used in the production of confections, canning and some other food processing applications.

Dextrose: The Company was granted the first US patent for dextrose in 1923. The Company currently produces dextrose products that are grouped in three different categories — monohydrate, anhydrous and specialty. Monohydrate dextrose is used across the food industry in many of the same products as glucose corn syrups, especially in confectionery applications. Anhydrous dextrose is used to make solutions for intravenous injection and other pharmaceutical applications, as well as some specialty food applications. Specialty dextrose products are used in a wide range of applications, from confectionery tableting to dry mixes to carriers for high intensity sweeteners. Dextrose also has a wide range of industrial applications, including use in wall board and production of biodegradable surfactants (surface agents), humectants (moisture agents), and as the base for fermentation products including vitamins, organic acids, amino acids and alcohol.

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 hygroscopicity (do not retain moisture), and are ideal for their carrier/bulking properties. Corn syrup solids have a bland flavor, remain clear in solution, and are easy to handle and also provide bluing properties.

Starch Products. Starch products represented approximately 22 percent, 21 percent and 20 percent of the Company's net sales for 2004, 2003 and 2002, respectively. Starches are an important component in a wide range of processed foods, where they are used particularly as a thickener and binder. Cornstarch is also sold to cornstarch packers for sale to consumers. Starches are also used in paper production to produce a smooth surface for printed communications and to improve strength in today's recycled papers. In the corrugating industry, 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 for over a century to provide size and finishes for manufactured products. Industrial starches are used in the production of construction materials, adhesives, pharmaceuticals and cosmetics, as well as in mining, water filtration and oil and gas drilling.

Co-Products and others. Co-products and others accounted for 26 percent, 25 percent and 25 percent of the Company's net sales for 2004, 2003 and 2002, 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 primarily, and steepwater is sold as an additive for animal feed.

Geographic Scope and Operations

The Company operates in one business segment, corn refining, and is managed on a geographic regional basis. The business includes regional operations in North America, South America and Asia/Africa. In 2004, approximately 62 percent of the Company's net sales were derived from operations in North America, while South America and Asia/Africa represented approximately 24 percent and 14 percent, respectively. See Note 15 of the Notes to the Consolidated Financial Statements entitled "Segment Information," included herewith as part of Exhibit 13.1, for certain financial information with respect to geographic areas.

The Company's North America region consists of operations in the US, Canada and Mexico. The region's facilities include 9 plants producing regular and modified starches, dextrose, high fructose, glucose and high maltose corn syrups and corn syrup solids, dextrans and maltodextrins, caramel color and sorbitol. The Company's plant in Bedford Park, Illinois is a major supplier of starch and dextrose products for the Company's US and export customers. The Company's other US plants in Winston-Salem, North Carolina and Stockton, California enjoy strong market shares in their local areas, as do the Company's Canadian plants in Cardinal, London and Port Colborne, Ontario. The Company is the largest corn refiner in Mexico with plants in Guadalajara, Mexico City and San Juan del Rio.

The Company is the largest corn refiner in South America, with strong market shares in Argentina, Brazil, Chile and Colombia. The Company's South America region includes 11 plants that produce regular, modified, waxy and tapioca starches, high fructose and high maltose corn syrups and corn syrup solids, dextrans and maltodextrins, dextrose, caramel color, sorbitol and vegetable adhesives.

The Company's Asia/Africa region consists of corn and tapioca refining operations in South Korea, Pakistan, Thailand, Kenya and China. The region's facilities include 7 plants that produce modified, regular, waxy and tapioca starches, dextrans, glucose, dextrose, high fructose corn syrups and caramel color.

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

Competition

The corn refining industry is highly competitive. Many of the Company's products are viewed as commodities that compete with virtually identical products and derivatives manufactured by other companies in the industry. The US is a highly competitive market. Competitors include ADM Corn Processing Division ("ADM") (a division of Archer-Daniels-Midland Company), Cargill, Tate & Lyle Ingredients Americas, Inc., National Starch and Chemical Company ("National Starch") (a subsidiary of Imperial Chemicals Industries plc) and several others. Mexico and Canada face competition from US imports and local producers including ALMEX, a Mexican joint venture between ADM and Staley. In South America, Cargill and National Starch have corn-refining operations in Brazil. Other local corn refiners also operate in many of our markets. Competition within markets is largely based on price, quality and product availability.

Several of the Company's products also compete with products made from raw materials other

[Table of Contents](#)

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 others. Fluctuations in prices of these competing products may affect prices of, and profits derived from, the Company's products.

Customers

The Company supplies a broad range of customers in over 60 industries. Approximately 22 percent of the Company's 2004 net sales were to companies engaged in the processed foods industry and approximately 17 percent of the Company's 2004 net sales were to companies engaged in the soft drink industry. Additionally, approximately 19 percent of the Company's 2004 net sales were to feed users.

Raw Materials

The basic raw material of the corn refining industry is yellow dent corn. The supply of corn in the United States has been, and is anticipated to continue to be, adequate for the Company's domestic needs. The price of corn, which is determined by reference to prices on the Chicago Board of Trade, fluctuates as a result of three primary supply factors: farmer planting decisions, climate, and government policies — and three major market demand factors: livestock feeding, shortages or surpluses of world grain supplies, and domestic and foreign government policies and trade agreements.

Corn is also grown in other areas of the world, including Canada, South Africa, Argentina, Brazil, China and Australia. The Company's 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 the Company's needs. Corn prices for the Company's non-US affiliates generally fluctuate as a result of the same factors that affect US corn prices.

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

The Company follows a policy of hedging its exposure to commodity fluctuations with commodities futures contracts for certain of its North American corn purchases. All 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 its raw materials to protect the Company's profitability. See Management's Discussion and Analysis of Financial Condition and Results of Operations, section entitled "Risk and Uncertainties — Commodity Costs," included herewith as part of Exhibit 13.1.

Product Development

Corn Products has a product application technology center located in Brazil, which directs the engineers and product development teams worldwide to develop product application solutions to better serve the ingredient needs of the Company's customers. Product development activity is focused on developing product applications for identified customer and market needs. Through this approach, the Company has developed value-added products for use in the corrugated paper, food, textile, baking and confectionery industries. The Company usually collaborates with customers to develop the desired product application either in the customers' facilities, the Company's technical service laboratories or on a contract basis. These efforts are supported by the Company's marketing, product technology and technology support staff.

Sales and Distribution

Salaried sales personnel, who are generally dedicated to customers in a geographic region, sell the Company's products directly to manufacturers and distributors. In addition, the Company has a staff that provides technical support to the sales personnel on an industry basis. The Company generally contracts with trucking companies to deliver bulk products to customer destinations for product delivery. In North America, the trucks generally ship to nearby customers. For customers located considerable distances from Company plants, either rail or a combination of railcars and trucks is used to deliver product. Railcars are generally leased for terms of five to fifteen years.

Patents, Trademarks and Technical License Agreements

The Company owns a number of patents, which relate to a variety of products and processes, and a number of established trademarks under which the Company markets such products. The Company also has the right to use certain other patents and trademarks pursuant to patent and trademark licenses. The Company does not believe that any individual patent or trademark is material to its business. There is not currently any pending challenge to the use or registration of any of the Company's significant patents or trademarks that would have a material adverse impact on the Company or its results of operations.

The Company is a party to several technical license agreements with third parties in other countries whereby the Company provides technical, management and business advice on the operations of corn refining businesses and receives royalties in return. These arrangements provide the Company with product penetration in the various countries in which they exist, as well as experience and relationships that could facilitate future expansion. The duration of the agreements range from one to ten years or longer, and most of these relationships have been in place for many years. These agreements in the aggregate provide approximately \$2 million of annual income to the Company.

Employees

As of December 31, 2004, the Company had approximately 7,000 employees, of which approximately 800 were located in the United States. Approximately 34 percent of US and 47 percent of non-US employees are unionized. The Company believes its union and non-union employee relations are good.

Government Regulation and Environmental Matters

As a manufacturer and maker of food items and items for use in the pharmaceutical industry, the Company's operations and the use of many Company 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, and to regulation by various government agencies, including the United States Food and Drug Administration, which prescribe requirements and establish standards for product quality, purity and labeling. The finding of a 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 the Company in 2004. The Company may also be required to comply with US, state, foreign and local laws regulating food handling and storage. The Company believes these laws and regulations have not negatively affected its competitive position.

The operations of the Company 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

Table of Contents

storage tanks, and other regulations intended to protect public health and the environment. Based upon current laws and regulations and the enforcement and interpretations thereof, the Company does not expect that the costs of future environmental compliance will be a material expense, although there can be no assurance that the Company will remain in compliance or that the costs of remaining in compliance will not have a material adverse effect on the Company's future financial condition and results of operations.

The Company currently anticipates that it may spend approximately \$10 million in fiscal 2005 for environmental control and wastewater treatment equipment to be incorporated into existing facilities and in planned construction projects, including the Argo coal boiler project described in Exhibit 13.1 filed herewith, in the section entitled, "Liquidity and Capital Resources." The Company estimates that in 2006, it will spend approximately \$4 million on emissions control equipment for this Argo coal boiler project. This equipment is intended to enable the Company to continue its policy of compliance with existing environmental laws and regulations. Under the US Clean Air Act Amendments of 1990, the US Environmental Protection Agency adopted new air toxics regulations in September 2004 for a number of industry source categories, including industry boilers. The Company's US facilities may require additional pollution control devices to meet these standards, though given their recent adoption, the Company has not yet formed an estimate of the financial impact of compliance with the boiler standards.

Other

The Company's Internet address is www.cornproducts.com. The Company makes available, free of charge through its Internet website, its 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 the respective reports are electronically filed with or furnished to the Securities and Exchange Commission. The Company's corporate governance guidelines, Board committee charters and code of ethics are posted on the Company's 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.

Table of Contents

Executive Officers of the Registrant

Set forth below are the names and ages of all executive officers of the Company, indicating their positions and offices with the Company.

<u>Name</u>	<u>Age</u>	<u>All positions and offices with the Company</u>
Samuel C. Scott III	60	Chairman and Chief Executive Officer since February 2001 and President since 1997. Mr. Scott also served as Chief Operating Officer from 1997 through January 2001. Prior thereto, he served as President of the worldwide Corn Refining Business of CPC International, Inc, now Unilever Bestfoods ("CPC"), from 1995 to 1997 and was President of CPC's North American Corn Refining Business from 1989 to 1997. He was elected a Vice President of CPC in 1991. Mr. Scott is a director of Motorola, Inc., The Bank of New York, ACCION U.S.A. and Inroads Chicago. He is also a Trustee of the Chicago Symphony Orchestra and the Conference Board.
Cheryl K. Beebe	49	Vice President and Chief Financial Officer since February 2004. Ms. Beebe previously served 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 thereto, she served as Director of Finance and Planning for the CPC Corn Refining Business worldwide 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.
Marcia E. Doane	63	Vice President, General Counsel and Corporate Secretary since 1997. Ms. Doane served as Vice President, Legal and Regulatory Affairs of the Corn Products Division of CPC from 1996 to 1997. Prior thereto, she served as Counsel to the Corn Products Division from 1994 to 1996. Ms. Doane joined CPC's Legal Department in 1989 as Operations Attorney for the Corn Products Division.

Table of Contents

<u>Name</u>	<u>Age</u>	<u>All positions and offices with the Company</u>
Jorge L. Fiamenghi	49	Vice President and President of the South America Division since 1999. Mr. Fiamenghi served as Acting President, US/Canadian Region from August 2001 to February 2002. Mr. Fiamenghi served as President and General Manager, Corn Products Brazil from 1996 to 1999. Mr. Fiamenghi was General Manager for the CPC Corn Refining affiliate in Argentina beginning in 1991. Prior thereto, he was Financial and Planning Director for the CPC South American Corn Refining Division from 1989 to 1991 and served as Financial and Administrative Manager for the CPC Corn Refining Division in Mexico beginning in 1987. Mr. Fiamenghi joined CPC in 1971 and served in various financial and planning positions in CPC.
Jack C. Fortnum	48	Vice President since 1999 and President of North America Division since May 2004. Mr. Fortnum previously 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.
Jeffrey B. Hebble	49	Vice President since 2000 and President of the Asia/Africa Division since February 2001. Prior thereto, Mr. Hebble served as Vice President of the Asia/Africa Division since 1998. Mr. Hebble joined CPC in 1986 and served in various positions in the Corn Products Division and in Stamford Food Industries Sdn. Berhad, a Corn Products subsidiary in Malaysia.

Table of Contents

<u>Name</u>	<u>Age</u>	<u>All positions and offices with the Company</u>
James J. Hirschak	51	Vice President – Human Resources since 1997. Mr. Hirschak joined CPC in 1976 and held various Human Resources positions in the CPC until 1984, when he joined the CPC Corn Products Division. In 1987, Mr. Hirschak was appointed Director, Human Resources for Corn Products’ North American Operations and he served as Vice President, Human Resources for the Corn Products Division of CPC from 1992 to 1997.
Kimberly A. Hunter	43	Vice President and 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 from 1992 to 1997.
Robin A. Kormmeyer	56	Vice President since September 2002 and Controller since January 2002. Prior to that, Mr. Kormmeyer served as Corporate Controller at Foster Wheeler Ltd., a worldwide engineering and construction company, from 2000 to 2002 and as its Director of Corporate Audit Services from 1997 to 2000.
James W. Ripley	61	Senior Vice President, Planning, Information Technology and Compliance since February 2004. Mr. Ripley previously served as Vice President and Chief Financial Officer since 1997 and Vice President, Finance from 1997 to July 2002. Prior thereto, he served as Comptroller of CPC from 1995 to 1997 and as Vice President of Finance for CPC’s North American Corn Refining Division from 1984 to 1995. Mr. Ripley joined CPC in 1968 as Chief International Accountant and subsequently served as CPC’s Assistant Corporate Comptroller, Corporate General Audit Coordinator and Assistant Comptroller for CPC’s European Consumer Foods Division.

Table of Contents

<u>Name</u>	<u>Age</u>	<u>All positions and offices with the Company</u>
Richard M. Vandervoort	61	Vice President – Strategic Business Development, Investor Relations and Government and Regulatory Affairs since 1998. Mr. Vandervoort served as Vice President – Business Development and Procurement, Corn Products International North American Division from 1997 to 1998. Prior thereto, he served as Vice President – Business Management and Marketing for CPC’s Corn Products Division from 1989 to 1997. Mr. Vandervoort joined CPC in 1971 and served in various executive sales positions in CPC’s Corn Products Division and in Peterson/Puritan Inc., a CPC subsidiary.

ITEM 2. PROPERTIES

The Company operates, directly and through its consolidated subsidiaries, 27 manufacturing facilities, 26 of which are owned and one of which is leased (Jundiai, Brazil). In addition, the Company leases its corporate headquarters in Westchester, Illinois. The following list details the locations of the Company’s manufacturing facilities within each of its three geographic regions:

Table of Contents

<u>North America</u>	<u>South America</u>	<u>Asia/Africa</u>
Cardinal, Ontario, Canada	Baradero, Argentina	Shouguang, China
London, Ontario, Canada	Chacabuco, Argentina	Eldoret, Kenya
Port Colborne, Ontario, Canada	Balsa Nova, Brazil	Cornwala, Pakistan
San Juan del Rio, Queretaro, Mexico	Cabo, Brazil	Faisalabad, Pakistan
Guadalajara, Jalisco, Mexico	Conchal, Brazil	Ichon, South Korea
Mexico City, Edo. de Mexico	Jundiai, Brazil	Inchon, South Korea
Stockton, California, U.S.	Mogi-Guacu, Brazil	Sikhiu, Thailand
Bedford Park, Illinois, U.S.	Llay-Llay, Chile	
Winston-Salem, North Carolina, U.S.	Barranquilla, Colombia	
	Cali, Colombia	
	Guayaquil, Ecuador	

As part of a manufacturing optimization initiative in Mexico and South America, the Company permanently closed two production facilities in the fourth quarter of 2004. See Note 6 to the Consolidated Financial Statements entitled “Restructuring Charges” included herewith as part of Exhibit 13.1 for further information regarding the plant closures. The Company believes its manufacturing facilities are sufficient to meet its current production needs. The Company has preventive maintenance and de-bottlenecking programs designed to further improve grind capacity and facility reliability.

The Company has electricity co-generation facilities at all of its US and Canadian plants, as well as at its plants in San Juan del Rio, Mexico; Baradero, Argentina; Balsa Nova, Brazil; Mogi-Guacu, Brazil; and Faisalabad, Pakistan, that provide electricity at a lower cost than is available from third parties. The Company generally owns and operates such co-generation facilities itself, except for the facilities at its Stockton, California; Cardinal, Ontario; Balsa Nova, Brazil; and Mogi-Guacu, Brazil locations, that are owned by, and operated pursuant to co-generation agreements with, third parties.

The Company believes it has competitive, up-to-date and cost-effective facilities. In recent years, significant capital expenditures have been made to update, expand and improve the Company’s facilities, averaging in excess of \$88 million per year for the last three years. The Company believes these capital expenditures will allow the Company to operate highly efficient facilities for the foreseeable future. The Company currently anticipates that capital expenditures for 2005 will approximate \$170 million. Included in this estimate are expenditures relating to the previously announced \$100 million capital project at our Argo plant located in Bedford Park, Illinois. Construction began in the fourth quarter of 2004 and the project is expected to be completed in the second quarter of 2006. It is anticipated that annual capital expenditures beyond 2005 will be in line with historical averages.

ITEM 3. LEGAL PROCEEDINGS

Under the terms of the agreements relating to the spin-off of the Company from CPC, the Company agreed to indemnify CPC for certain liabilities relating to the operation of the Corn Refining Business prior to the spin-off, including liabilities relating to the antitrust legal proceedings described below.

Table of Contents

Prior to the spin-off of the Company from CPC, CPC, as an HFCS producer, was named as one of the defendants in a number of private treble damage state class actions by direct and indirect customers. The only remaining action still pending is in the state court of Kansas. Preliminary approval of the Kansas settlement was granted by the judge assigned to the case on December 10, 2004 with notice to the class expected to occur in 2005. The Company expects final approval of the Kansas settlement. The terms of the proposed settlement would not have a material adverse effect on the financial results of the Company.

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 International Centre for Settlement of Investment Disputes and was brought against the United Mexican States. In the Request, the Company asserts that the imposition by Mexico of a discriminatory tax on beverages containing HFCS breached various obligations of Mexico under NAFTA. The Company seeks damages of not less than \$325 million. See also Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in exhibit 13.1 herewith, section entitled “Mexican Tax on Beverages Sweetened with HFCS.”

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the quarter ended December 31, 2004.

PART II

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

Shares of Corn Product’s Common Stock are traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “CPO.” Information about the range of the NYSE reported high, low and closing market prices of the Company’s Common Stock, holders of record and quarterly dividends are incorporated by reference from the Supplemental Financial Information filed herewith as part of Exhibit 13.1, section entitled “Common Stock Market Prices and Dividends.”

The Company’s policy is to pay a modest dividend. 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 the Company’s Board of Directors. It is subject to the Company’s financial results and the availability of surplus funds to pay dividends.

[Table of Contents](#)

Issuer Purchases of Equity Securities:

(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
Oct. 1 – Oct. 31, 2004	—	—	—	3,450 shares
Nov. 1 – Nov. 30, 2004	—	—	—	3,450 shares
Dec. 1 – Dec. 31, 2004	—	—	—	3,450 shares
Total	—	—	—	

On September 16, 1998, the Company's Board of Directors approved a stock repurchase program of up to 2 million shares. On January 21, 2000, the Company's Board of Directors authorized an increase in the Company's stock repurchase program from 2 million shares to 6 million shares of common stock over a 5-year period. This stock repurchase program expired on January 20, 2005. On February 9, 2005, the Company's Board of Directors approved a new stock repurchase program. Under the new program, which runs through February 28, 2010, the Company may repurchase up to 4 million shares of its outstanding common stock.

ITEM 6. SELECTED FINANCIAL DATA

Incorporated by reference from the Supplemental Financial Information filed herewith as part of Exhibit 13.1, section entitled “Ten-Year Financial Highlights.”

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

Incorporated by reference from Exhibit 13.1 filed herewith, section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

International Operations and Foreign Exchange. The Company has operated a multinational business subject to the risks inherent in operating in foreign countries and with foreign currencies for many years. The Company’s US dollar denominated results are subject to foreign currency exchange fluctuations and its operations are subject to political, economic and other risks. Economic changes, terrorist activity and political unrest may result in business interruption or decreased demand for the Company’s products. The Company’s success will depend in part on its ability to manage continued global political and/or economic uncertainty, especially in the Company’s significant geographical markets, as well as any political or economic disruption due to terrorist activities.

The Company primarily sells world commodities and, historically, local prices have adjusted relatively quickly to offset the effect of a local devaluation. The Company may occasionally hedge commercial transactions and certain liabilities that are denominated in a currency other than the currency of the operating unit entering into the underlying transaction.

In each country where we conduct business, 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 its 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.

Uncertain Ability to Generate Adequate Financial Performance. The Company’s ability to generate operating income and to increase profitability depends to a large extent upon its ability to price finished products at a level that will cover manufacturing and raw material costs and provide a profit margin. The Company’s ability to maintain appropriate price levels is determined by a number of factors largely beyond the Company’s control, such as aggregate industry supply and market demand, which may vary from time to time, and the economic condition of the geographic region of the Company’s operations.

Uncertain Ability to Contain Costs or to Fund Capital Expenditures. The Company’s future profitability and growth also depends on the Company’s ability to contain operating costs and per-unit product costs, to maintain and/or implement effective cost control programs and to develop value-added products and new product applications successfully, while at the same time maintaining competitive pricing and superior quality products, customer service and support. The Company’s 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. The Company plans to focus capital expenditures on implementing productivity improvements and, if supported by profitable customer demand, expand the production capacity of its facilities. The Company may need additional funds for

[Table of Contents](#)

working capital as the Company grows and expands its operations. To the extent possible, the Company expects to fund its capital expenditures from operating cash flow. If the Company's operating cash flow is insufficient to fund such expenditures, the Company may either reduce its capital expenditures or utilize certain general credit facilities. The Company 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. The Company cannot provide any assurance that cash flows from operations will be sufficient to fund anticipated capital expenditures or that additional funds can be obtained from financial markets or from the sale of assets at terms favorable to the Company. If the Company is unable to generate sufficient cash flows or raise sufficient additional funds to cover capital expenditures, it may not be able to achieve its desired operating efficiencies and expansion plans, which may adversely impact the Company's competitiveness and, therefore, its results of operations.

Interest Rate Exposure. Approximately 48 percent of the Company's borrowings are fixed rate bonds and loans. Interest on the remaining 52 percent of the Company's borrowings is subject to change based on changes in short-term rates, which could affect our interest costs. Included in the floating rate indebtedness information above is the Company's \$200 million Senior Notes due 2009 which, through the use of interest rate swaps, has effectively been converted from fixed to floating rate debt. Included in the fixed rate indebtedness information above is \$18 million of Korean term loan debt which, through the use of cross currency interest rate swaps, has effectively been converted from floating rate US dollar to fixed rate Korean Won debt. See also Note 8 of the Notes to the Consolidated Financial Statements entitled "Financing Arrangements" included herewith as part of Exhibit 13.1, for further information. A hypothetical increase of 1 percentage point in the weighted average floating interest rate for 2004 would have increased interest expense and reduced pretax income for 2004 by approximately \$3 million.

At December 31, 2004 and 2003, the carrying and fair values of long-term debt, including the current portion, were as follows:

(in millions)	2004		2003	
	Carrying value	Fair value	Carrying value	Fair value
8.25% senior notes, due 2007	\$ 254	\$ 280	\$ 253	\$ 281
8.45% senior notes, due 2009	199	233	199	223
Korean loans	27	27	42	42
Total	\$ 480	\$ 540	\$ 494	\$ 546

Competition. The Company operates in a highly competitive environment. Almost all of the Company's products compete with virtually identical or similar products manufactured by other companies in the corn refining industry. In the United States, there are other corn refiners, several of which are divisions of larger enterprises that have greater financial resources and some of which, unlike the Company, have vertically integrated their corn refining and other operations. Many of the Company's 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, the Company's products. Competition within markets is largely based on price, quality and product availability.

Price Volatility and Uncertain Availability of Corn. Corn purchasing costs, which include the price of the corn plus delivery cost, account for 40 percent to 65 percent of the Company's 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 cannot be controlled by the Company. In addition, government

Table of Contents

programs supporting sugar prices indirectly impact the price of corn sweeteners, especially high fructose corn syrup. Due to market volatility, the Company cannot assure that it can adequately pass potential increases in the cost of corn on to customers through product price increases or purchase quantities sufficient to sustain or increase its profitability.

Commodity Costs. The Company's finished products are made primarily from corn. In North America, the Company sells a large portion of finished product 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, the Company enters into corn futures contracts, or takes hedging positions in the corn futures market. From time to time, the Company may also enter into anticipatory hedges. These contracts typically mature within one year. At expiration, the Company settles the derivative contracts at a net amount equal to the difference between the then-current price of corn and the fixed contract price. While these hedging instruments are subject to fluctuations in value, changes in the value of the underlying exposures the Company is hedging generally offset such fluctuations. While the corn futures contracts or 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 product under long-term, firm-priced supply contracts are not material.

Energy costs for the Company represent a significant portion of its operating costs. The primary use of energy is to create steam in the production process and in dryers to dry product. The Company consumes 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. The Company purchases these commodities based on its anticipated usage and the future outlook for these costs. The Company cannot assure that it will be able to purchase these commodities at prices that it can adequately pass on to customers to sustain or increase profitability. The Company periodically uses derivative financial instruments to hedge portions of its natural gas costs.

The Company's commodity price hedging instruments generally relate to contracted firm-priced business. Based on the Company's overall commodity hedge exposure at December 31, 2004, 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 (loss) of approximately \$23 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.

Volatility of Markets. The market price for the common stock of the Company may be significantly affected by factors such as the announcement of new products or services by the Company or its competitors; technological innovation by the Company, its competitors or other vendors; quarterly variations in the Company's operating results or the operating results of the Company's competitors; general conditions in the Company's and its customers' markets; 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. These broad market fluctuations may materially and adversely affect the market price of the Company's common stock.

Consumer Preferences and Perceptions. Changes in consumer preferences and perceptions may lessen the demand for the Company's products, which would reduce sales and harm the Company's business. Food products are often affected by changes in consumer tastes, national, regional and local economic conditions and demographic trends. The Company's sales could also be affected by changing

consumer tastes—for instance, if prevailing health or dietary preferences cause consumers to avoid food products containing sweetener products in favor of foods that are perceived as more healthy.

Biotechnology. The commercial success of agricultural products developed through biotechnology 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 may in the future 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.

Labor Disputes. Approximately 34 percent of US and 47 percent of non-US employees are unionized. Strikes, lockouts or other work stoppages or slow downs involving the Company’s unionized employees could have a material adverse effect on the Company.

Uncertainty of Dividends. The payment of dividends is at the discretion of the Company’s Board of Directors and will be subject to the Company’s financial results and the availability of surplus funds to pay dividends. No assurance can be given that the Company will continue to pay dividends.

Certain Anti-Takeover Effects. Certain provisions of the Company’s Amended and Restated Certificate of Incorporation (the “Corn Products Charter”) and the Company’s Amended By-laws (the “Corn Products By-Laws”) and of the Delaware General Corporation Law (the “DGCL”) may have the effect of delaying, deterring or preventing a change in control of the Company not approved by the Company’s Board. These provisions include (i) a classified Board of Directors, (ii) a requirement of the unanimous consent of all stockholders for action to be taken without a meeting, (iii) a requirement that special meetings of stockholders be called only by the Chairman of the Board or the Board of Directors, (iv) advance notice requirements for stockholder proposals and nominations, (v) limitations on the ability of stockholders to amend, alter or repeal the Corn Products Amended By-Laws and certain provisions of the Corn Products Charter, (vi) authorization for the Company’s Board to issue without stockholder approval preferred stock with such terms as the Board of Directors may determine and (vii) authorization for the Company’s Board to consider the interests of creditors, customers, employees and other constituencies of the Company and its subsidiaries and the effect upon communities in which the Company and its subsidiaries do business, in evaluating proposed corporate transactions. With certain exceptions, Section 203 of the DGCL (“Section 203”) imposes certain restrictions on mergers and other business combinations between the Company and any holder of 15 percent or more of the Company’s Common Stock. In addition, the Company has adopted a stockholder rights plan (the “Rights Plan”). The Rights Plan is designed to protect stockholders in the event of an unsolicited offer and other takeover tactics, which, in the opinion of the Company’s Board, could impair the Company’s ability to represent stockholder interests. The provisions of the Rights Plan may render an unsolicited takeover of the Company more difficult or less likely to occur or might prevent such a takeover.

These provisions of the Corn Products Charter and Corn Products By-laws, the DGCL and the Rights Plan could discourage potential acquisition proposals and could delay or prevent a change in control of the Company, although such proposals, if made, might be considered desirable by a majority of the Company’s stockholders. Such provisions could also make it more difficult for third parties to remove and replace the members of the Company’s Board. Moreover, these provisions could diminish the opportunities for a stockholder to participate in certain tender offers, including tender offers at prices above the then-current market value of the Company’s Common Stock, and may also inhibit increases in the market price of the Company’s Common Stock that could result from takeover attempts or speculation.

[Table of Contents](#)

Reliance on Major Customers. A substantial portion of the Company's 2004 worldwide sales were made to companies engaged in the processed foods industry and the soft drink industry. Additionally, a significant portion of the Company's 2004 worldwide sales were made to the animal feed market. If the Company's processed foods customers, soft drink customers or animal feed customers were to substantially decrease their purchases, the business of the Company might be materially adversely affected. However, the Company believes there is no concentration of risk with any single customer or supplier, or small group of customers or suppliers, whose failure or non-performance would materially affect the Company's results.

Forward Looking Statements

This Form 10-K contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Exchange Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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 future financial condition, earnings, revenues, expenses or other financial items, any statements concerning the Company's prospects or future operation, including management's plans or strategies and objectives therefor and any assumptions underlying the foregoing. These statements can sometimes be identified by the use of forward looking words such as "may," "will," "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 or incorporated by reference into this report are "forward-looking statements." These statements contain certain inherent risks and uncertainties. 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 conveyed in these statements, based on various factors, including fluctuations in worldwide commodities markets and the associated risks of hedging against such fluctuations; fluctuations in aggregate industry supply and market demand; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we manufacture and/or sell our products, including fluctuations in the value of local currencies, energy costs and availability and changes in regulatory controls regarding quotas, tariffs, taxes and income tax rates; labor disputes; biotechnology issues; changing consumption preferences and trends; increased competitive and/or customer pressure in the corn-refining industry; the outbreak or continuation of hostilities including acts of terrorism; stock market fluctuation and volatility; and the resolution of the current uncertainties resulting from the Mexican HFCS tax. 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. 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 risk factors, see Quantitative and Qualitative Disclosures About Market Risk included above and subsequent reports on Forms 10-Q or 8-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Incorporated by reference from Exhibit 13.1 filed herewith, sections entitled "Report of Independent Registered Public Accounting Firm," "Consolidated Financial Statements and Notes" and "Supplemental Financial Information."

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management of the Company, including the Chief Executive Officer and the Chief Financial Officer, performed an evaluation of the effectiveness of the Company's disclosure controls and procedures as of December 31, 2004. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures 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. There have been no changes in the Company's internal controls over financial reporting subsequent to the date of our evaluation that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management of the Company 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 the assets of the Company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the Generally Accepted Accounting Principles ("GAAP"), and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company.
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.

Management conducted an evaluation of the effectiveness of the system 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 the Company's system of internal control over financial reporting was effective as of December 31, 2004. Management's assessment of the effectiveness of the Company's internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, a copy of which follows.

Report of Independent Registered Public Accounting Firm

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

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Corn Products International, Inc. maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Corn Products International, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Corn Products International, Inc. maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Corn Products International, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Corn Products International, Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, comprehensive income, stockholders' equity and redeemable equity, and cash flows for each of the years in the three-year period ended December 31, 2004, and our report dated March 10, 2005 expressed an unqualified opinion thereon.

KPMG LLP

Chicago, Illinois
March 10, 2005

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information contained under the headings “Board of Directors,” “Matters To Be Acted Upon – Proposal 1. Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company’s definitive proxy statement for the Company’s 2005 Annual Meeting of Stockholders (the “Proxy Statement”) and the information contained under the heading “Executive Officers of the Registrant” in Item 1 hereof is incorporated herein by reference. 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 heading “Executive Compensation” 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, 2004” 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

The information contained under the heading “Certain Relationships and Related Transactions” in the Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained under the heading “2004 and 2003 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

Incorporated by reference from Exhibit 13.1 filed herewith, sections entitled “Report of

Table of Contents

Independent Registered Public Accounting Firm,” and “Consolidated Financial Statements and Notes.”

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 Exhibits set forth in the accompanying Exhibit Index are filed as a part of this report. Provided below is a list of each exhibit that contains a management contract or compensatory plan or arrangement required to be filed as an Exhibit to this report:

Exhibit Number

10.1
10.2
10.3
10.4
10.5
10.6
10.7
10.8
10.9
10.10
10.11
10.14
10.15

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 11th day of March, 2005.

CORN PRODUCTS INTERNATIONAL, INC.

By: /s/ Samuel C. Scott III
Samuel C. Scott III
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 11th day of March, 2005.

<u>Signature</u>	<u>Title</u>
<u>/s/ Samuel C. Scott III</u>	Chairman, President and Chief Executive Officer
<u>Samuel C. Scott III</u> <u>/s/ Cheryl K. Beebe</u>	Chief Financial Officer
<u>Cheryl K. Beebe</u> <u>/s/ Robin A. Kornmeyer</u>	Controller
<u>Robin A. Kornmeyer</u> <u>*Richard J. Almeida</u>	Director
<u>Richard J. Almeida</u> <u>*Luis Aranguren</u>	Director
<u>Luis Aranguren</u> <u>*Guenther E. Greiner</u>	Director
<u>Guenther E. Greiner</u> <u>*Ronald M. Gross</u>	Director
<u>Ronald M. Gross</u> <u>*Karen L. Hendricks</u>	Director
<u>Karen L. Hendricks</u> <u>*Bernard H. Kastory</u>	Director
<u>Bernard H. Kastory</u>	

Table of Contents

*Barbara A. Klein Director

Barbara A. Klein
*William S. Norman Director

William S. Norman
*James M. Ringler Director

James M. Ringler
*Clifford B. Storms Director

Clifford B. Storms
*By: /s/ Marcia E. Doane

Marcia E. Doane
Attorney-in-fact

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

Table of Contents

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*	Amended By-Laws of the Company, filed as Exhibit 3.ii to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2000, File No. 1-13397
4.1*	Rights Agreement dated as of November 19, 1997 (Amended and Restated as of September 9, 2002), between the Company and The Bank of New York, filed as Exhibit 4 to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2002, File No. 1-13397
4.2*	Certificate of Designation for the Company's Series A Junior Participating Preferred Stock, filed as Exhibit 1 to the Company's Registration Statement on Form 8-A12B, File No. 1-13397
4.3*	Five year Revolving Credit Agreement dated as of September 2, 2004 among the Company and the agents and banks named therein filed as Exhibit 10 to the Company's report on Form 10-Q for the quarter ended September 30, 2004
4.4	First Amendment to Revolving Credit Agreement dated October 8, 2004
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, as amended by First Supplemental Indenture filed on July 8, 2002 as Exhibit 99.4 to the Company's current report on Form 8-K, File No. 1-13397, and by Second Supplemental Indenture filed on November 18, 2002 as Exhibit 4 to the Company's current report on Form 8-K, File No. 1-13397
4.6*	First Supplemental Indenture dated July 8, 2002 between the Company and The Bank of New York, as Trustee, filed on July 8, 2002 as Exhibit 99.4 to the Company's current report on Form 8-K, File No. 1-13397
4.7*	Second Supplemental Indenture dated November 18, 2002 between the Company and The Bank of New York, as Trustee, filed on November 18, 2002 as Exhibit 4 to the Company's current report on Form 8-K, File No. 1-13397
10.1*	The Corn Products International, Inc. 1998 Stock Incentive Plan (amended and restated February 12, 2003), filed as Exhibit 4(d) to the Company's registration statement on Form S-8 filed as of May 29, 2003, File No. 333-105660
10.2**	Deferred Stock Unit Plan of the Company
10.3**	Form of Severance Agreement entered into by each of the Named Executive Officers

Table of Contents

Exhibit No.	Description
10.4*	Form of Amendment to Executive Severance Agreement entered into by each of the Named Executive Officers, filed as Exhibit 10.10 to the Company's annual report on Form 10-K for the year ended December 31, 2000, 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.
10.7*	Supplemental Executive Retirement Plan (Amended and Restated as of January 1, 2001), filed as Exhibit 10 to the Company's quarterly report on Form 10-Q/A for the quarter ended March 31, 2002, 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, filed as Exhibit 10.18 to the Company's annual report on Form 10-K for the year ended December 31, 1999, File No. 1-13397
10.11*	Performance Plan, filed as Exhibit 10.19 to the Company's annual report on Form 10-K for the year ended December 31, 1999, 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
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
11.1	Earnings Per Share Computation
12.1	Computation of Ratio of Earnings to Fixed Charges
13.1	Management's Discussion and Analysis of Financial Condition and Results of Operations and Consolidated Financial Statements and Notes
18.1*	Preferability letter from KPMG, filed as Exhibit 18.1 to the Company's annual report on Form 10-K for the year ended December 31, 2000, File No. 1-13397
21.1	Subsidiaries of the Registrant
23.1	Consent of Independent Registered Public Accounting Firm
24.1	Power of Attorney

Table of Contents

Exhibit No.	Description
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

* 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.

**FIRST AMENDMENT TO
REVOLVING CREDIT AGREEMENT**

This First Amendment to Revolving Credit Agreement, dated as of October 8, 2004 (this "Amendment"), by and among CORN PRODUCTS INTERNATIONAL, INC., a Delaware corporation (the "U.S. Borrower"), CANADA STARCH OPERATING COMPANY INC., a company constituted under the federal laws of Canada (the "Canadian Borrower"; together with the U.S. Borrower, each individually a "Borrower" and collectively the "Borrowers"), the several banks and other financial institutions and lenders from time to time party hereto (the "Lenders"), Bank of Montreal, as Canadian Funding Agent for the Canadian Lenders (as defined herein) (the "Canadian Funding Agent"), as issuing bank under the Canadian Facility (as defined herein) (the "Canadian Issuing Bank") and as swing line lender under the Canadian Facility (the "Canadian Swing Line Lender"), and SUNTRUST BANK, in its capacity as administrative agent for the Lenders (the "Administrative Agent"), as issuing bank under the U.S. Facility (as defined herein) (the "U.S. Issuing Bank") and as swing line lender under the U.S. Facility (the "U.S. Swing Line Lender").

WITNESSETH:

WHEREAS, the Borrowers, the Lenders, the Canadian Funding Agent and the Administrative Agent are parties to that certain Revolving Credit Agreement, dated as of September 2, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders agree to amend the Credit Agreement so as to make certain changes in the terms and conditions of the Credit Agreement as more fully set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Definitions. Capitalized terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Credit Agreement.

2. Amendment to Section 1.1 of the Credit Agreement. Section 1.1 of the Credit Agreement is hereby amended by replacing the definition of "Canadian Swing Line Commitment" with the following new definition:

"Canadian Swing Line Commitment" shall mean the commitment of the Canadian Swing Line Lender to make Canadian Swing Line Loans in an aggregate principal amount at any time outstanding not to exceed Cdn.\$3,000,000 or the U.S. Dollar Equivalent thereof at any one time.

3. Amendment to Section 3.13(a) of the Credit Agreement. Section 3.13(a) of the Credit Agreement is hereby amended by adding the following new sentence to the end thereof:

Canadian Swing Line Loans made to the Canadian Borrower shall be in either Canadian Dollars or U.S. Dollars, at the option of the Canadian Borrower.

4. Amendment to Section 3.13(b) of the Credit Agreement. Section 3.13 of the Credit Agreement is hereby amended by replacing subsection (b) of such Section in its entirety with the following:

(b) The Canadian Borrower shall give the Canadian Funding Agent and the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Canadian Swing Line Borrowing substantially in the form of Exhibit J attached hereto ("Notice of Canadian Swing Line Borrowing") prior to 1:00 p.m. (Toronto, Canada time) on the requested date of each Canadian Swing Line Borrowing. Each Notice of Canadian Swing Line Borrowing shall be irrevocable and shall specify: (i) the principal amount of such Canadian Swing Line Loan, (ii) the date of such Canadian Swing Line Loan (which shall be a Business Day) and (iii) the account of the Canadian Borrower to which the proceeds of such Canadian Swing Line Loan should be credited. The Canadian Funding Agent will promptly advise the Canadian Swing Line Lender of each Notice of Canadian Swing Line Borrowing. Each Canadian Swing Line Loan shall accrue interest at the Canadian Swing Line Rate and shall have an Interest Period (subject to the definition thereof) as agreed between the Canadian Borrower and the Canadian Swing Line Lender. The aggregate principal amount of each Canadian Swing Line Loan shall be not less than Cdn.\$100,000 or the U.S. Dollar Equivalent thereof or a larger multiple of Cdn.\$50,000 or the U.S. Dollar Equivalent thereof, or such other minimum amounts agreed to by the Canadian Swing Line Lender and the Canadian Borrower. The Canadian Swing Line Lender will make the proceeds of each Canadian Swing Line Loan available to the Canadian Borrower in Canadian Dollars or U.S. Dollars in immediately available funds at the account specified by the Canadian Borrower in the applicable Notice of Canadian Swing Line Borrowing not later than 2:00 p.m. (Toronto, Canada time) on the requested date of such Canadian Swing Line Loan.

5. Conditions to Effectiveness of Amendment. This Amendment shall become effective upon the receipt by the Administrative Agent of a duly executed counterpart of this Amendment executed by the Borrowers and the Required Lenders.

6. Representations and Warranties. Each Borrower hereby represents and warrants to the Administrative Agent and Lenders that:

a. the execution, delivery and performance of this Amendment (i) are within such Borrower's corporate power, (ii) have been duly authorized by all necessary corporate and shareholder action, (iii) do not require the consent, approval, authorization of, or registration or filing with, any Person, except those as have been obtained or made and are in full force and effect, and (iv) will not violate any requirement of law applicable to such Borrower or will not violate or result in a default under any indenture, material agreement or other material instrument binding on such Borrower or such Borrower's charter or by-laws;

b. this Amendment has been duly executed and delivered for the benefit or on behalf of such Borrower and constitutes the legal, valid and binding obligation of such Borrower, enforceable against it in accordance with its terms, except as the enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights and remedies in general, and by principles of equity; and

c. after giving effect to this Amendment, all of the representations and warranties set forth in Article VI of the Credit Agreement, except for changes expressly permitted herein and except to the extent such representations and warranties relate solely to an earlier date, are true and correct in all material respects and no Event of Default has occurred and is continuing as of the date hereof.

7. Survival. Except as expressly provided herein, the Credit Agreement shall continue in full force and effect, and the unamended terms and conditions of the Credit Agreement are expressly incorporated herein and ratified and confirmed in all respects. This Amendment is not intended to be or create, nor shall it be construed as, a novation or an accord and satisfaction.

8. Effect of Amendment. From and after the date hereof, references to the Credit Agreement shall be references to the Credit Agreement as amended hereby.

9. Entire Understanding. This Amendment constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. Neither this Amendment nor any provision hereof may be changed, waived, discharged, modified or terminated orally, but only by an instrument in writing signed by the parties required to be a party thereto pursuant to the Credit Agreement.

10. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

11. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first written above.

CORN PRODUCTS INTERNATIONAL,
INC.,
as U.S. Borrower

By: _____ /s/ Cheryl K. Beebe
Name: Cheryl K. Beebe
Title: Vice President and
Chief Financial Officer

By: _____ /s/ Kimberly A. Hunter
Name: Kimberly A. Hunter
Title: Treasurer

CANADA STARCH OPERATING
COMPANY INC., as Canadian Borrower

By: _____ /s/ Cheryl K. Beebe
Name: Cheryl K. Beebe
Title: Authorized Signatory

By: _____ /s/ Kimberly A. Hunter
Name: Kimberly A. Hunter
Title: Authorized Signatory

FIRST AMENDMENT TO CREDIT AGREEMENT

Exhibit 10.6

**Amendment No. 1 to Corn Products International, Inc.
Deferred Compensation Plan for Outside Directors
(Amended and Restated as of September 19, 2001)**

Amendment No. 1, dated as of December 1, 2004, (this "Amendment"), to the Corn Products International, Inc. Deferred Compensation Plan for Outside Directors (Amended and Restated as of September 19, 2001) (the "Plan").

WHEREAS, the Company established the Plan for the benefit of certain of its directors;

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

WHEREAS, the Board of Directors of the Company is authorized under Section 8 of the Plan to amend the Plan.

NOW, THEREFORE, pursuant to the power of amendment contained in Section 8 of the Plan, the Plan is hereby amended, effective January 1, 2005, as follows:

The Plan is hereby amended by adding the following as new Section 12:

"12. Suspension of Plan for Future Deferrals. Notwithstanding anything else herein to the contrary, on and after January 1, 2005, no amounts shall or may be deferred under this Plan, either mandatorily or voluntarily; provided, however, that any amounts deferred under this Plan prior to that date shall be maintained as deferrals under this Plan and shall remain subject to all of the terms and conditions of this Plan."

IN WITNESS WHEREOF, Corn Products International, Inc. has caused this Amendment to be executed by its duly authorized officer on the day and year first above written.

CORN PRODUCTS INTERNATIONAL, Inc.

By: _____
Vice President, Human Resources

EXHIBIT 10.14

Executive Life Insurance Plan

Compensation Committee Summary

On October 8, 2003, the Compensation Committee of the Board of Directors of Corn Products International, Inc. adopted a Resolution providing that the named executive officers and certain other officers of the Company were to receive life insurance benefits as a result of non-recoverable amounts paid by the Company equal to (i) the amount due for Executive Life Insurance premiums and (ii) payments to offset income taxes associated with the non-recoverable amounts paid by the Company to cover Executive Life Insurance premiums. During the years 2004 to 2008, the Company will also pay to each such executive officer an additional sum to make up the 2003 premium previously paid with the cash value from such executive officer's Plan policy.

Exhibit 10.15

PARTICIPATION AGREEMENT

CORN PRODUCTS INTERNATIONAL INC.

EXECUTIVE LIFE INSURANCE PLAN

«Name»

«Name» (herein the "Participant"), and Corn Products International Inc., a Delaware corporation ("Corn Products"), enter into this Participation Agreement (the "Agreement") effective as of January 1, 2001.

Corn Products makes available to eligible employees certain benefits pursuant to the Corn Products International Inc. Executive Life Insurance Plan (the "Plan") and in order to benefit from such Plan, an eligible employee is required to execute a Participation Agreement in this form. The Participant desires to participate in the Plan.

Therefore, the Participant and Corn Products agree as follows:

1. Corn Products hereby recognizes the Participant as a participant in the Plan subject to all of the terms and conditions of the Plan and all related documents including this Agreement.
2. The Participant hereby acknowledges that the Participant's coverage under the basic life insurance provided through the Participant's employer, if any, is terminated as of December 31, 1999.
3. Pursuant to the terms of the Plan, the Participant agrees to file an application for a life insurance policy (the "Policy") on his or her life, through the procedure established by Corn Products.
4. Upon the death of the Participant, the Participant's designated beneficiary shall receive the amount provided in Exhibit A attached to this Agreement, and Corn Products shall be repaid for its premium payments (not including the portion of the premiums paid by the employee through withholding or otherwise).
5. The terms of the Plan are hereby incorporated in this Participation Agreement by this reference, and by the execution of this Agreement, the Participant agrees to, acknowledges, and accepts, all of the terms and conditions of the Plan, specifically including but not limited to: (i) the withholding from the Participant's wages of amounts equal to the Participant's share of the premium payments under the Policy (a schedule showing the Participant's share of the premiums to the year the Participant attains age 65, or if longer the 15th year from the Policy date, is set out in Exhibit A attached to this Agreement); (ii) Corn Products' right to retain possession of the Policy as agent for the Participant (subject to the Participant's right to inspect the Policy as provided in the Plan); (iii) the requirement that the Participant execute a collateral assignment of the Policy in a form acceptable to Corn Products; and (iv) Corn Products' rights to amend or terminate this Agreement or the Plan at any time, subject to the Participant's rights, if any, established at such time under this Agreement.
6. The Participant may terminate this Agreement at any time on thirty (30) days written notice to the Corn Products Pension and Welfare Committee at the address provided in the Summary Plan Description for the Plan.

The Participant and Corn Products have executed this Participation Agreement effective as of the 1st day of January, 2000.

CORN PRODUCTS INTERNATIONAL INC.

By: _____
Print Name: _____
Print Title: _____

Signature of Participant

COLLATERAL ASSIGNMENT

CORN PRODUCTS INTERNATIONAL INC.

EXECUTIVE LIFE INSURANCE PLAN

«Name»

«Name» (herein the "Participant"), and Corn Products International Inc., a Delaware corporation ("Corn Products"), have entered into a Participation Agreement (the "Agreement"), and pursuant to the Corn Products International Inc. Executive Life Insurance Plan (the "Plan"), and in accordance with the Agreement, the Participant will file Application Number _____ for a life insurance policy (the "Policy") on his or her life with Northwestern Mutual Life Insurance Company (the "Insurer"). Under the terms of the Agreement and for value received, the Participant has agreed to execute this Collateral Assignment to secure payment of the amounts to which Corn Products is entitled under the Agreement and the Plan (such amounts are herein called the "Liabilities").

The Participant agrees that this Collateral Assignment shall be enforceable and shall take effect simultaneously with the beginning of coverage under the Policy even though this Collateral Assignment is executed before the Policy is issued.

The Participant acknowledges that the Policy will be issued under New Jersey law and delivered in the State of Illinois to Corn Products as agent for the Participant.

1. The Rights the Participant Transfers to Corn Products. Except for the Policy Rights the Participant retains under Section 2 below, the Participant hereby assigns and transfers to Corn Products all rights in the Policy ("Policy Rights"), and until the Liabilities are satisfied Corn Products may exercise any of such Policy Rights, subject only to the limitations set forth below. The Policy Rights the Participant hereby assigns include, but are not limited to, the following:

- (a) the right to receive the death benefit payable under the Policy (the "Death Benefit"), and to retain at least a portion of that Death Benefit as provided in the Plan and the Agreement, all subject to Section 2 below;
- (b) the right to surrender the Policy and receive any net surrender proceeds;
- (c) the right to exercise the Policy's loan options, if any, and to receive the loan proceeds;
- (d) the right to pledge or assign the Policy as security for a loan from a third party;
- (e) the right to exchange the Policy for another cash value whole life policy, whether issued by the Insurer or another life insurance company;
- (f) the right to receive all distributions or shares of surplus, dividends, deposits or additions to the Policy;
- (g) the right to exercise the Policy's nonforfeiture rights and to receive all benefits and advantages derived therefrom; and
- (h) the right to accept delivery of the Policy and to hold the Policy thereafter, as agent for the Participant.

Corn Products may exercise any or all of the assigned Policy Rights as it elects in its discretion, and it may exercise any or all of such rights without notice to the Participant or his or her beneficiary or any other person, and without the signed written consent of the Participant or any other person, and without affecting or releasing any assigned Policy Rights; except that Corn Products's powers to exercise the assigned Policy Rights are subject to the following limitations: (1) prior to a default by the Participant as defined in the Plan ("Default"), Corn Products will not surrender or partially surrender the Policy, borrow under the Policy, or withdraw cash from the Policy, unless such surrender, borrowing, or withdrawal is for the sole purpose of paying a premium on the Policy which is due after the occurrence of a Reimbursement Trigger (as defined in the Plan); and (2) before the occurrence of a Reimbursement Trigger Corn Products will direct the Insurer to apply dividends on the Policy to purchase paid-up additional insurance. The foregoing will not in any way limit the rights of Corn Products to: (A) surrender the Policy after Default, (B) exchange the Policy at any time as provided in paragraph (e) above, or (C) direct the Insurer after the occurrence of a Reimbursement Trigger to pay premiums on the Policy with dividends, through the surrender of Policy values, or through a combination of dividends and surrendered values. If Corn Products receives amounts under this Collateral Assignment which are in excess of the amounts necessary to satisfy the Liabilities, Corn Products will pay such amounts to the person(s) entitled to receive them under the terms of the Policy.

2. The Rights the Participant Retains. The Participant retains full ownership of the Policy subject to Section 1 above and retains the following specific Policy Rights: the right to make a gift of his or her interest in the Policy in accordance with Section 4.8 of the Plan; the right to designate and change from time to time the beneficiary of his or her share of the Death Benefit, and the right to elect that such Death Benefit be paid according to any optional mode of settlement permitted by the Policy or the Insurer. The Participant's retention of these rights will not impair any Policy Rights the Participant has assigned to Corn Products. Any designation or change of beneficiary or election of a mode of settlement will be subject to this Collateral Assignment and to the rights of Corn Products hereunder.

3. The Insurer. The Participant and Corn Products agree as follows:

- (a) The Insurer shall not be responsible for the sufficiency or validity of this Collateral Assignment and is not a party to the Agreement;
- (b) The Insurer is authorized to, and will be protected in, accepting the sole signature or request of Corn Products as to rights granted Corn Products by this Collateral Assignment and the sole signature or request of the Participant as to the rights the Participant retains;
- (c) The Insurer has no duty to determine the existence of any Default, the amount of any Liability, the purpose of any Policy loan or surrender of the Policy, or otherwise question the right of Corn Products to exercise any of the rights granted by this Collateral Assignment;
- (d) The Insurer is authorized to recognize Corn Products' claims to rights granted by this Collateral Assignment without investigating the reason for any action taken by Corn Products, or the application to be made by Corn Products of any amounts to be paid to Corn Products;
- (e) The sole signature of Corn Products shall be sufficient for the exercise of any Policy Rights assigned by this Collateral Assignment, and the sole receipt of Corn Products for any sums received shall be a full discharge and release therefor to the Insurer, and
- (f) Unless otherwise requested by Corn Products, checks for all or any part of the sums payable under the Policy and assigned by this Collateral Assignment shall be drawn to the exclusive order of Corn Products if, when, and in such amounts as may be requested by Corn Products.
- (g) In paying the Participant's share of the Death Benefit to the Participant's beneficiary and the remainder of the Death Benefit to Corn Products, the Insurer shall be entitled to rely solely upon an affidavit of a properly authorized officer of Corn Products as to the amount payable to the Participant's beneficiary and the amount payable to Corn Products. The Insurer's payment of the Death Benefit made in reliance on, and in accordance with, such affidavit shall fully discharge the Insurer for the Death Benefit.
- (h) The Insurer shall not be bound or obligated in any way by any terms, provisions or conditions of the Participation Agreement, the Plan or any other agreement between the Participant and Corn Products, its successors or assigns. Any payment made or action taken by the Insurer in accordance with the provisions of, amendments (including this document) to, and endorsements on the Policy will constitute a full and complete discharge of the Insurer for said payment or action taken.

4. Transfer of Policy and Other Actions. Pursuant to the terms of the Plan, within sixty (60) days following the occurrence of a Reimbursement Trigger, if the Participant fails to reimburse Corn Products as provided in the Plan, and fails to immediately transfer ownership of the Policy to Corn Products by signing such forms as Corn Products deems necessary, Corn Products shall immediately be the owner of the Policy and may take any action with respect to the Policy including changing the insured. Notwithstanding any other provision herein or otherwise, the Insurer shall be fully protected in taking any action directed by Corn Products with respect to the designation of the insured under the Policy and shall have no liability or obligation to the Participant with respect to such action.

5. References, Construction and Definitions. In the event of any conflict between the provisions of this Collateral Assignment and provisions of the Participation Agreement with respect to the Policy or rights of collateral security therein, the provisions of this Collateral Assignment shall prevail.

The Participant has executed this Collateral Assignment effective as of the 31st day of January, 2000.

Witness

Signature of Participant

Received and filed by the Insurer at Milwaukee, Wisconsin, assuming no responsibility, however, as to its validity, and also reserving the right to require proof satisfactory to the Insurer of any party's interest and the extent thereof before making any settlement under the Policy.

**NORTHWESTERN MUTUAL LIFE INSURANCE
COMPANY**

Date: _____

By: _____

Print Name: _____

Print Title: _____

EXHIBIT 11.1

Earnings Per Share

CORN PRODUCTS INTERNATIONAL, INC.

Computation of Net Income Per Share of Common Stock

(in thousands, except per share data)	Year Ended December 31, 2004
Basic	
Shares outstanding at the start of the period	72,332
Weighted average of new shares issued during the period	—
Weighted average of treasury shares issued during the period for exercise of stock options, other stock compensation plans, and acquisitions	1,055
Weighted average of treasury shares purchased during the period	(15)
Average shares outstanding — basic	73,372
Effect of Dilutive Securities	
Average dilutive shares outstanding — assuming dilution	1,303
Average shares outstanding — assuming dilution	74,675
Net income	\$ 93,559
Income Per Common Share — Basic	
Net income	\$ 1.28
Income Per Common Share — Diluted	
Net income	\$ 1.25

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)

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Income before income taxes and minority interest	\$ 145.1	\$ 135.4	\$ 117.1	\$ 102.1	\$ 101.9
Fixed charges	39.7	43.5	41.4	62.1	69.6
Capitalized interest	(2.6)	(2.0)	(1.3)	(2.0)	(9.4)
Total	<u>\$ 182.2</u>	<u>\$ 176.9</u>	<u>\$ 157.2</u>	<u>\$ 162.2</u>	<u>\$ 162.1</u>
RATIO OF EARNINGS TO FIXED CHARGES	<u>4.59</u>	<u>4.07</u>	<u>3.80</u>	<u>2.61</u>	<u>2.33</u>
FIXED CHARGES:					
Interest expense on debt	\$ 37.4	\$ 41.1	\$ 39.3	\$ 60.5	\$ 68.1
Amortization of discount on debt	1.1	1.1	0.9	0.2	0.2
Interest portion of rental expense on operating leases	1.2	1.3	1.2	1.4	1.3
Total	<u>\$ 39.7</u>	<u>\$ 43.5</u>	<u>\$ 41.4</u>	<u>\$ 62.1</u>	<u>\$ 69.6</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW AND OUTLOOK

We are a leading regional producer of starches, liquid sweeteners and other ingredients around the world. We are one of the world's largest corn refiners and the leading corn refiner in Latin America. The corn refining industry is highly competitive. Many of our products are viewed as commodities that compete with virtually identical products manufactured by other companies in the industry. However, we have twenty-seven manufacturing plants located throughout North America, South America and Asia/Africa and we manage and operate our businesses at a local 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 cost, including corn and utilities. In addition, due to our global operations we are exposed to fluctuations in foreign currency exchange rates, as well as to changes in interest 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 corn wet milling industry is capital intensive and 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").

The year 2004 was an excellent year for Corn Products International, Inc. as we achieved record highs for net sales, operating income, net income and diluted earnings per common share, despite the recording of a \$21 million (pretax) restructuring charge for plant closings. We also generated strong operating cash flows that we used to grow our business, increase our dividend and enhance our liquidity. Additionally, we continued to make significant progress toward our goal of earning returns that meet and ultimately exceed our cost of capital.

In North America, operating income grew 28 percent from a year ago primarily due to improved performance in Canada and Mexico. Late in the third quarter we began to sell high fructose corn syrup ("HFCS") to certain beverage customers in Mexico despite the continuation of the discriminatory tax on beverages sweetened with HFCS in that country. These sales are continuing. While we are encouraged by the resumption of HFCS sales to certain beverage customers in Mexico, we continue to work towards a repeal of this tax in Mexico (see section entitled "Mexican Tax on Beverages Sweetened With HFCS"). In South America, operating income increased 18 percent, driven principally by earnings growth in Brazil. In Asia/Africa, operating income fell 11 percent, primarily reflecting lower results in South Korea.

In 2005, we plan to continue to focus on increasing our profitability and cash flow through business growth and gaining operating efficiencies across our global operations, while maintaining a strong balance sheet. We anticipate that operating income for 2005 will grow over 2004 (exclusive of the

aforementioned \$21 million restructuring charge), although the rate of such growth may not be as strong as that achieved in 2004. We currently believe that 2005 net income will improve over 2004.

RESULTS OF OPERATIONS

On December 1, 2004, the Company's board of directors declared a two-for-one stock split effected as a 100-percent stock dividend on the Company's common stock. The dividend shares were issued on January 25, 2005 to shareholders of record at the close of business on January 4, 2005. Accordingly, all share and per share data for the periods presented in this report have been retroactively adjusted to reflect the stock split.

2004 COMPARED TO 2003

NET INCOME. Net income for 2004 increased 24 percent to \$94 million, or \$1.25 per diluted common share, from 2003 net income of \$76 million, or \$1.06 per diluted common share. The 2004 results include a restructuring charge for plant closures of \$21 million (\$15 million after-tax) relating to the Company's manufacturing optimization initiative in Mexico and South America, which consists of a \$19 million write-off of fixed assets and a \$2 million charge for employee termination costs. See also Note 6 of the Notes to the Consolidated Financial Statements.

The increase in net income for 2004 over 2003 primarily reflects improved operating income, reduced financing costs, a lower effective income tax rate and a reduction in the minority interest in earnings.

NET SALES. Net sales for 2004 increased to \$2.28 billion from \$2.10 billion in 2003, as sales grew in each of our regions.

A summary of net sales by geographic region is shown below:

<u>(in millions)</u>	<u>2004</u>	<u>2003</u>	<u>Increase</u>	<u>% Change</u>
North America	\$ 1,419	\$ 1,329	\$ 90	7%
South America	556	495	61	12%
Asia/Africa	308	278	30	11%
Total	<u>\$ 2,283</u>	<u>\$ 2,102</u>	<u>\$ 181</u>	<u>9%</u>

The increase in net sales reflects volume growth of 4 percent, price/product mix improvement of 2 percent, and a 3 percent increase from currency translation attributable to stronger foreign currencies relative to the US dollar.

Sales in North America increased 7 percent, reflecting volume growth of 3 percent, price/product mix improvement of 2 percent, and a 2 percent increase associated with currency translation attributable to a stronger Canadian dollar. Sales in South America increased 12 percent, driven by volume growth of 7 percent and a 6 percent increase attributable to stronger foreign currencies, which more than offset a 1 percent price/product mix decline. Sales in Asia/Africa increased 11 percent, reflecting price/product mix improvement of 9 percent and a 2 percent increase attributable to stronger Asian currencies. Volume in the region was relatively unchanged from 2003.

COST OF SALES. Cost of sales for 2004 increased 9 percent to \$1.93 billion from \$1.78 billion in 2003. The increase was principally due to volume growth and higher corn and energy costs. Our gross profit margin for 2004 was 15 percent, consistent with last year, as improved margins in North America and South America offset lower margins in Asia/Africa.

SELLING, GENERAL and ADMINISTRATIVE EXPENSES. Selling, general and administrative (“SG&A”) expenses for 2004 increased 6 percent to \$158 million from \$149 million in 2003, due primarily to higher compensation-related expenses and increased corporate governance costs related to the implementation of the provisions of the Sarbanes-Oxley Act of 2002. SG&A expenses for 2004 represented 7 percent of net sales, consistent with the prior year.

EARNINGS FROM NON-CONTROLLED AFFILIATES AND OTHER INCOME (EXPENSE)- NET. Earnings from non-controlled affiliates and other income (expense)-net for 2004 increased \$5 million from 2003, primarily reflecting a \$1 million gain from the sale of an investment in 2004 and the recording, in 2003, of various asset write-downs aggregating \$3 million.

OPERATING INCOME. A summary of operating income is shown below:

(in millions)	2004	2003	Favorable (Unfavorable) Variance	Favorable (Unfavorable) % Change
North America	\$ 87	\$ 68	\$ 19	28%
South America	98	83	15	18%
Asia/Africa	48	54	(6)	(11)
Corporate expenses	(33)	(31)	(2)	(6)%
Total	\$ 200	\$ 174	\$ 26	15%
Plant closing costs (a)	(21)	—	(21)	(100)
Operating income	\$ 179	\$ 174	\$ 5	3%

(a) Includes a \$19 million write-off of fixed assets and a \$2 million charge for employee termination costs pertaining to the Company’s manufacturing optimization initiative in Mexico and South America. See also Note 6 of the Notes to the Consolidated Financial Statements.

Operating income for 2004, including the \$21 million restructuring charge for plant closures, increased 3 percent to \$179 million from \$174 million in 2003. Excluding the restructuring charge, operating income increased 15 percent from 2003 driven by earnings growth in North America and South America. North America operating income increased 28 percent from a year ago primarily due to improved performance in Canada and Mexico. Additionally, operating income in the region benefited from new legislation in Mexico that allowed us to reduce an existing employee benefit accrual by \$2.6 million. The earnings increase in Mexico partially reflects increased sales of HFCS which, as previously mentioned, increased late in third quarter 2004 and are continuing, despite that country’s tax on beverages sweetened with HFCS. See also section entitled “Mexican Tax on Beverages Sweetened with HFCS.” South America operating income increased 18 percent from 2003, principally reflecting significantly higher earnings in Brazil where robust economic growth has resulted in strong demand for our products. Asia/Africa operating income declined 11 percent from a year ago, principally due to an earnings decline in South

Korea, where lower sales volume attributable to a weak economy and higher corn costs unfavorably affected our business.

FINANCING COSTS-NET. Financing costs-net declined to \$34 million in 2004 from \$39 million in 2003. The decrease primarily reflects lower interest costs attributable to reduced indebtedness and an increase in interest income. An increase in foreign currency transaction losses of approximately \$1 million partially offset the lower interest costs.

PROVISION FOR INCOME TAXES. Our effective income tax rate was 30 percent in 2004 as compared to 36 percent in 2003. The decrease mainly reflects a reduction in foreign income taxes attributable to a statutory rate reduction and a favorable tax ruling in Mexico. Additionally, a statutory rate reduction in South Korea also contributed to the lower effective tax rate.

MINORITY INTEREST IN EARNINGS. Minority interest in earnings declined to \$8 million in 2004 from \$10 million in 2003. The decline from 2003 mainly reflects the effect of our March 2003 purchase of the remaining interest in our now wholly-owned Southern Cone of South America business and lower earnings in South Korea, partially offset by increased earnings in Pakistan.

COMPREHENSIVE INCOME (LOSS). We recorded comprehensive income of \$116 million in 2004, as compared with comprehensive income of \$151 million in 2003. This decrease primarily reflects losses on cash flow hedges, which more than offset increased net income.

2003 COMPARED TO 2002

NET INCOME. Net income for 2003 increased 21 percent to \$76 million, or \$1.06 per diluted common share, from 2002 net income of \$63 million, or \$0.89 per diluted common share. The 2002 results include \$8 million (\$5 million after-tax) of net non-recurring earnings consisting primarily of a gain from the sale of a business unit, net of certain one-time charges, and the impact from the December 2002 dissolution of CornProductsMCP Sweeteners LLC (“CPMCP”).

The increase in net income for 2003 over 2002 primarily reflects significantly improved operating income in South America and North America, which more than offset increased corporate expenses, higher financing costs and an increase in the provision for income taxes. A reduction in the minority interest in earnings also contributed to the improvement in net income.

NET SALES. Net sales for 2003 increased to \$2.10 billion from \$1.87 billion in 2002, as sales grew in each of our regions.

A summary of net sales by geographic region is shown below:

(in millions)	2003	2002	Increase	% Change
North America	\$ 1,329	\$ 1,219	\$ 110	9%
South America	495	401	94	23%
Asia/Africa	278	251	27	11%
Total	<u>\$ 2,102</u>	<u>\$ 1,871</u>	<u>\$ 231</u>	<u>12%</u>

The increase in net sales reflects price/product mix improvement of 9 percent, 2 percent volume growth and a 1 percent increase from currency translation attributable to stronger foreign currencies relative to the US dollar.

Sales in North America increased 9 percent, reflecting a 7 percent price/product mix improvement and a 2 percent increase associated with currency translation attributable to a stronger Canadian dollar. Volume in the region was relatively unchanged from 2002. Sales in South America increased 23 percent driven by price/product mix improvement of 22 percent and 7 percent volume growth, partially offset by a 6 percent reduction attributable to weaker local currencies. Sales in Asia/Africa increased 11 percent, reflecting 7 percent volume growth, due in part to the start-up of our Thailand operation, and a 4 percent improvement attributable to stronger local currencies. Price/product mix in the region was down slightly from 2002.

COST OF SALES. Cost of sales for 2003 increased 11 percent to \$1.78 billion from \$1.60 billion in 2002. The increase was principally due to higher corn costs and improved volumes. Our gross profit margin for 2003 rose to 15 percent from 14 percent in 2002, primarily reflecting improved operating margins in South America as we recovered strongly from the economic volatility of 2002. Improved operating margins in North America, reflecting higher product selling prices and cost reductions attributable to prior year restructuring activities, also contributed to the increased gross profit margin for the Company.

SELLING, GENERAL and ADMINISTRATIVE EXPENSES. SG&A expenses for 2003 increased 11 percent to \$149 million from \$134 million in 2002, due primarily to higher insurance premiums, increased compensation-related expenses and increased corporate governance costs associated with the implementation of the provisions of the Sarbanes-Oxley Act of 2002. SG&A expenses for 2002 included \$3 million of non-recurring costs. SG&A expenses for 2003 represented 7 percent of net sales, consistent with the prior year.

EARNINGS FROM NON-CONTROLLED AFFILIATES AND OTHER INCOME (EXPENSE)-NET. Earnings from non-controlled affiliates and other income (expense)-net for 2003 decreased \$21 million from 2002, primarily reflecting a reduction in earnings from non-controlled affiliates attributable to the cessation of CPMCP, various asset write-downs aggregating \$3 million in 2003, and the recording in 2002 of an \$8 million gain from the sale of Enzyme-Bio Systems Ltd. and a \$3 million gain from the dissolution of CPMCP.

OPERATING INCOME. A summary of operating income is shown below:

(in millions)	2003	2002	Favorable (Unfavorable) Variance	Favorable (Unfavorable) % Change
North America	\$ 68	\$ 56	\$ 12	21%
South America	83	58	25	43%
Asia/Africa	54	54	—	—
Corporate expenses	<u>(31)</u>	<u>(23)</u>	<u>(8)</u>	<u>(35)%</u>
Total	\$ 174	\$ 145	\$ 29	20%
Non-recurring items, net	<u>—</u>	<u>8</u>	<u>(8)</u>	<u>(100)%</u>
Operating income	<u>\$ 174</u>	<u>\$ 153</u>	<u>\$ 21</u>	<u>14%</u>

Operating income for 2003 increased 14 percent to \$174 million from \$153 million in 2002, driven by substantial earnings growth in North America and South America. North America operating income increased 21 percent from 2002 primarily due to significantly higher earnings in the United States where operating margins benefited from higher product selling prices and cost reduction programs. Additionally, increased operating income for Mexico also contributed to the improved North American operating results, although to a lesser extent. The earnings increase in Mexico occurred despite that country's continuing tax on beverages sweetened with HFCS. See also section entitled "Mexican Tax on Beverages Sweetened with HFCS." South America operating income increased 43 percent reflecting earnings growth in the Southern Cone of South America and Brazil, as we recovered strongly from the difficult economic conditions and currency devaluations experienced in 2002. Asia/Africa operating income was flat as volume growth and favorable translation effects attributable to stronger local currencies were offset by weaker price/product mix, a \$1 million asset write-down associated with the transfer of our manufacturing facility from Malaysia to Thailand and start-up costs pertaining to our new glucose channel in Thailand.

FINANCING COSTS-NET. Financing costs-net increased to \$39 million in 2003 from \$36 million in 2002. The increase primarily reflects higher interest rates associated with our 2002 debt refinancing to extend maturities. Reduced average indebtedness partially offset the impact of the higher interest rates.

PROVISION FOR INCOME TAXES. Our effective income tax rate was 36 percent in 2003, unchanged from 2002.

MINORITY INTEREST IN EARNINGS. Minority interest in earnings declined to \$10 million in 2003 from \$12 million in 2002. The decrease primarily reflects the effects of our purchases of the minority interest in our now wholly-owned Mexican and Southern Cone of South America businesses, partially offset by increased earnings in Pakistan.

COMPREHENSIVE INCOME (LOSS). We recorded comprehensive income of \$151 million in 2003, as compared to a comprehensive loss of \$22 million in 2002. The improvement is mainly attributable to favorable variances in the currency translation adjustment, and to a lesser extent, gains from cash flow hedges and increased net income. The favorable variance in the currency translation adjustment primarily reflects the effects of stronger local currencies, particularly in South America.

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 our San Juan del Rio plant, one of its three plants in Mexico. Over time, the Company has resumed production and sales of HFCS to certain beverage customers. These sales increased significantly beginning late in the third quarter of 2004 and are continuing; however, the tax remains in place.

We continue to explore all options for repealing the tax and eliminating any long-term negative financial impact from the tax. While shipments of HFCS have increased recently, there is no assurance that they will continue at these levels going forward. Therefore, in order to attempt to mitigate any impact of the continuation of the tax on the business in Mexico, we have taken several actions including the following:

- Continuing the lobbying efforts seeking relief from the tax.
- Exploring new markets for the HFCS production capability in and around Mexico.
- Restructuring of the Mexican operations in an effort to improve efficiency and reduce operating costs. This included the closing of one plant in the fourth quarter of 2004.
- Submitting an arbitration claim against the government of Mexico under the provisions of the North American Free Trade Agreement (“NAFTA”) seeking recovery in an amount not less than \$325 million.

While we continue to believe that the tax will be repealed, we cannot predict with any certainty the likelihood or timing of such repeal. Failure to repeal the tax and a decline from the current levels of HFCS shipments could have a long-term effect on the operating results and cash flows of our Mexican operation. See also section entitled “Critical Accounting Policies and Estimates.”

LIQUIDITY & CAPITAL RESOURCES

At December 31, 2004, our total assets were \$2.37 billion, up from \$2.22 billion at December 31, 2003. This increase primarily reflects translation effects associated with stronger foreign currencies relative to the US dollar. Stockholders’ equity increased to \$1.08 billion at December 31, 2004 from \$911 million at December 31, 2003, principally attributable to our 2004 net income, favorable currency translation effects, open market sales of redeemable common stock and the exercise of stock options.

At December 31, 2004, we had total debt outstanding of \$568 million, compared to \$550 million at December 31, 2003. The debt outstanding includes \$255 million (face amount) of 8.25 percent senior notes due 2007, \$200 million (face amount) of 8.45 percent senior notes due 2009 and \$115 million of consolidated subsidiary indebtedness, consisting of local country borrowings. Of the consolidated subsidiary indebtedness, \$88 million represents short-term borrowings. Corn Products International, as the parent company, guarantees certain obligations of several of its consolidated subsidiaries, which aggregated \$41 million at December 31, 2004. Management believes that such consolidated subsidiaries will meet their financial obligations as they become due.

The principal source of our liquidity comes from our internally generated cash flow, which we supplement as necessary with our ability to borrow on our bank lines and to raise funds in both the debt and equity markets. We have a \$180 million Revolving Credit Agreement (the “Revolving Credit Agreement”), consisting of a \$150 million revolving credit facility in the US and a \$30 million revolving credit facility for our wholly-owned Canadian subsidiary, which extends to September 2009. There were no outstanding borrowings under the Revolving Credit Agreement at December 31, 2004. We also have approximately \$255 million of unused operating lines of credit in the various foreign countries in which we operate.

The weighted average interest rate on total Company indebtedness was approximately 6.1 percent for both 2004 and 2003. The Company has interest rate swap agreements that effectively convert the interest rate associated with the Company’s 8.45 percent senior notes to a variable interest rate. The fair value of these agreements approximated \$18 million and \$22 million at December 31, 2004 and 2003, respectively.

NET CASH FLOWS

A summary of operating cash flows is shown below:

(in millions)	2004	2003
Net income	\$ 94	\$ 76
Depreciation	102	101
Write-off of fixed assets – plant closures	19	—
Deferred income taxes	(9)	4
Minority interest in earnings	8	10
Changes in working capital	(37)	49
Other	(11)	(4)
Cash provided by operations	<u>\$ 166</u>	<u>\$ 236</u>

Cash provided by operations was \$166 million in 2004, as compared with \$236 million in 2003. The decrease in operating cash flow was driven principally by an increase in working capital primarily attributable to margin calls on corn futures contracts in the US and Canada and an increase in inventories. We will continue to hedge our US and Canadian corn purchases through the use of corn futures contracts and accordingly, 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. The cash provided by operations was used primarily to fund capital expenditures and acquisitions, including the fourth quarter 2004 purchase of the remaining minority interest in our South Korean business. Listed below are the Company's primary investing and financing activities for 2004 (in millions):

Capital expenditures	\$ (104)
Payments for acquisitions, net	(68)
Proceeds from sale of investment	21
Proceeds from issuance of common stock	30
Dividends paid (including dividends to minority interest shareholders)	(23)

On December 29, 2004, the Company increased its ownership in Doosan Corn Products Korea, Inc. ("DCPK"), to 100 percent by purchasing an additional 25 percent ownership interest from the minority interest shareholders, and subsequently renamed the wholly-owned subsidiary Corn Products Korea, Inc. The Company paid \$65 million in cash to acquire the additional ownership interest, which approximated the carrying value of the minority interest. The decline in the minority interest in subsidiaries on our consolidated balance sheet from \$78 million at December 31, 2003 to \$18 million at December 31, 2004 primarily reflects this transaction.

We currently anticipate that capital expenditures for 2005 will approximate \$170 million. Included in this estimate are expenditures relating to the previously announced \$100 million capital project at our Argo plant located in Bedford Park, Illinois. The project will include the shutdown and replacement of the plant's three current coal-fired boilers with one coal-fired boiler. This project is expected to reduce the plant's emissions as well as provide more efficient and effective energy production. Construction began in the fourth quarter of 2004 and the project is expected to be completed in the second quarter of 2006.

On December 1, 2004, our board of directors increased the quarterly cash dividend by 16.7 percent to \$0.07 per share of common stock. The cash dividend was paid on January 25, 2005 to stockholders of record at the close of business on January 4, 2005.

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

CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET ARRANGEMENTS

The table below summarizes our significant contractual obligations as of December 31, 2004. Information included in the table is cross-referenced to the Notes to the Consolidated Financial Statements elsewhere in this report, as applicable.

Contractual Obligations	Note reference	Total	Payments due by period			
			Less than 1 year	2 – 3 years	4 – 5 years	More than 5 years
Long-Term Debt	8	\$ 482	\$ —	\$ 282	\$ 200	\$ —
Operating Lease Obligations	9	84	18	28	23	15
Purchase Obligations *		<u>334</u>	<u>56</u>	<u>74</u>	<u>41</u>	<u>163</u>
Total		<u>\$ 900</u>	<u>\$ 74</u>	<u>\$ 384</u>	<u>\$ 264</u>	<u>\$ 178</u>

* 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.

As described in Note 13 of the Notes to the Consolidated Financial Statements, we have an agreement with certain common stockholders (collectively the “holder”), a representative of which serves on our Board of Directors, relating to certain common shares, that provides the holder with the right to require us to repurchase the underlying common shares for cash at a price equal to the average of the closing per share market price of the Company’s common stock for the 20 trading days immediately preceding the date that the holder exercises the put option. The put option is exercisable at any time until January 2010 when it expires. The holder can also elect to sell the common shares on the open market, subject to certain restrictions. The holder of the put option may not require us to repurchase less than 500,000 shares on any single exercise of the put option and the put option may not be exercised more than once in any six month period. In the event the holder exercises the put option requiring us to repurchase the shares, we would be required to pay for the shares within 90 calendar days from the exercise date if the holder is selling the minimum number of shares (500,000), and within a prorated time period of between 90 and 360 calendar days if the holder is selling more than the minimum number of shares. For intermediate share amounts, a pro-rata payment period would be calculated (based on the number of shares put). Any amount due would accrue interest at our revolving credit facility rate from the date of exercise until the payment date. In the event the holder had put all of the shares subject to the agreement to us on December 31, 2004, we would have been obligated to repurchase the shares for approximately \$33 million based upon the average of the closing per share market price of the Company’s common stock for the 20 trading days prior to December 31, 2004 (\$26.90 per share).

This amount is reflected as redeemable common stock in our consolidated balance sheet at December 31, 2004.

We currently anticipate that in 2005 we will make cash contributions of \$4 million and \$6 million to our US and Canadian pension plans, respectively. See Note 11 of the Notes to the Consolidated Financial Statements for further information with respect to our pension and postretirement benefit plans.

KEY PERFORMANCE METRICS

The Company uses certain key metrics to better monitor our progress towards achieving our strategic business objectives. These metrics relate to our return on equity, 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 stockholders' equity by measuring our "Return on Capital Employed" 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 EBITDA") and our "Debt to Capitalization" percentage to assure that we are properly financed. We assess our 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.

In the prior year annual report on Form 10-K, a "Return on Net Sales" percentage was included in the Key Performance Metrics section. We have determined that the "Debt to EBITDA" ratio better monitors our progress towards achieving our strategic business objective of growing our business while maintaining appropriate debt levels, and it has therefore replaced the Return on Net Sales percentage as a key performance metric beginning in 2004. Additionally, "Working Capital as a percentage of Net Sales" has been replaced by "Operating Working Capital as a percentage of Net Sales."

The metrics below include certain information (including Capital Employed, Adjusted Operating Income, EBITDA, Adjusted Current Assets and Operating Working Capital), that is not calculated in accordance with Generally Accepted Accounting Principles ("GAAP"). A reconciliation of these amounts to the most directly comparable financial measures calculated in accordance with GAAP is contained in the following tables. Management believes that this non-GAAP information provides investors with a meaningful presentation of useful information on a basis consistent with the way in which management monitors and evaluates the Company's operating performance. The information presented should not be considered in isolation and should not be used as a substitute for our financial results calculated under GAAP. In addition, these non-GAAP amounts are susceptible to varying interpretations and calculations, and the amounts presented below may not be comparable to similarly titled measures of other companies.

Our calculations of these key metrics for 2004 with comparison to the prior year are as follows:

Return on Capital Employed (dollars in millions)	2004	2003
Total stockholders' equity	\$ 1,081	\$ 911
Add:		
Cumulative translation adjustment	292	349
Minority interest in subsidiaries	18	78
Redeemable common stock	33	67
Total debt	568	550
Less:		
Cash and cash equivalents	(101)	(70)
Capital employed (a)	<u>\$ 1,891</u>	<u>\$ 1,885</u>
Operating income	\$ 179	\$ 174
Adjusted for:		
Income taxes (at effective tax rates of 30% in 2004 and 36% in 2003)	(54)	(63)
Adjusted operating income, net of tax (b)	<u>\$ 125</u>	<u>\$ 111</u>
Return on Capital Employed (b,a)	<u>6.6%</u>	<u>5.9%</u>
Debt to EBITDA ratio (dollars in millions)	2004	2003
Short-term debt	\$ 88	\$ 98
Long-term debt:	480	452
Total debt (a)	<u>\$ 568</u>	<u>\$ 550</u>
Net income	\$ 94	\$ 76
Add back:		
Minority interest in earnings	8	10
Provision for income taxes	43	49
Interest expense, net of interest income of \$3 and \$1, respectively	33	39
Depreciation	102	101
EBITDA (b)	<u>\$ 280</u>	<u>\$ 275</u>
Debt to EBITDA ratio (a ÷ b)	<u>2.0</u>	<u>2.0</u>

Debt to Capitalization percentage (dollars in millions)	2004	2003
Short-term debt	\$ 88	\$ 98
Long-term debt	480	452
Total debt (a)	\$ 568	\$ 550
Deferred income tax liabilities	\$ 177	\$ 196
Minority interest in subsidiaries	18	78
Redeemable common stock	33	67
Stockholders' equity	1,081	911
Total capital	\$ 1,309	\$ 1,252
Total debt and capital (b)	\$ 1,877	\$ 1,802
Debt to Capitalization percentage (a,b)	30.3%	30.5%
Operating Working Capital as a percentage of Net Sales (dollars in millions)	2004	2003
Current assets	\$ 661	\$ 547
Less: Cash and cash equivalents	(101)	(70)
Adjusted current assets	\$ 560	\$ 477
Current liabilities	\$ 462	\$ 394
Less: Short-term debt	(88)	(98)
Adjusted current liabilities	\$ 374	\$ 296
Operating working capital (a)	\$ 186	\$ 181
Net sales (b)	\$ 2,283	\$ 2,102
Operating Working Capital as a percentage of Net Sales (a , b)	8.1%	8.6%

Commentary on Key Performance Metrics:

In accordance with the Company's long-term objectives, we have set certain goals relating to key performance metrics that we will strive to meet over the next two to three years. To date, we have achieved three of our four established targets and made progress during 2004 towards the eventual attainment of our Return on Capital Employed goal. However, no assurance can be given that this goal

will be attained and various factors could affect our ability to achieve not only this goal, but to also continue to meet our other key performance metric targets. See Item 7A “Quantitative and Qualitative Disclosures About Market Risk” and “Risks and Uncertainties” below.

Return on Capital Employed – Our goal is to achieve a Return on Capital Employed in excess of 8.5 percent, which is our average Cost of Capital as calculated based upon our current financing profile. In determining this performance metric, the negative cumulative translation adjustment is added back to stockholders’ equity to calculate returns based on the Company’s original investment costs. The increase in our computed return for 2004 to 6.6 percent, from 5.9 percent in 2003, primarily reflects the impact of the improved operating income in South America and North America and the favorable effect of the decrease in our effective income tax rate from 36 percent in 2003 to 30 percent in 2004. The improvement in this metric was accomplished despite the fact that 2004 operating income included a \$21 million restructuring charge for plant closures. See also Note 6 to the Consolidated Financial Statements for additional information relating to the plant closures.

Debt to EBITDA ratio – Our goal is to maintain a ratio of debt to EBITDA of less than 2.25. This ratio remained at 2.0 as of December 31, 2004, as our debt increase of \$18 million was offset by a \$5 million increase in EBITDA. The EBITDA was negatively impacted by the \$21 million restructuring charge for plant closures.

Debt to Capitalization percentage – Our goal is to maintain a Debt to Capitalization Percentage in the range of 32 to 35 percent. At December 31, 2004 our Debt to Capitalization Percentage was 30.3 percent, as compared with 30.5 percent a year ago, as an improving capital base more than offset a slight increase in debt. We will strive to keep this ratio from exceeding the established range as we focus our growth on leveraging our assets through strategic acquisitions, joint ventures and alliances, and by selling those assets that do not meet our long-term strategy.

Operating Working Capital as a percentage of Net Sales – Our goal is to maintain operating working capital in a range of 8 to 10 percent of our net sales. The metric decreased to 8.1 percent at December 31, 2004 from 8.6 percent a year ago, as we achieved net sales growth of 9 percent while maintaining relatively consistent operating working capital levels. We will continue to focus on managing our working capital in 2005.

RISK AND UNCERTAINTIES

We operate in one business segment, corn refining, and manage our business on a geographic regional basis. In each country where we conduct business, the business and assets are subject to varying degrees of risk and uncertainty. We insure our business and assets in each country against insurable risks in a manner that our management deems appropriate. Because of our geographic dispersion, we believe that a loss from non-insurable events in any one country would not have a material adverse effect on our operations as a whole. We believe there is no concentration of risk with any single customer or supplier, or small group of customers or suppliers, whose failure or non-performance would materially affect our results. We have also established policies to help manage other financial risks as discussed below.

COMMODITY COSTS. Our finished products are made primarily from corn. Purchased corn accounts for between 40 percent and 65 percent of finished product costs. In North America, we sell a large portion of our finished product at firm prices established in supply contracts that typically extend for 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 hedging positions in the corn futures market. From time to time, we may also enter into anticipatory hedges. All of 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 fixed 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 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 product 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 in dryers 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 periodically use derivative financial instruments to hedge portions of our natural gas costs.

Our commodity price hedging instruments generally relate to contracted firm-priced business. Based on our overall commodity hedge exposure at December 31, 2004, 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 (loss) of approximately \$23 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.

INTERNATIONAL OPERATIONS AND FOREIGN EXCHANGE. We have operated a multinational business subject to the risks inherent in operating in foreign countries and with foreign currencies for many years. Our non-US operations are subject to foreign currency exchange fluctuations, as well as to political, economic and other risks, such as those previously described in the section entitled "Mexican Tax on Beverages Sweetened with HFCS."

Because we primarily sell world commodities, we believe that local prices will adjust relatively quickly to offset the effect of a local devaluation. We may occasionally hedge commercial transactions and certain liabilities that are denominated in a currency other than the currency of the operating unit entering into the underlying transaction.

INTEREST RATE EXPOSURE. Approximately 48 percent of our borrowings are fixed rate bonds and loans. Interest on the remaining 52 percent of our borrowings is subject to change based on changes in short-term rates, which could affect our interest costs. Included in the floating rate indebtedness information above is our \$200 million Senior Notes due 2009 which, through the use of interest rate swaps, has effectively been converted from fixed to floating rate debt. Included in the fixed rate indebtedness information above is \$18 million of Korean term loan debt which, through the use of cross currency interest rate swaps, has effectively been converted from floating rate US dollar to fixed rate Korean Won debt. See also Note 8 of the Notes to the Consolidated Financial Statements for further information. A hypothetical increase of 1 percentage point in the weighted average floating interest rate for 2004 would have increased interest expense and reduced pretax income for 2004 by approximately \$3 million.

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 the most critical accounting policies upon which the financial statements are based and that involve our most complex and subjective decisions and assessments. Senior management of the

Company 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 disclosed 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

The Company has 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) as required by Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." We have chosen to perform this annual impairment assessment in December of each year. An impairment loss is assessed and recognized in operating earnings if the fair value of either goodwill or property, plant and equipment is less than its carrying amount.

In analyzing the fair value of goodwill and assessing the recoverability of the carrying value of property, plant and equipment, we 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.

We completed the required annual test of goodwill impairment for all of our affected reporting units in December 2004. In each case, based on our assumptions about future cash flows we expect to be able to generate from each reporting unit, the fair value of the reporting unit was in excess of the related carrying amounts, and accordingly, no impairment of goodwill was required to be measured and recognized. We also concluded that the Mexican Congress' decision in December 2004 to continue the controversial tax on beverages sweetened with HFCS constituted a triggering event which necessitated that we re-assess the assumptions made relating to the recoverability of the carrying value of our HFCS production-related long-term assets in Mexico. We completed this assessment of our Mexican operation in December 2004 and concluded, based on our assumptions about future cash flows we expect to be able to generate from these assets, that their carrying values were not impaired. For additional information regarding the status of the Mexican government's tax on beverages sweetened with HFCS, refer to the "Mexican Tax on Beverages Sweetened with HFCS" section above and to Note 3 of the Notes to the Consolidated Financial Statements.

Our ability to fully recover the carrying value of our long-term investment in Mexico, which consists primarily of goodwill and property, plant and equipment associated with our Mexican operations, is dependent upon the generation of sufficient cash flows from the use or disposition of these assets. Based on our long-term forecasts of operating results, including the assumptions described below, we believe that we will generate sufficient cash flows from these long-term assets to fully recover their carrying values and accordingly no impairment of either goodwill or other long-term assets related to Mexico was recognized as of December 31, 2004.

In developing our estimates of the cash flows that we expect to generate from our Mexican operations, we have assumed that shipments of HFCS to the Mexican beverage industry will reach levels, beginning in 2005, that will be significantly higher than the actual results from each of the three previous years. Under these assumptions, the estimated fair value of our Mexican business would exceed its carrying amount. These assumptions are supported by the following significant external events:

- During the third and fourth quarters of 2004, the Company increased production and sales of HFCS to certain Mexican beverage customers which have continued through February, 2005. These customers have obtained court rulings which have exempted them from paying the tax.
- There has been a sugar shortage in Mexico caused in part by the tax.
- The United States government filed a complaint with the World Trade Organization accusing Mexico of imposing unfair taxes on beverages sweetened with HFCS.
- At differing times, meetings have been conducted between various representatives of United States sugar and HFCS producers, corn growers, and the Mexican sugar industry in an ongoing attempt to work out a solution to the various trade disputes that led to the imposition of the tax.
- Two other United States based companies have jointly filed an arbitration claim against the Mexican government for compensation under the investment provisions NAFTA.

In addition to these developments related to the tax, we have also taken several actions to mitigate the effect of continued imposition of the tax on our business in Mexico. These include:

- Continuing our lobbying efforts seeking relief from the tax.
- Exploring new markets for our HFCS production capability in and around Mexico.
- Restructuring of our Mexican operations in an effort to improve efficiency and reduce operating costs, including the closing of one plant in the fourth quarter of 2004.
- Submitting an arbitration claim against the government of Mexico under the provisions of NAFTA seeking recovery in an amount not less than \$325 million.

The assumptions used to formulate our cash flow estimates are subject to change in the future based on business conditions, including but not limited to a change in the current level of HFCS shipments to the Mexican beverage industry, as well as events affecting the likelihood of repeal of the tax, and the results of the impairment calculations could be significantly different if performed at a later date. In the event that the tax is not ultimately repealed or modified, or that actual results differ from those assumed, the Company could be required to recognize an impairment of goodwill and the amount of such impairment could be material. It could also lead to a further reorganization of our Mexican operations. The carrying value of the goodwill related to our Mexican operations was approximately \$120 million at December 31, 2004.

As stated in previous filings, we are continuing our efforts to gain repeal of the tax and at the same time, to pursue the implementation of the alternative business strategies and operating cost reductions. However, there have been no formal actions taken toward the repeal of the tax. While we continue to believe that the profitability of the Mexican operations will support the carrying value of goodwill, we will continue to reevaluate certain of the key assumptions underlying our cash flow projections. We believe a continued lack of definitive results in negotiations with the Mexican government leading to the repeal or modification of the tax could increase the likelihood that an impairment charge would be required unless HFCS sales to the Mexican beverage industry continue at or above current levels for the long-term. The amount of such non-cash charge, if any, will depend on our assessment of the effect that the factors identified above have on expected future cash flow.

In concluding that an impairment of the Mexican goodwill may arise if the tax is not repealed or its effect on HFCS sales in Mexico otherwise mitigated, we have not assumed that any proceeds would be received from our arbitration claim for compensation under NAFTA against the Mexican government. Any recovery we receive from the resolution of this claim would reduce or offset, in whole or in part, the amount of any impairment to be recognized. However, no assurance can be made that we will be successful with our arbitration claim.

RETIREMENT BENEFITS

The Company sponsors 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. In order to measure the expense and obligations associated with these retirement benefits, 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 costs, 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.

NEW ACCOUNTING STANDARDS

In December 2003, the “Medicare Prescription Drug Improvement and Modernization Act of 2003” (the “Medicare Act”) was enacted into law. The Medicare Act introduced a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Following the enactment into law of the Medicare Act, on January 12, 2004, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position (“FSP”) No. 106-1, which, on May 19, 2004, was superseded by FSP 106-2, “Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003.” FSP 106-2 provides guidance on the accounting for the effects of the Medicare Act for employers that sponsor postretirement health care plans that provide prescription drug benefits. The guidance in FSP 106-2 related to the accounting for the subsidy applies only to the sponsor of a single-employer defined benefit postretirement health care plan for which (a) the employer has concluded that prescription drug benefits available under the plan to some or all participants for some or all future years are actuarially equivalent to Medicare Part D and thus qualify for the subsidy under the Medicare Act and (b) the expected subsidy will offset or reduce the employer’s share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based. The Company determined that the prescription drug benefits under its US hourly postretirement health care plan are actuarially equivalent to Medicare Part D, and adopted FSP 106-2 prospectively, effective July 1, 2004. The adoption of FSP 106-2 did not have a material impact on the Company’s consolidated financial statements.

In March 2004, the FASB ratified the consensuses reached by the Emerging Issues Task Force (“EITF”) with respect to EITF Issue No. 03-1, “The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments.” EITF Issue No. 03-1 addresses recognition, measurement and disclosure of other-than-temporary impairment evaluations for securities within the scope of SFAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities,” and equity securities that are not subject to the scope of SFAS No. 115 and are not accounted for under the equity method. The recognition and measurement guidance was effective for reporting periods beginning after June 15, 2004. In September 2004, FASB Staff Position EITF Issue No. 03-1-1 was issued, which delays the effective date for the measurement and recognition guidance contained in paragraphs 10-20 of EITF Issue No. 03-1 pending final issuance of an FSP providing other application guidance. Disclosures for cost method investments became effective in annual financial statements for fiscal years

ending after June 15, 2004. See Note 2 to the Consolidated Financial Statements, section entitled “Investments” for information relating to cost method investments.

In November 2004, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 151, “Inventory Costs — an amendment of ARB No. 43, Chapter 4” (“SFAS 151”), which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and spoilage. The standard requires that such costs be excluded from the cost of inventory and expensed when incurred. SFAS 151 is effective for fiscal periods beginning after June 15, 2005. The Company does not expect that the adoption of SFAS 151 will have a material effect on its consolidated financial statements.

In December 2004, the FASB issued FSP FAS No. 109-1, “Application of FASB Statement No. 109, Accounting for Income Taxes, to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004.” This FSP, which became effective upon issuance, provides that the tax deduction for income with respect to qualified domestic production activities, as part of the American Jobs Creation Act of 2004 that was enacted on October 22, 2004, will be treated as a special deduction as described in SFAS No. 109. As a result, this deduction has no effect on the Corporation’s deferred tax assets and liabilities existing at the date of enactment. Instead, the impact of this deduction, which is effective January 1, 2005, will be reported in the period in which the deduction is claimed on the Corporation’s income tax returns.

In December 2004, the FASB issued FSP FAS No. 109-2, “Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004.” This FSP, which became effective upon issuance, allows an enterprise additional time beyond the financial reporting period of enactment of the American Jobs Creation Act of 2004 to evaluate the effect of this act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No. 109. See Note 10 for additional information with respect to this FSP.

In December 2004, the FASB issued SFAS No. 153, “Exchanges of Nonmonetary Assets — an amendment of APB No. 29, Accounting for Nonmonetary Transactions” (“SFAS 153”), which requires that exchanges of productive assets be accounted for at fair value, rather than at carryover basis, unless (1) neither the asset received nor the asset surrendered has a fair value that is determinable within reasonable limits or (2) the transactions lack commercial substance. SFAS 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect that the adoption of SFAS 153 will have a material effect on its consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123R, “Share-Based Payment” (“SFAS 123R”), which revises SFAS No. 123, “Accounting for Stock Based Compensation”, and supersedes APB 25. Among other items, SFAS 123R eliminates the use of APB 25 and the intrinsic value method of accounting, and requires companies to recognize in the financial statements the cost of employee services received in exchange for awards of equity instruments, based on the grant-date fair value of those awards. This cost is to be recognized over the period during which an employee is required to provide service in exchange for the award (typically the vesting period). SFAS 123R also requires that benefits associated with tax deductions in excess of recognized compensation cost be recognized by crediting additional paid-in capital. Additionally, cash retained as a result of such excess tax benefits are to be reported as a financing cash inflow, rather than as an operating cash flow as required under current literature.

SFAS 123R is effective as of the beginning of the first interim reporting period that begins after June 15, 2005, although early adoption is allowed. SFAS 123R permits companies to adopt its requirements using

either a “modified prospective” method, or a “modified retrospective” method. Under the “modified prospective” method, compensation cost is recognized in the financial statements beginning with the effective date, based on the requirements of SFAS 123R for all share-based payments granted after that date, and based on the requirements of SFAS 123 for all unvested awards granted prior to the effective date of SFAS 123R. Under the “modified retrospective” method, the requirements are the same as under the “modified prospective” method, but this method also permits entities to restate financial statements of previous periods based on proforma disclosures made in accordance with SFAS 123. The Company is currently evaluating the requirements of SFAS 123R and has not yet determined the method of adoption it will use. The Company currently expects to adopt SFAS 123R effective July 1, 2005. See Note 14 for further information regarding the Company’s stock-based compensation plans.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Corn Products International, Inc. and its subsidiaries (the "Company") as of December 31, 2004 and 2003, and the related consolidated statements of income, comprehensive income, stockholders' equity and redeemable equity, and cash flows for each of the years in the three-year period ended December 31, 2004. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corn Products International, Inc. and its subsidiaries as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 10, 2005 expressed an unqualified opinion thereon.

KPMG LLP

Chicago, Illinois
March 10, 2005

Corn Products International, Inc.
Consolidated Financial Statements and Notes
For the Years ended December 31, 2004, 2003 and 2002

CORN PRODUCTS INTERNATIONAL, INC.
Consolidated Statements of Income

Year Ended December 31,
(in millions, except per share amounts)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net sales before shipping and handling costs	\$ 2,461	\$ 2,269	\$ 1,979
Less – shipping and handling costs	178	167	108
Net sales	2,283	2,102	1,871
Cost of sales	1,929	1,778	1,604
Gross profit	<u>354</u>	<u>324</u>	<u>267</u>
Selling, general and administrative expenses	158	149	134
Earnings from non-controlled affiliates and other (income) expense-net	(4)	1	(20)
Plant closing costs	21	—	—
	<u>175</u>	<u>150</u>	<u>114</u>
Operating income	179	174	153
Financing costs-net	34	39	36
Income before income taxes and minority interest	145	135	117
Provision for income taxes	43	49	42
Minority interest in earnings	8	10	12
Net income	<u><u>\$ 94</u></u>	<u><u>\$ 76</u></u>	<u><u>\$ 63</u></u>
Weighted average common shares outstanding:			
Basic	73.4	72.0	71.2
Diluted	74.7	72.4	71.5
Earnings per common share:			
Basic	\$ 1.28	\$ 1.06	\$ 0.89
Diluted	1.25	1.06	0.89

See notes to the consolidated financial statements.

CORN PRODUCTS INTERNATIONAL, INC.
Consolidated Balance Sheets

As of December 31,
(in millions, except share and per share amounts)

	2004	2003
Assets		
Current assets		
Cash and cash equivalents	\$ 101	\$ 70
Accounts receivable – net	291	252
Inventories	258	215
Prepaid expenses	11	10
Total current assets	661	547
Property, plant and equipment, at cost		
Land	112	103
Buildings	331	315
Machinery and equipment	2,479	2,364
	2,922	2,782
Less accumulated depreciation	(1,711)	(1,595)
	1,211	1,187
Goodwill and other intangible assets (less accumulated amortization of \$30 and \$27, respectively)	353	325
Deferred income tax assets	72	61
Investments	9	29
Other assets	61	67
Total assets	\$ 2,367	\$ 2,216
Liabilities and equity		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 88	\$ 98
Accounts payable	261	200
Accrued liabilities	113	96
Total current liabilities	462	394
Non-current liabilities	116	118
Long-term debt	480	452
Deferred income taxes	177	196
Minority interest in subsidiaries	18	78
Redeemable common stock (1,227,000 and 3,827,000 shares issued and outstanding at December 31, 2004 and 2003, respectively) stated at redemption value	33	67
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 – 74,092,774 and 71,492,774 issued at December 31, 2004 and 2003, respectively	1	1
Additional paid-in capital	1,047	1,006
Less: Treasury stock (common stock; 792,254 and 2,988,202 shares at December 31, 2004 and 2003, respectively) at cost	(4)	(35)
Deferred compensation – restricted stock	(2)	(3)
Accumulated other comprehensive loss	(321)	(343)
Retained earnings	360	285
Total stockholders' equity	1,081	911
Total liabilities and equity	\$ 2,367	\$ 2,216

See notes to the consolidated financial statements.

CORN PRODUCTS INTERNATIONAL, INC.
Consolidated Statements of Comprehensive Income (Loss)

Year ended December 31, (in millions)	2004	2003	2002
Net income	\$ 94	\$ 76	\$ 63
Comprehensive income (loss):			
(Losses) gains on cash flow hedges, net of income tax effect of \$15 million, \$5 million, and \$2 million, respectively	(26)	9	(4)
Reclassification adjustment for (gains) losses on cash flow hedges included in net income, net of income tax effect of \$5 million, \$5 million, and \$8 million, respectively	(8)	10	14
Currency translation adjustment	57	58	(94)
Minimum pension liability, net of income tax effect	(1)	(2)	(1)
Comprehensive income (loss)	\$ 116	\$ 151	\$ (22)

See notes to the consolidated financial statements.

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

(in millions)	STOCKHOLDERS' EQUITY						Redeemable Common Stock
	Common Stock	Additional Paid-In Capital	Treasury Stock	Deferred Compensation	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	
Balance, December 31, 2001	\$ 1	\$ 1,009	\$ (56)	\$ (3)	\$ (333)	\$ 175	\$ 64
Net income						63	
Dividends declared						(14)	
Gains (losses) on cash flow hedges, net of income tax effect of \$2 million					(4)		
Amount of (gains) losses on cash flow hedges reclassified to earnings, net of income tax effect of \$8 million					14		
Issuance of redeemable common stock in connection with acquisition		(2)	2				2
Issuance of restricted common stock as compensation			2	(2)			
Amortization to compensation expense of restricted common stock				1			
Issuance of common stock on exercise of stock options			4				
Change in fair value of redeemable common stock		8					(8)
Currency translation adjustment					(94)		
Minimum pension liability, net of income tax effect					(1)		
Balance, December 31, 2002	\$ 1	\$ 1,015	\$ (48)	\$ (4)	\$ (418)	\$ 224	\$ 58
Net income						76	
Dividends declared						(15)	
Gains (losses) on cash flow hedges, net of income tax effect of \$5 million					9		
Amount of (gains) losses on cash flow hedges reclassified to earnings, net of income tax effect of \$5 million					10		
Issuance of common stock in connection with acquisition			8				
Issuance of common stock on exercise of stock options			5				
Amortization to compensation expense of restricted common stock				1			
Change in fair value of redeemable common stock		(9)					9
Currency translation adjustment					58		
Minimum pension liability, net of income tax effect					(2)		
Balance, December 31, 2003	\$ 1	\$ 1,006	\$ (35)	\$ (3)	\$ (343)	\$ 285	\$ 67
Net income						94	
Dividends declared						(19)	
Gains (losses) on cash flow hedges, net of income tax effect of \$15 million					(26)		
Amount of (gains) losses on cash flow hedges reclassified to earnings, net of income tax effect of \$5 million					(8)		
Issuance of restricted common stock as compensation			1	(1)			
Issuance of common stock on exercise of stock options			30				
Tax benefit attributable to exercises of employee stock options		7					
Amortization to compensation expense of restricted common stock				2			
Change in fair value and number of shares of redeemable common stock		34					(34)
Currency translation adjustment					57		
Minimum pension liability, net of income tax effect					(1)		
Balance, December 31, 2004	\$ 1	\$ 1,047	\$ (4)	\$ (2)	\$ (321)	\$ 360	\$ 33

See notes to the consolidated financial statements.

CORN PRODUCTS INTERNATIONAL, INC.
Consolidated Statements of Cash Flows

Year ended December 31,
(in millions)

	2004	2003	2002
Cash provided by (used for) operating activities:			
Net income	\$ 94	\$ 76	\$ 63
Non-cash charges (credits) to net income:			
Depreciation	102	101	103
Write-off of fixed assets – plant closures	19	—	—
Deferred income taxes	(9)	4	(6)
Minority interest in earnings	8	10	12
Earnings from non-controlled affiliates	(1)	(1)	(7)
Gain on sale of business	—	—	(8)
Gain on dissolution of business	—	—	(3)
Foreign currency transaction losses (gains)	1	—	(1)
Changes in trade working capital:			
Accounts receivable and prepaid expenses	(14)	12	9
Inventories	(34)	(11)	(6)
Accounts payable and accrued liabilities	11	48	62
Other	(11)	(3)	(12)
Cash provided by operating activities	166	236	206
Cash provided by (used for) investing activities:			
Capital expenditures	(104)	(83)	(78)
Proceeds from disposal of plants and properties	1	1	1
Proceeds from sale of business	—	—	35
Proceeds from dissolution of business	—	—	11
Proceeds from sale of investment	21	—	—
Payments for acquisitions, net of cash acquired	(68)	(48)	(42)
Other	1	—	—
Cash used for investing activities	(149)	(130)	(73)
Cash provided by (used for) financing activities:			
Payments on debt	(41)	(65)	(407)
Proceeds from borrowings	47	7	263
Dividends paid (including to minority interest shareholders)	(23)	(20)	(19)
Issuance of common stock	30	5	4
Cash provided by (used for) financing activities	13	(73)	(159)
Effects of foreign exchange rate changes on cash	1	1	(3)
Increase (decrease) in cash and cash equivalents	31	34	(29)
Cash and cash equivalents, beginning of period	70	36	65
Cash and cash equivalents, end of period	\$ 101	\$ 70	\$ 36

See notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1- Description of the Business

Corn Products International, Inc. (the "Company") was founded in 1906 and became an independent and public company as of December 31, 1997, after being spun off from CPC International Inc. ("CPC"). The Company operates domestically and internationally in one business segment, corn refining, and produces a wide variety of products.

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 financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Certain prior year amounts have been reclassified to conform with the current year's presentation. These reclassifications had no effect on previously recorded net income.

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 stockholders' 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 2004, 2003 and 2002 the Company incurred foreign currency transaction losses (gains) of \$1 million, (\$0.4 million) and (\$1 million), respectively. The Company's accumulated other comprehensive loss included in stockholders' equity on the Consolidated Balance Sheets includes negative cumulative translation adjustments of \$292 million and \$349 million at December 31, 2004 and 2003, respectively.

Per share data – All amounts per common share and the number of common shares for all periods included in this report have been retroactively adjusted to reflect the January 25, 2005 two-for-one stock split. See Note 14, "Stockholders' Equity," for additional information pertaining to the stock split.

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. At December 31, 2004, the Company had an investment accounted for under the cost method of \$5 million. 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 would recognize a loss on these investments when there is a loss in value of an investment which is other than a temporary decline.

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 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 and an impairment loss would be recognized.

Goodwill and other intangible assets – Goodwill (\$344 million and \$316 million at December 31, 2004 and 2003, respectively) represents the excess of cost over fair value of net assets acquired. The Company also has other intangible assets (\$9 million at December 31, 2004 and December 31, 2003) principally related to the recognition of minimum pension liabilities. The carrying amount of goodwill and other intangible assets by geographic segment as of December 31, 2004 and 2003 was as follows:

(in millions)	At December 31,	
	2004	2003
North America	\$ 131	\$ 127
South America	61	62
Asia/Africa	161	136
Total	<u>\$ 353</u>	<u>\$ 325</u>

As required by Statement of Financial Accounting Standards No. 142, “Goodwill and Other Intangible Assets” (“SFAS 142”), the Company assesses goodwill for impairment annually (or more frequent if impairment indicators arise). The Company has chosen to perform this annual impairment assessment in December of each year. The Company has completed the required impairment assessments and determined there to be no goodwill impairment.

Revenue recognition – The Company recognizes operating revenues at the time title to the goods and all risks of ownership transfer to customers. This generally occurs upon the date of shipment, except in the case of consigned inventories where title passes and the transfer of ownership risk occurs when the goods are used by the customer.

Hedging instruments – The Company uses derivative financial instruments principally to offset exposure to market risks arising from changes in commodity prices and interest rates. Derivative financial instruments currently used by the Company consist of commodity futures contracts and interest rate swap agreements. The Company enters into futures 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 readily marketable exchange-traded futures contracts 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.

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 or 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 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 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. This includes linking all derivatives that are designated as cash-flow or fair-value hedges to specific forecasted transactions or to specific assets and liabilities on the Consolidated Balance Sheet. 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 a floating-to-fixed interest rate swap or a futures contract that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in other comprehensive income (loss), net of applicable income taxes, and recognized in the Consolidated Statement of Income when the variable rate interest is paid or 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 36 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 that is attributable to the hedged risk, 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 because it is probable that a forecasted transaction will not occur, the Company continues to carry the derivative on the Consolidated Balance Sheet at its fair value, and gains and losses that were accumulated in other comprehensive income (loss) are recognized immediately in earnings. When hedge accounting is discontinued because it is determined that the derivative no longer qualifies as an effective fair-value hedge, the Company continues to carry the derivative on the Consolidated Balance Sheet at its fair value and no longer adjusts the hedged asset or liability for changes in fair value. The adjustment of the carrying amount of the hedged asset or liability is accounted for in the same manner as other components of the carrying amount of that asset or liability. In all other situations in which hedge accounting is discontinued, the Company continues to carry the derivative at its fair value on the Consolidated Balance Sheet and recognizes any changes in its fair value 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. The plan is more fully described in Note 14. The Company accounts for the stock incentive plan in accordance with the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeds the exercise price. Under the Company's stock incentive plan, stock options are granted at exercise prices that equal the market value of the underlying common stock on the date of grant. Therefore, no compensation expense related to stock options is recorded in the Consolidated Statements of Income.

Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), established accounting and disclosure requirements using a fair-value based method of accounting for stock-based employee compensation plans. As allowed by SFAS 123, the Company has elected to continue to apply the intrinsic-value-based method of accounting described above, and has adopted only the disclosure requirements of SFAS 123. The following table illustrates the effect on net income and earnings per share if the fair-value-based recognition provisions of SFAS 123 had been applied to all outstanding and unvested awards in each period:

(in millions, except per share amounts)

Year Ended December 31,	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net income, as reported	\$ 94	\$ 76	\$ 63
Add: Stock-based employee compensation expense included in reported net income, net of tax	1	1	1
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(4)	(3)	(3)
Pro forma net income	<u>\$ 91</u>	<u>\$ 74</u>	<u>\$ 61</u>
Earnings per share:			
Basic – as reported	\$ 1.28	\$ 1.06	\$ 0.89
Basic – pro forma	\$ 1.23	\$ 1.03	\$ 0.86
Diluted – as reported	\$ 1.25	\$ 1.06	\$ 0.89
Diluted – pro forma	\$ 1.21	\$ 1.02	\$ 0.85

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), which totaled 73.4 million for 2004, 72.0 million for 2003 and 71.2 million for 2002. Diluted earnings per share (EPS) is computed by dividing net income by the weighted average number of shares outstanding, including the dilutive effect of stock options outstanding. The weighted average number of shares outstanding for diluted EPS calculations were 74.7 million, 72.4 million and 71.5 million for 2004, 2003 and 2002, respectively. In 2004, 2003 and 2002, options to purchase 165,907, 2,078,978 and 1,950,332 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, or small group of customers or suppliers, whose failure or non-performance would materially affect the Company's results.

Recently issued accounting standards – In December 2003, the "Medicare Prescription Drug Improvement and Modernization Act of 2003" (the "Medicare Act") was enacted into law. The Medicare Act introduced a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Following the enactment into law of the Medicare Act, on January 12, 2004, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. 106-1, which, on May 19, 2004, was superseded by FSP 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003." FSP 106-2 provides guidance on the accounting for the effects of the Medicare Act for employers that sponsor postretirement health care plans that provide prescription drug benefits. The guidance in FSP 106-2 related to the accounting for the subsidy applies only to the sponsor of a single-employer defined benefit postretirement health care plan for which (a) the employer has concluded that prescription drug benefits available under the plan to some or all participants for some or all future years are actuarially equivalent to Medicare Part D and thus qualify for the subsidy under the Medicare Act and (b) the expected subsidy will offset or reduce the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based. The Company determined that the prescription drug benefits under its US hourly postretirement health care plan are actuarially equivalent to Medicare

Part D, and adopted FSP 106-2 prospectively, effective July 1, 2004. The adoption of FSP 106-2 did not have a material impact on the Company's consolidated financial statements.

In March 2004, the FASB ratified the consensus reached by the Emerging Issues Task Force ("EITF") with respect to EITF Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments." EITF Issue No. 03-1 addresses recognition, measurement and disclosure of other-than-temporary impairment evaluations for securities within the scope of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," and equity securities that are not subject to the scope of SFAS No. 115 and are not accounted for under the equity method. The recognition and measurement guidance was effective for reporting periods beginning after June 15, 2004. In September 2004, FASB Staff Position EITF Issue No. 03-1-1 was issued, which delays the effective date for the measurement and recognition guidance contained in paragraphs 10-20 of EITF Issue No. 03-1 pending final issuance of an FSP providing other application guidance. Disclosures for cost method investments became effective in annual financial statements for fiscal years ending after June 15, 2004. See the paragraph entitled "Investments" in this footnote for information relating to cost method investments.

In November 2004, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 151, "Inventory Costs — an amendment of ARB No. 43, Chapter 4" ("SFAS 151"), which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and spoilage. The standard requires that such costs be excluded from the cost of inventory and expensed when incurred. SFAS 151 is effective for fiscal periods beginning after June 15, 2005. The Company does not expect that the adoption of SFAS 151 will have a material effect on its consolidated financial statements.

In December 2004, the FASB issued FSP FAS No. 109-1, "Application of FASB Statement No. 109, Accounting for Income Taxes, to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004." This FSP, which became effective upon issuance, provides that the tax deduction for income with respect to qualified domestic production activities, as part of the American Jobs Creation Act of 2004 that was enacted on October 22, 2004, will be treated as a special deduction as described in SFAS No. 109. As a result, this deduction has no effect on the Company's deferred tax assets and liabilities existing at the date of enactment. Instead, the impact of this deduction, which is effective January 1, 2005, will be reported in the period in which the deduction is claimed on the Company's income tax returns.

In December 2004, the FASB issued FSP FAS No. 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004." This FSP, which became effective upon issuance, allows an enterprise additional time beyond the financial reporting period of enactment of the American Jobs Creation Act of 2004 to evaluate the effect of this act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No. 109. See Note 10 for additional information with respect to this FSP.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets — an amendment of APB No. 29, Accounting for Nonmonetary Transactions" ("SFAS 153"), which requires that exchanges of productive assets be accounted for at fair value, rather than at carryover basis, unless (1) neither the asset received nor the asset surrendered has a fair value that is determinable within reasonable limits or (2) the transactions lack commercial substance. SFAS 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect that the adoption of SFAS 153 will have a material effect on its consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment" ("SFAS 123R"), which revises SFAS No. 123, "Accounting for Stock Based Compensation", and supersedes APB 25. Among other items, SFAS 123R eliminates the use of APB 25 and the intrinsic value method of accounting, and requires companies to recognize in the financial statements the cost of employee services received in exchange for awards of equity instruments, based on the grant-date fair value of those awards. This cost is to be recognized over the period during which an employee is required to provide service in exchange for the award (typically the vesting period). SFAS 123R also requires that benefits associated with tax deductions in excess of recognized compensation cost be recognized by crediting

additional paid-in capital. Additionally, cash retained as a result of such excess tax benefits are to be reported as a financing cash inflow, rather than as an operating cash flow as required under current literature.

SFAS 123R is effective as of the beginning of the first interim reporting period that begins after June 15, 2005, although early adoption is allowed. SFAS 123R permits companies to adopt its requirements using either a “modified prospective” method, or a “modified retrospective” method. Under the “modified prospective” method, compensation cost is recognized in the financial statements beginning with the effective date, based on the requirements of SFAS 123R for all share-based payments granted after that date, and based on the requirements of SFAS 123 for all unvested awards granted prior to the effective date of SFAS 123R. Under the “modified retrospective” method, the requirements are the same as under the “modified prospective” method, but this method also permits entities to restate financial statements of previous periods based on proforma disclosures made in accordance with SFAS 123. The Company is currently evaluating the requirements of SFAS 123R and has not yet determined the method of adoption it will use. The Company currently expects to adopt SFAS 123R effective July 1, 2005. See Note 14 for further information regarding the Company’s stock-based compensation plans.

NOTE 3 – 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 beverage 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 to certain beverage customers. These sales increased significantly beginning late in the third quarter of 2004 and are continuing; however, the tax remains in place.

The Company’s ability to fully recover the carrying value of its long-term investment in Mexico, which consists primarily of goodwill and property, plant and equipment associated with the Mexican operations, is dependent upon the generation of sufficient cash flows from the use or disposition of these assets. Based on long-term forecasts of operating results, including the assumptions described below, the Company believes that it will generate sufficient cash flows from these long-term assets to fully recover their carrying values, and accordingly, no impairment of either goodwill or other long-term assets related to Mexico was recognized as of December 31, 2004.

In developing the estimates of the cash flows expected to be generated from the Mexican operations, the Company has assumed that shipments of HFCS to the Mexican beverage industry will reach levels, beginning in 2005, that will be significantly higher than the actual results from each of the three previous years. Under these assumptions, the estimated fair value of the Company’s Mexican business would exceed its carrying amount. These assumptions are supported by the following significant external events:

- During the third and fourth quarters of 2004, the Company increased production and sales of HFCS to certain Mexican beverage customers which have continued through February, 2005. These customers have obtained court rulings which have exempted them from paying the tax.
- There has been a sugar shortage in Mexico caused in part by the tax.
- The United States government filed a complaint with the World Trade Organization accusing Mexico of imposing unfair taxes on beverages sweetened with HFCS.
- At differing times, meetings have been conducted between various representatives of United States sugar and HFCS producers, corn growers, and the Mexican sugar industry in an ongoing attempt to work out a solution to the various trade disputes that led to the imposition of the tax.
- Two other United States based companies have jointly filed an arbitration claim against the Mexican government for compensation under the investment provisions of the North American Free Trade Agreement (NAFTA).

In addition to these developments related to the tax, the Company has also taken several actions to mitigate the effect of continued imposition of the tax on its business in Mexico. These include:

- Continuing the lobbying efforts seeking relief from the tax.

- Exploring new markets for the HFCS production capability in and around Mexico.
- Restructuring of the Mexican operations in an effort to improve efficiency and reduce operating costs, including the closing of one plant in the fourth quarter of 2004.
- Submitting an arbitration claim against the government of Mexico under the provisions of NAFTA seeking recovery in an amount not less than \$325 million.

The assumptions used to formulate the cash flow estimates are subject to change in the future based on business conditions, including but not limited to a change in the current level of HFCS shipments to the Mexican beverage industry, as well as events affecting the likelihood of repeal of the tax and the results of the impairment calculations could be significantly different if performed at a later date. In the event that the tax is not ultimately repealed or modified, or that actual results differ from those assumed, the Company could be required to recognize an impairment of goodwill and the amount of such impairment could be material. It could also lead to a further reorganization of our Mexican operations. The carrying value of the goodwill related to the Mexican operations was approximately \$120 million at December 31, 2004.

As stated in previous filings, the Company continues its efforts to gain repeal of the tax, and at the same time, to pursue the implementation of the alternative business strategies and operating cost reductions. However, there have been no formal actions taken toward the repeal of the tax. While the Company continues to believe that the profitability of the Mexican operations will support the carrying value of the goodwill, the Company continues to reevaluate certain of the key assumptions underlying the cash flow projections. The Company believes a continued lack of definitive results in negotiations with the Mexican government leading to the repeal or modification of the tax could increase the likelihood that an impairment charge would be required unless HFCS sales to the Mexican beverage industry continue at or above current levels for the long-term. The amount of such non-cash charge, if any, will depend on the Company's assessment of the effect that the factors identified above have on expected future cash flow.

In concluding that an impairment of the Mexican goodwill may arise if the tax is not repealed or its effect on HFCS sales in Mexico otherwise mitigated, the Company has not assumed that any proceeds would be received from its arbitration claim for compensation under NAFTA against the Mexican government. Any recovery the Company receives from the resolution of this claim would reduce or offset, in whole or in part, the amount of any impairment to be recognized. However, no assurance can be made that the Company will be successful with its arbitration claim.

NOTE 4 – Acquisitions/Dispositions

On December 29, 2004, the Company increased its ownership in Doosan Corn Products Korea, Inc. to 100 percent by purchasing an additional 25 percent ownership interest from the minority interest shareholders, and subsequently renamed the wholly-owned subsidiary Corn Products Korea, Inc. The Company paid \$65 million in cash to acquire the additional ownership interest, which approximated the carrying value of the minority interest.

On December 1, 2004, the Company sold its investment in Nihon Shokuhin Kako Kabishiki Kaisha (“NSK”), a Japanese corn refiner, for \$21 million in cash. The Company recorded a \$1 million pretax gain from the sale, which is included in other income in the 2004 Consolidated Statement of Income. Prior to the sale, the Company had accounted for its investment in NSK under the cost method, and classified the \$20 million investment in other non-current assets in the Consolidated Balance Sheet.

On March 27, 2003, the Company increased its ownership in its Southern Cone of South America business to 100 percent by purchasing an additional 27.76 percent ownership interest from the minority interest shareholders. The Company paid \$53 million to acquire the additional ownership interest, consisting of \$45 million in cash and the issuance of 541,584 shares of common stock valued at \$8 million. Goodwill of approximately \$37 million was recorded.

On March 4, 2002, the Company increased its ownership in its Mexican consolidated subsidiary, Compania Proveedora de Ingredientes, S.A. de C.V. (“CP Ingredientes”), formerly Arancia Corn Products S.A. de C.V.

("Arancia"), from 90 percent to 100 percent, by paying \$39 million in cash and issuing 140,000 shares of common stock valued at \$2 million. Certain affiliates of the previous minority interest shareholder in CP Ingredientes have the right to require the Company to reacquire 1,227,000 shares of the Company's common stock at prices that approximate market value until January 2010. These shares are classified as Redeemable Common Stock in the Company's Consolidated Balance Sheets (see Note 13).

On February 5, 2002, the Company sold its interest in Enzyme Bio-Systems Ltd. of Beloit, Wisconsin ("EBS") for approximately \$35 million in cash. The Company recorded a pretax gain from the sale of approximately \$8 million, which is included in other income in the 2002 Consolidated Statement of Income.

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. Had the acquisitions/dispositions described above occurred at the beginning of the respective years, the effect on the Company's consolidated financial statements would not have been significant.

NOTE 5 – Joint Marketing Company

On December 1, 2000, the Company and Minnesota Corn Processors, LLC (“MCP”) consummated an operating agreement to form CornProductsMCP Sweeteners LLC (“CPMCP”), a joint marketing company that, effective January 1, 2001, began distributing throughout the United States sweeteners supplied from the Company and MCP.

On December 27, 2002 the Company and MCP agreed in principle to a plan of dissolution that allowed for the orderly wind up of CPMCP’s activities. Under the terms of the plan of dissolution, on December 31, 2002 MCP paid an \$11 million termination fee to the Company as required under the terms of the CPMCP Limited Liability Company Agreement between the Company and MCP dated December 1, 2000. In addition, the Company recorded an \$8 million charge for its share of costs incurred relating to the dissolution. These expenses consisted primarily of direct incremental costs incurred by CPMCP as a result of the dissolution, including expenses related to the termination of employees, early termination of leases, losses on the disposition of assets and other wind-down costs. The net non-recurring income of \$3 million (\$2 million after-tax, or \$0.03 per diluted share) is included in other income in the 2002 Consolidated Statement of Income.

Prior to the dissolution, CPMCP was owned equally by the Company and MCP through membership interests that provided each company with a 50 percent voting interest in CPMCP. Additionally, CPMCP’s Board of Directors was composed of an equal number of representatives from both members. The Company accounted for its interest in CPMCP as a non-consolidated affiliate using the equity method of accounting.

Both the Company and MCP owned and operated their respective production facilities and sold all US production of certain designated sweeteners to CPMCP for exclusive distribution in the United States. Additionally, any designated sweetener production from the Company’s operations in Canada and Mexico that was sold in the US was distributed through CPMCP. Sales to CPMCP were made at predetermined market-related prices.

Sales to CPMCP were recognized at the time title to the goods and all risks of ownership transferred to CPMCP. The Company eliminated 100 percent of the profit associated with sales to CPMCP until the risk of ownership and title to the product passed from CPMCP to its customers.

The Company recorded its share of CPMCP’s net earnings as earnings from a non-consolidated affiliate. The amount recorded represented the Company’s allocated share of the net earnings of CPMCP, based upon the percentage of designated product volumes supplied to CPMCP by the Company as compared to the total designated product volumes supplied to CPMCP by the Company and the venture partner, MCP.

The following table summarizes the Company’s transactions with CPMCP for 2002:

	(in millions)
Sales to CPMCP	\$ 417
Purchases from CPMCP	30
Commission expense to CPMCP	1
Fees and reimbursement income from CPMCP	14
Receivables due from CPMCP at December 31	30
Payables due to CPMCP at December 31	2

All obligations due to/from CPMCP have been settled.

Summarized financial information for CPMCP is shown below:

(in millions)	
At December 31, 2002	
Current assets	\$ 68
Non-current assets	—
Total assets	\$ 68
Current liabilities	\$ 53
Total equity	15
Total liabilities and equity	\$ 68
(in millions)	
Year ended December 31, 2002	
Net sales	\$ 849
Gross profit	22
Net income	\$ 12

Note 6 – Restructuring Charges

As part of a manufacturing optimization initiative in Mexico and South America, the Company permanently closed two production facilities in the fourth quarter of 2004. As a result of these plant closures, the Company recorded a restructuring charge of \$21 million (\$15 million after-tax) which is classified as plant closing costs in the Consolidated Statement of Income for 2004. The \$21 million charge consists of a \$19 million write-off of fixed assets and a \$2 million expense for employee severance costs and related benefits pertaining to the termination of approximately 160 employees. The \$19 million charge included write-offs of fixed assets in Mexico and South America of approximately \$14 million and \$5 million, respectively. The \$2 million charge for employee severance and related benefits includes costs of \$1 million in each of Mexico and South America. As of December 31, 2004, the restructuring accrual balance approximated \$1 million, principally consisting of employee severance costs and related benefits for the remaining 22 South American employees soon to depart the Company.

In 2002, the Company implemented a restructuring plan to improve North American profitability that included the termination of approximately 200 employees throughout the three North American countries in which it operates and the cancellation of certain lease obligations. In connection with this restructuring plan, the Company recorded charges of \$4 million during the first quarter of 2002. Of this amount, approximately \$3 million represented employee severance costs and related benefits and the balance represented provisions relating to the lease obligations. The charge of \$4 million was classified in general and administrative expenses. As of December 31, 2002, all of the employee terminations under the 2002 restructuring plan were completed and the restructuring accrual was fully utilized.

NOTE 7 – Financial Instruments, Derivatives and Hedging Activities

Fair value of financial instruments:

The carrying values of cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair values. The fair value of the Company's long-term debt is estimated by discounting the future cash flows of each instrument at rates currently available to the Company for similar debt instruments of comparable maturities. Based on market quotes of the yields at which the Company could issue debt with similar terms and remaining maturities, the fair value of long-term debt, including the current portion of long-term debt, at December 31, 2004 and 2003, was \$540 million and \$546 million, respectively.

Derivatives:

The Company uses derivative financial instruments primarily to manage the exposure to price risk related to corn and natural gas purchases used in the manufacturing process and to manage its exposure to changes in interest rates on outstanding debt instruments. The Company generally does not enter into derivative instruments for any purpose other than hedging the cash flows associated with future interest payments on variable rate debt and specific volumes of commodities that will be purchased and processed in a future month, and hedging the exposure related to changes in the fair value of certain outstanding fixed rate debt instruments. The Company occasionally hedges commercial transactions and certain liabilities that are denominated in a currency other than the currency of the operating unit entering into the underlying transaction. The Company does not speculate using derivative instruments.

The derivative financial instruments that the Company uses in its management of commodity-price risk consist of open futures contracts and options traded through regulated commodity exchanges. The derivative financial instruments that the Company uses in its management of interest rate risk consist of interest rate swap agreements. By using derivative financial instruments to hedge exposures to changes in commodity prices and interest rates, 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 transactions only with investment grade counterparties. 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 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 market values of corn inventory to differ from its cost and the actual purchase price of corn and natural gas to differ from anticipated prices.

The Company periodically enters into futures and option contracts for a portion of its anticipated corn and natural gas usage generally over the next twelve months, in order to hedge the price risk associated with fluctuations in market prices. The contracts limit the unfavorable effect that price increases will have on corn and natural gas purchases. All of the Company's futures and option contracts have been designated as cash flow hedges.

Unrealized gains and losses associated with marking the corn and natural gas futures and option contracts to market are recorded as a component of other comprehensive income (loss) and included in the stockholders' equity section of the Consolidated Balance Sheets as part of accumulated other comprehensive income (loss). 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 hedge with a corn or natural gas futures or option contract based on changes in the contract's intrinsic value. The changes in the market value of such contracts has historically been, and is expected to continue to be, highly effective at offsetting changes in the price of the hedged item. The amounts representing the ineffectiveness of these cash flow hedges are not significant.

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 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.

The Company uses a combination of fixed and variable rate debt to finance its operations. The debt obligations with fixed cash flows expose the Company to variability in the fair value of outstanding debt instruments due to changes in interest rates. The Company has entered into interest rate swap agreements that effectively convert the interest rate on certain fixed-rate debt to a variable rate. These swaps call 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 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 Company has also entered into a cross currency interest rate swap agreement that effectively converts certain floating rate US dollar denominated debt to a fixed rate Korean Won obligation. This swap has been designated as a hedge of floating interest rate payments attributable to changes in interest rates and is accounted for as a cash flow hedge, with changes in the fair value of the swap recorded to other comprehensive income (loss) until the hedged transaction occurs, at which time it is reclassified to earnings. The net gain or loss recognized in earnings during 2004, 2003 and 2002, representing the amount of the Company's hedges' ineffectiveness and the component of the Company's derivative instruments' gain or loss excluded from the assessment of hedge effectiveness, was not significant.

At December 31, 2004, the Company's accumulated other comprehensive income (loss) account included \$29 million of losses, net of a \$16 million tax benefit, related to derivative instruments that hedge the anticipated cash flows from future transactions, which 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 derivatives losses to earnings include the sale of finished goods inventory that includes previously hedged purchases of raw corn and the usage of hedged natural gas. Additionally, at December 31, 2004 the accumulated other comprehensive income (loss) account included \$5 million of unrealized gains, net of tax, that are expected to be recognized in earnings in 2006 when the underlying hedged natural gas is used in the production process. Cash flow hedges discontinued during 2004 were not material.

NOTE 8 – Financing Arrangements

The Company had total debt outstanding of \$568 million and \$550 million at December 31, 2004 and 2003, respectively. Short-term borrowings at December 31, 2004 and 2003 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)	2004	2003
Borrowings in various currencies (at rates of 1%-10% for 2004 and 2003)	\$ 88	\$ 56
Current maturities of long-term debt	—	42
Total short-term borrowings	\$ 88	\$ 98

On September 2, 2004, the Company entered into a new 5-year, \$180 million Revolving Credit Agreement (the “Revolving Credit Agreement”), which replaced the previously existing \$150 million revolving credit facility. The Revolving Credit Agreement provides for a \$150 million revolving credit facility in the US and a \$30 million revolving credit facility for the Company’s wholly-owned Canadian subsidiary. The Canadian revolving credit facility is guaranteed by Corn Products International, Inc. There were no borrowings outstanding under the Revolving Credit Agreement at December 31, 2004, or under the previously existing \$150 million revolving credit facility at December 31, 2003.

On April 6, 2004, Corn Products Korea, Inc. (“CPK”) entered into a 3-year, \$17.5 million (US) floating rate term loan agreement to refinance certain local indebtedness. Concurrently, CPK entered into a cross currency interest rate swap agreement that effectively converts the 3-year US dollar floating rate term loan to a 3-year, fixed rate (5.4 percent) 20 billion Korean Won obligation. Interest is payable quarterly in July, October, January and April.

Also on April 6, 2004, CPK sold, in privately placed transactions, two 10 billion Korean Won floating rate bonds (each approximating \$9 million US) to refinance certain local indebtedness. The bonds mature on April 6, 2005 and April 6, 2006, respectively. Interest is payable monthly.

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

(in millions)	2004	2003
8.25% senior notes, due 2007	\$ 254	\$ 253
8.45% senior notes, due 2009	199	199
Korean loans, due 2006-2008 (at rates of 4.7% to 5.5% for 2004 and 5.3% to 9.1% for 2003)	27	42
Total	\$ 480	\$ 494
Less current maturities	—	42
Long-term debt	\$ 480	\$ 452

The Company’s long-term debt matures as follows: \$10 million in 2006, \$272 million in 2007 and \$200 million in 2009.

Corn Products International, Inc. guarantees certain obligations of several of its consolidated subsidiaries, which aggregated \$41 million and \$32 million at December 31, 2004 and 2003, respectively.

On March 14, 2002, the Company entered into interest rate swap agreements to take advantage of the current interest rate environment by effectively converting the interest rate associated with the Company’s 8.45 percent \$200 million

senior notes due 2009 to a variable rate. These agreements involve the exchange of fixed rate payments (at 8.45 percent) for variable rate payments on \$200 million of notional principal without the exchange of the underlying face amount. Under the terms of the agreements, the Company receives fixed rate payments and makes variable rate payments based on the six-month US dollar LIBOR rate plus a spread. The fair value of these interest rate swap agreements approximated \$18 and \$22 million at December 31, 2004 and 2003, respectively. Interest rate differentials to be paid or received under these agreements are recognized as adjustments to interest expense using the accrual method. The Company does not enter into interest rate swap agreements for trading purposes.

NOTE 9 – Leases

The Company leases rail cars, certain machinery and equipment, and office space under various operating leases. Rental expense under operating leases was \$23 million, \$25 million, and \$22 million in 2004, 2003, and 2002, respectively. Minimum lease payments due on leases existing at December 31, 2004 are shown below:

(in millions)	
Year	Minimum Lease Payment
2005	\$ 18
2006	14
2007	14
2008	12
2009	11
Balance thereafter	15

NOTE 10 — Income Taxes

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

(in millions)	2004	2003	2002
Income before income taxes:			
United States	\$ 9	\$ 11	\$ 22
Outside the United States	136	124	95
Total	\$ 145	\$ 135	\$ 117
Provision for income taxes:			
Current tax expense			
US federal	\$ 6	\$ 4	\$ 10
State and local	1	1	4
Foreign	45	40	34
Total current	\$ 52	\$ 45	\$ 48
Deferred tax expense (benefit):			
US federal	\$ (5)	\$ (3)	\$ (8)
State and local	—	—	(1)
Foreign, after effect of \$6 benefit for enacted rate reduction in 2004	3	9	9
Foreign- tax benefit of net operating loss carryforward	(7)	(2)	(6)
Total deferred	\$ (9)	\$ 4	\$ (6)
Total provision	\$ 43	\$ 49	\$ 42

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, 2004 and 2003 are attributable to:

(in millions)	2004	2003
Deferred tax assets attributable to:		
Employee benefit accruals	\$ 17	\$ 14
Pensions	5	6
Hedging/derivative contracts	18	—
Foreign tax losses	7	15
Foreign minimum tax credits	13	9
Other	19	20
Valuation allowance	(7)	(3)
Total deferred tax assets	\$ 72	\$ 61
Deferred tax liabilities attributable to:		
Plants and properties	\$ 159	\$ 167
Hedging/derivative contracts	2	5
Goodwill	8	5
Inventory	4	17
Other	4	2
Total deferred tax liabilities	\$ 177	\$ 196
Net deferred tax liabilities	\$ 105	\$ 135

Deferred tax assets of \$7 million at December 31, 2004 and \$15 million at December 31, 2003 were related to tax loss carryforwards of foreign operations. The tax loss carryforwards will expire at various dates from 2006 to 2014. The valuation allowance at December 31, 2004 increased to \$7 million from \$3 million at December 31, 2003. The valuation allowance represents unrecognized tax benefits related to certain foreign loss and foreign tax credit carry forwards that may not be fully utilized to offset taxable income before they expire.

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

	2004	2003	2002
Provision for tax at US statutory rate	35.0%	35.0%	35.0%
Taxes related to foreign income	(4.9)	3.4	0.3
State and local taxes – net	0.2	0.3	1.5
Tax credits	(1.1)	(1.0)	(1.3)
Other items – net	.8	(1.7)	0.5
Provision at effective tax rate	30.0%	36.0%	36.0%

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 \$493 million of undistributed earnings of foreign subsidiaries at December 31, 2004, as such amounts are considered permanently reinvested.

On October 22, 2004, the American Jobs Creation Act of 2004 was enacted. This Act provides for a special one-time tax deduction of 85 percent of certain foreign earnings that are repatriated, as defined in the Act. The Company is in the process of evaluating the effects, if any, of the repatriation provision. The Company expects to complete this evaluation by March 31, 2005. Upon completion of this evaluation, the Company will disclose the impact, if any, of the repatriation provision.

NOTE 11 – 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.

The Company also provides healthcare and life insurance benefits for retired employees in the United States and Canada. US salaried employees are provided with access to postretirement medical insurance through Retirement Health Care Spending Accounts. US salaried employees accrue an account 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 can use the amounts accumulated in these accounts, including credited interest, to purchase postretirement medical insurance. Employees become eligible for benefits when they meet minimum age and service requirements. The Company recognizes the cost of these postretirement benefits by accruing a flat dollar amount on an annual basis for each domestic salaried employee. The Company has the right to modify or terminate these benefits. Healthcare benefits for retirees outside the United States and Canada are generally covered through local government plans.

Pension Obligation and Funded Status—The changes in pension benefit obligations and plan assets during 2004 and 2003, 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, 2004 and 2003, were as follows:

(in millions)	US Plans		Non-US Plans	
	2004	2003	2004	2003
Benefit obligation				
At January 1	\$ 63	\$ 50	\$ 85	\$ 68
Service cost	2	2	2	2
Interest cost	4	3	5	5
Benefits paid	(3)	(2)	(5)	(4)
Actuarial loss	1	10	3	1
Foreign currency translation	—	—	7	13
Benefit obligation at December 31	\$ 67	\$ 63	\$ 97	\$ 85
Fair value of plan assets				
At January 1	\$ 43	\$ 35	\$ 70	\$ 53
Actual return on plan assets	3	4	6	6
Employer contributions	8	6	4	3
Benefits paid	(3)	(2)	(5)	(4)
Foreign currency translation	—	—	6	12
Fair value of plan assets at December 31	\$ 51	\$ 43	\$ 81	\$ 70
Funded status	\$ (16)	\$ (20)	\$ (16)	\$ (15)
Unrecognized net actuarial loss	9	8	18	16
Unrecognized prior service cost	3	3	1	1
Unrecognized transition obligation	—	—	5	5
Net prepaid pension asset (liability)	\$ (4)	\$ (9)	\$ 8	\$ 7

Amounts recognized in the balance sheet consist of:

(in millions)	US Plans		Non-US Plans	
	2004	2003	2004	2003
Prepaid benefit cost	\$ —	\$ —	\$ (12)	\$ (9)
Accrued benefit cost	12	17	10	7
Intangible assets	(2)	(3)	(5)	(5)
Accumulated other comprehensive income	(6)	(5)	(1)	—
Net amount recognized	\$ 4	\$ 9	\$ (8)	\$ (7)

The accumulated benefit obligation for all defined benefit pension plans was \$148 million and \$122 million at December 31, 2004 and 2003.

For plans with an accumulated benefit obligation in excess of plan assets:

(in millions)	US Plans		Non-US Plans	
	2004	2003	2004	2003
Projected benefit obligation	\$ 67	\$ 63	\$ 13	\$ 10
Accumulated benefit obligation	63	60	12	9
Fair value of plan assets	51	43	2	2

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 Pension Benefit Cost – Net pension cost consisted of the following for the years ended December 31, 2004, 2003 and 2002:

(in millions)	US Plans			Non-US Plans		
	2004	2003	2002	2004	2003	2002
Service cost	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Interest cost	4	3	3	5	5	4
Expected return on plan assets	(3)	(2)	(3)	(5)	(5)	(4)
Net pension cost	\$ 3	\$ 3	\$ 2	\$ 2	\$ 2	\$ 2

The Company recognized an additional minimum liability at December 31, 2004, 2003 and 2002, related to under-funded plans. In connection with the recognition of this minimum liability, at December 31, 2004 the Company recorded a charge to other comprehensive income of \$1.7 million (\$0.9 million, net of income tax of \$0.8 million). At December 31, 2003 the Company recorded a charge to other comprehensive income of \$4 million (\$2.6 million, net of income taxes of \$1.4 million). At December 31, 2002, the Company recorded an intangible asset of \$3 million and a charge to other comprehensive income of \$1 million (\$0.6 million, net of income taxes of \$0.4 million) related to the recognition of the minimum pension liability. The minimum pension liability will change from year to year as a result of revisions to actuarial assumptions, experience gains or losses and settlement rate changes.

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

	US Plans		Non-US Plans	
	2004	2003	2004	2003
Discount rate	5.75%	6.0%	6.25%	6.5%
Rate of compensation increase	2.75%	3.0%	4.5%	4.5%

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		
	2004	2003	2002	2004	2003	2002
Discount rate	6.0%	6.75%	7.5%	6.5%	6.5%	6.5%
Expected long-term return on plan assets	7.5%	8.25%	9.0%	8.5%	8.5%	8.5%
Rate of compensation increase	3.0%	3.75%	4.0%	4.5%	4.5%	4.5%

The Company has assumed an expected long-term rate of return on assets of 7.5 percent for US plans. In developing the expected long-term rate of return assumption on plan assets, which consist mainly of US equity and debt securities, management evaluated historical rates of return achieved on plan assets and the asset allocation of the plans, as well as input from the Company's independent actuaries and investment consultants and long-term inflation rate assumptions. Projected returns by such consultants are based upon broad equity and bond indices.

Plan Assets - The Company's investment policy for its pension plans is to balance risk and return through diversified portfolios of high-quality equity, 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 is 32-52 percent with equity managers, and 47-67 percent with fixed income managers. The asset allocation is reviewed regularly and portfolio investments are rebalanced periodically to the targeted allocation when considered appropriate. The Company's pension plan weighted average asset allocation as of the measurement date of September 30 for US plans and November 30 for non-US plans is as follows:

Asset Category	US Plans		Non-US Plans	
	2004	2003	2004	2003
Equity securities	52%	41%	57%	56%
Debt securities	47%	46%	39%	41%
Other	1%	13%	4%	3%
Total	100%	100%	100%	100%

The Company made an \$8 million cash contribution to its US pension plans in 2004, and a \$4 million cash contribution to its Canadian pension plans. The Company estimates that in 2005 it will make cash contributions of \$4 million and \$6 million to its US and Canadian pension plans, respectively. Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. The following benefit payments, which reflect expected future service, as appropriate, are expected to be made:

(in millions)	US Plans	Non US Plans
2005	\$ 6	\$ 6
2006	6	5
2007	11	5
2008	5	5
2009	5	6
Years 2010 – 2014	24	33

The Company and certain of its 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 \$5 million, \$4 million and \$4 million in 2004, 2003 and 2002, respectively.

Postretirement Benefit Plans – The Company's postretirement benefit plans currently are not funded. The changes in the benefit obligations of the plans during 2004 and 2003, and the amounts recognized in the Company's Consolidated Balance Sheets at December 31, 2004 and 2003, were as follows:

(in millions)	2004	2003
Accumulated postretirement benefit obligation		
At January 1	\$ 43	\$ 31
Service cost	1	1
Interest cost	3	2
Actuarial (gain) loss	(1)	10
Benefits paid	(2)	(2)
Foreign currency translation	—	1
Benefit obligation at December 31	\$ 44	\$ 43
Unrecognized net actuarial loss	(11)	(14)
Unrecognized prior service benefit	1	2
Accrued postretirement benefit costs	\$ 34	\$ 31

Net postretirement benefit costs consisted of the following for the years ended December 31, 2004, 2003 and 2002:

(in millions)	2004	2003	2002
Service cost	\$ 1	\$ 1	\$ 1
Interest cost	3	2	2
Curtailment gain on divestiture of Enzyme Bio-Systems	—	—	(1)
Net postretirement benefit costs	\$ 4	\$ 3	\$ 2

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

	2004	2003
Discount rate	5.75%	6.0%

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

	2004	2003	2002
Discount rate	6.0%	6.75%	6.75%

In measuring the postretirement benefit obligation, the Company assumed an increase for next year in the per capita cost of healthcare benefits of 9.5 percent in 2004 and 2003, declining to 5 percent by the year 2014 and remaining at that level thereafter. An increase in the assumed healthcare cost trend rate by 1 percentage point would increase the accumulated postretirement benefit obligation at December 31, 2004 by \$5 million, while a decrease in the rate of 1 percentage point would decrease the obligation by \$4 million, with a corresponding effect on the service and interest cost components of the net periodic postretirement benefit cost for the year then ended of \$0.5 million.

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

(in millions)	US Plans	Non US Plans
2005	\$ 2	\$ —
2006	2	—
2007	2	—
2008	2	—
2009	2	—
Years 2010 – 2014	12	1

In December 2003, the President of the United States signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("Medicare Act"). The Medicare Act introduced a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Following the enactment into law of the Medicare Act, on January 12, 2004, the FASB issued FSP No. 106-1, which, on May 19, 2004, was superseded by FSP 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003." FSP 106-2 provides guidance on the accounting for the effects of the Medicare Act for employers that sponsor postretirement health care plans that provide prescription drug benefits. The guidance in FSP 106-2 related to the accounting for the subsidy applies only to the sponsor of a single-employer defined benefit postretirement health care plan for which (a) the employer has concluded that prescription drug benefits available under the plan to some or all participants for some or all future years are actuarially equivalent to Medicare Part D and thus qualify for the subsidy under the Medicare Act and (b) the expected subsidy will offset or reduce the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based. The Company determined that the prescription drug benefits under its US hourly postretirement health care plan are actuarially equivalent to Medicare Part D, and adopted FSP 106-2 prospectively, effective July 1, 2004. The adoption of FSP 106-2 did not have a material impact on the Company's financial statements.

NOTE 12 – Supplementary Information

Balance Sheet – Supplementary information is set forth below:

(in millions)	2004	2003
Accounts receivable – net:		
Accounts receivable – trade	\$ 241	\$ 234
Accounts receivable – other	56	25
Allowance for doubtful accounts	(6)	(7)
Total accounts receivable – net	\$ 291	\$ 252
Inventories:		
Finished and in process	\$ 107	\$ 96
Raw materials	112	86
Manufacturing supplies	39	33
Total inventories	\$ 258	\$ 215
Accrued liabilities:		
Compensation expenses	\$ 33	\$ 25
Dividends payable	5	4
Accrued interest	16	17
Accrued income taxes	15	11
Taxes payable other than income taxes	18	18
Other	26	21
Total accrued liabilities	\$ 113	\$ 96
Non-current liabilities:		
Employees' pension, indemnity, retirement, and other	\$ 84	\$ 82
Fair value adjustment related to hedged fixed rate debt instrument	18	22
Other	14	14
Total non-current liabilities	\$ 116	\$ 118

Income Statement - Supplementary information is set forth below:

(in millions)	2004	2003	2002
Earnings from non-controlled affiliates and other income (expense)-net:			
Earnings from non-controlled affiliates	\$ 1	\$ 1	\$ 7
Gain from sale of investment	1	—	—
Write-down of long-lived assets	—	(3)	—
Gain from sale of EBS	—	—	8
Gain from dissolution of CPMCP	—	—	3
Other	2	1	2
Total earnings from non-controlled affiliates and other income (expense)	\$ 4	\$ (1)	\$ 20
Financing costs:			
Interest expense	\$ 36	\$ 40	\$ 39
Interest income	(3)	(1)	(2)
Foreign currency transaction losses (gains)	1	—	(1)
Financing costs-net	\$ 34	\$ 39	\$ 36

Statements of Cash Flow - Supplementary information is set forth below:

(in millions)	2004	2003	2002
Interest paid	\$ 34	\$ 41	\$ 29
Income taxes paid	46	43	47
Noncash investing and financing activities:			
Change in fair value and number of shares of redeemable common stock	(34)	9	(8)
Issuance of common stock in connection with acquisitions	—	8	2

NOTE 13 – Redeemable Common Stock

The Company has an agreement with certain common stockholders (collectively the “holder”), a representative of which serves on the Company’s Board of Directors, relating to certain common shares, that provides the holder with the right to require the Company to repurchase the underlying common shares for cash at a price equal to the average of the closing per share market price of the Company’s common stock for the 20 trading days immediately preceding the date that the holder exercises the put option. The put option is exercisable at any time until January 2010 when it expires. The holder can also elect to sell the common shares on the open market, subject to certain restrictions. The common shares subject to the put option are classified as redeemable common stock in the Company’s Consolidated Balance Sheets.

During 2004 the holder sold 2,600,000 shares of redeemable common stock in open market transactions, thereby reducing the number of redeemable common shares from 3,827,000 shares at December 31, 2003 to 1,227,000 shares at December 31, 2004. The carrying value of the redeemable common stock was \$33 million at December 31, 2004 and \$67 million at December 31, 2003, based on the average of the closing per share market prices of the Company’s common stock for the 20 trading days immediately preceding the respective balance sheet dates (\$26.90 per share and \$17.60 per share at December 31, 2004 and 2003, respectively). Adjustments to mark the redeemable common stock to market value are recorded directly against additional paid-in capital in the stockholders’ equity section of the Company’s Consolidated Balance Sheets.

The Company has the right, but not the obligation, to extend the put option for an additional three years. The holder of the put option may not require the Company to repurchase less than 500,000 shares on any single exercise of the option, and the put option may not be exercised more than once in any six month period. In the event the holder exercises the put option requiring the Company to repurchase the shares, the Company would be required to pay for the shares within 90 calendar days from the exercise date if the holder is selling the minimum number of shares (500,000), and within a prorated time period of between 90 and 360 calendar days if the holder is selling more than the minimum number of shares. For intermediate share amounts, a pro-rata payment period would be calculated (based on the number of shares put). Any amount due would accrue interest at the Company’s revolving credit facility rate from the date of exercise until the payment date.

NOTE 14 — Stockholders’ Equity

Preferred stock and stockholders’ rights plan:

The Company has authorized 25 million shares of \$0.01 par value preferred stock, of which 1 million shares were designated as Series A Junior Participating Preferred Stock for the stockholders’ rights plan. Under this plan, each share of the Company’s common stock carries with it one-half of one right to purchase one one-hundredth of a share of preferred stock. The rights will at no time have voting power or pay dividends. The rights will become exercisable if a person or group acquires or announces a tender offer that would result in the acquisition of 15 percent or more of the Company’s common stock. When exercisable, each full right entitles a holder to buy one one-hundredth of a share of Series A Junior Participating Preferred Stock at a price of \$120. If the Company is involved in a merger or other business combination with a stockholder holding at least 15 percent of the Company’s outstanding voting securities, each full right will entitle a holder to buy a number of the acquiring company’s shares having a value of twice the exercise price of the right. Alternatively, if a 15 percent stockholder engages in certain self-dealing

transactions or acquires the Company in such a manner that Corn Products International, Inc. and its common stock survive, or if any person acquires 15 percent or more of the Company's common stock, except pursuant to an offer for all shares at a fair price, each full right not owned by a stockholder holding at least 15 percent of the Company's outstanding voting securities may be exercised for Corn Products International, Inc. common stock (or, in certain circumstances, other consideration) having a market value of twice the exercise price of the right. The Company may redeem the rights for one cent each at any time before an acquisition of 15 percent or more of its voting securities. Unless redeemed earlier, the rights will expire on December 31, 2007.

Common Stock:

On December 1, 2004, the Company's board of directors declared a two-for-one stock split effected as a 100-percent stock dividend on the Company's common stock. The dividend shares were issued on January 25, 2005 to shareholders of record at the close of business on January 4, 2005. Accordingly, all share and per share data for the periods presented in this report have been retroactively adjusted to reflect the stock split.

Treasury Stock:

During 2004, the Company issued, from treasury, 31,280 restricted common shares and 2,195,010 common shares upon the exercise of stock options under the stock incentive plan and 4,490 common shares under other incentive plans. During 2003, the Company issued, from treasury, 16,000 restricted common shares and 400,564 common shares upon the exercise of stock options under the stock incentive plan. Also in 2003, the Company issued from treasury 541,584 common shares in connection with the purchase of the remaining interest in the Southern Cone of South America business. During 2002, the Company issued, from treasury, 140,000 restricted common shares and 353,624 common shares upon the exercise of stock options under the stock incentive plan. Also, in connection with the CP Ingredientes acquisition, the Company issued from treasury 140,000 common shares in 2002.

The Company retired 34,832, 34,124 and 38,252 shares of its common stock to treasury during 2004, 2003 and 2002, 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 \$24.58, \$15.20, and \$14.88, or fair value at the date of purchase, during 2004, 2003 and 2002, respectively. All of the acquired shares are held as common stock in treasury, less shares issued to employees under the stock incentive plan.

On February 9, 2005, the Company's Board of Directors authorized a stock repurchase program that permits the Company to purchase up to 4 million shares of its outstanding common stock over a five-year period. The Company's previously authorized stock repurchase program expired on January 20, 2005. At both December 31, 2004 and 2003, 5,099,300 shares had been repurchased under the previous stock repurchase program at a total cost of approximately \$64 million.

Set forth below is a reconciliation of common stock share activity for the years ended December 31, 2002, 2003 and 2004.

(Shares of common stock, in thousands)	Issued	Held in Treasury	Redeemable Shares	Outstanding
Balance at December 31, 2001	75,320	4,508	3,687	67,125
Issuance in connection with acquisition	—	(140)	140	—
Issuance of restricted stock as compensation	—	(140)	—	140
Stock options exercised	—	(354)	—	354
Purchase/acquisition of treasury stock	—	38	—	(38)
Balance at December 31, 2002	75,320	3,912	3,827	67,581
Issuance in connection with acquisition	—	(542)	—	542
Issuance of restricted stock as compensation	—	(16)	—	16
Stock options exercised	—	(400)	—	400
Purchase/acquisition of treasury stock	—	34	—	(34)
Balance at December 31, 2003	75,320	2,988	3,827	68,505
Elimination of redemption requirement	—	—	(2,600)	2,600
Issuance of restricted stock as compensation	—	(31)	—	31
Issuance under incentive and other plans	—	(5)	—	5
Stock options exercised	—	(2,195)	—	2,195
Purchase/acquisition of treasury stock	—	35	—	(35)
Balance at December 31, 2004	75,320	792	1,227	73,301

Stock Incentive Plan:

The Company has established a stock incentive plan for certain key employees. In addition, following the spin-off from CPC, all existing CPC stock options held by Company employees were converted to stock options to acquire Corn Products International, Inc. common stock. These stock options retained their original vesting schedules and expiration dates. The Company granted additional nonqualified options to purchase 1,071,300, 1,061,800 and 1,046,800 shares of the Company's common stock during 2004, 2003 and 2002, respectively. These options are exercisable upon vesting, which occurs in 50 percent increments at the one and two-year anniversary dates of the date of grant. As of December 31, 2004, certain of these nonqualified options have been forfeited due to the termination of employees.

In addition to stock options, the Company awards shares of restricted stock to certain key employees. The cost of these awards is being amortized to expense over the applicable restriction periods.

The Company accounts for stock-based compensation using the intrinsic value method. Pro forma disclosures of net income and earnings per share, assuming the fair value method was used to account for stock options under SFAS 123, are provided in Note 2 of these Notes to the Consolidated Financial Statements in the section entitled "Stock-based compensation." For purposes of making the pro forma disclosure, the estimated fair market value of stock option awards is amortized to expense over the applicable vesting period. The fair value of the stock option awards was estimated at the grant dates using the Black-Scholes option pricing model with the following weighted average assumptions for 2004, 2003 and 2002, respectively: risk-free interest rates of 4.02 percent, 3.7 percent and 3.82 percent in 2004, 2003 and 2002; volatility factor of 22 percent, 20 percent and 24 percent in 2004, 2003 and 2002; and a weighted average expected life of the awards of 6.46 years, 7.52 years and 6.92 years in 2004, 2003 and 2002. A dividend yield of 0.94 percent, 1.22 percent and 1.32 percent was assumed for 2004, 2003 and 2002, respectively.

The Black-Scholes model requires the input of highly subjective assumptions and does not necessarily provide a reliable measure of fair value.

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

(shares in thousands)	Stock Option Shares	Stock Option Price Range	Weighted Average Exercise Price	Shares of Restricted Stock
Outstanding at December 31, 2001	5,808	\$6.95 to \$16.16	\$14.03	340
Granted	1,047	14.32 to 16.56	14.40	140
Exercised / vested	(354)	7.50 to 16.16	12.65	(32)
Cancelled	(201)	7.50 to 16.16	13.79	(12)
Outstanding at December 31, 2002	6,300	6.95 to 16.56	14.17	436
Granted	1,062	14.88 to 16.92	16.85	16
Exercised / vested	(378)	6.95 to 16.16	12.45	(26)
Cancelled	(97)	14.32 to 16.16	15.08	(26)
Outstanding at December 31, 2003	6,887	6.95 to 16.92	14.67	400
Granted	1,071	17.65 to 24.70	24.66	31
Exercised / vested	(2,196)	6.95 to 16.92	13.88	(91)
Cancelled	(40)	14.32 to 16.92	16.06	(15)
Outstanding at December 31, 2004	5,722	\$10.12 to \$24.70	\$16.83	325

The following table summarizes information about stock options outstanding at December 31, 2004:

(shares in thousands)

Range of Exercise Prices	Options Outstanding	Weighted Average Exercise Price	Average Remaining Contractual Life (Years)	Options Exercisable	Weighted Average Exercise Price
\$9.8791 to 12.3487	305	\$11.29	4.7	305	\$11.29
\$12.3488 to 14.8185	2,167	14.10	6.3	2,167	14.10
\$14.8186 to 17.2882	2,179	16.47	5.7	1,681	16.34
\$17.2883 to 19.7580	6	17.65	9.0	—	—
\$19.7581 to 24.6975	1,065	24.70	9.8	—	—
	5,722	\$16.83	6.6	4,153	\$14.80

The number of options exercisable at December 31, 2004 and 2003 was 4.2 million and 5.4 million, respectively. The weighted average fair value of options granted during 2004, 2003, and 2002 was \$7.05, \$4.45, and \$4.17, respectively.

NOTE 15 — Segment Information

The Company operates in one business segment, corn refining, and is managed on a geographic regional basis. Its North America operations include corn-refining businesses in the United States, Canada and Mexico and, prior to the December 2002 dissolution of CPMCP, its then non-consolidated equity interest in that entity. This region also included EBS until it was sold in February 2002. The Company's South America operations include corn-refining businesses in Brazil, Colombia, Ecuador, Peru and the Southern Cone of South America, which includes Argentina, Chile and Uruguay. The Company's Asia/Africa operations include corn-refining businesses in Korea, Pakistan, Malaysia and Kenya, and a tapioca root processing operation in Thailand.

(in millions)	2004	2003	2002
Net sales to unaffiliated customers (a):			
North America	\$ 1,419	\$ 1,329	\$ 1,219
South America	556	495	401
Asia/Africa	308	278	251
Total	\$ 2,283	\$ 2,102	\$ 1,871
Operating income (b):			
North America	\$ 87	\$ 68	\$ 56
South America	98	83	58
Asia/Africa	48	54	54
Corporate	(33)	(31)	(23)
Plant closing costs (c)	(21)	—	—
Non-recurring earnings	—	—	8
Total	\$ 179	\$ 174	\$ 153
Total assets (d):			
North America	\$ 1,411	\$ 1,386	\$ 1,369
South America	521	468	360
Asia/Africa	435	362	339
Total	\$ 2,367	\$ 2,216	\$ 2,068
Depreciation and amortization:			
North America	\$ 74	\$ 76	\$ 80
South America	20	18	17
Asia/Africa	8	7	6
Total	\$ 102	\$ 101	\$ 103
Capital expenditures:			
North America	\$ 58	\$ 31	\$ 41
South America	31	30	16
Asia/Africa	15	22	21
Total	\$ 104	\$ 83	\$ 78

Notes:

- a. Sales between segments for each of the periods presented are insignificant and therefore are not presented.
- b. Includes earnings from non-controlled affiliates accounted for under the equity method as follows: South America — \$1 million in each of 2004, 2003 and 2002; North America — \$6 million in 2002.
- c. Includes a \$19 million write-off of fixed assets and a \$2 million charge for employee termination costs pertaining to the Company's manufacturing optimization initiative in Mexico and South America. See also Note 6.
- d. Includes investments in non-controlled affiliates accounted for under the equity method as follows: South America — \$4 million at December 31, 2004 and 2003, and \$3 million at December 31, 2002.

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

(in millions)	Net Sales		
	2004	2003	2002
United States	\$ 765	\$ 738	\$ 605
Mexico	383	331	332
Canada	271	260	281
Brazil	288	251	195
Korea	187	170	162
Argentina	106	102	63
Others	283	250	233
Total	\$ 2,283	\$ 2,102	\$ 1,871

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

(in millions)	Long-lived Assets		
	2004	2003	2002
United States	\$ 407	\$ 406	\$ 433
Mexico	394	426	433
Canada	173	165	147
Brazil	125	112	88
Korea	243	212	210
Argentina	117	116	67
Others	175	171	146
Total	\$ 1,634	\$ 1,608	\$ 1,524

Supplemental Financial Information

Unaudited Quarterly Financial Data

Summarized quarterly financial data is as follows:

(in millions, except per share amounts)	1st QTR	2nd QTR	3rd QTR	4th QTR
2004				
Net sales before shipping and handling costs	\$ 592	\$ 616	\$ 633	\$ 620
Less: shipping and handling costs	42	44	46	46
Net sales	\$ 550	\$ 572	\$ 587	\$ 574
Gross profit	95	92	83	85
Net income	26	30	24	14**
Basic earnings per common share *	\$ 0.35	\$ 0.40	\$ 0.33	\$ 0.19**
Diluted earnings per common share *	\$ 0.35	\$ 0.40	\$ 0.32	\$ 0.19**

(in millions, except per share amounts)	1st QTR	2nd QTR	3rd QTR	4th QTR
2003				
Net sales before shipping and handling costs	\$ 518	\$ 583	\$ 583	\$ 585
Less: shipping and handling costs	39	44	42	42
Net sales	\$ 479	\$ 539	\$ 541	\$ 543
Gross profit	69	79	84	93
Net income	14	18	20	24
Basic earnings per common share *	\$ 0.19	\$ 0.25	\$ 0.28	\$ 0.34
Diluted earnings per common share *	\$ 0.19	\$ 0.25	\$ 0.28	\$ 0.34

* Per share amounts have been adjusted for the 2-for-1 stock split effective January 25, 2005.

** Includes a charge of \$21 million (\$15 million, after-tax, or \$0.20 per diluted common share) to write-off fixed assets and record employee termination costs associated with a manufacturing optimization initiative in Mexico and South America (see also Note 6). Additionally, the Company reduced its annual effective income tax rate to 30 percent (from 33 percent used for the nine months ended September 30, 2004) to reflect the favorable impact of new tax legislation in various countries in which the Company conducts business. The Company's effective income tax rate for the fourth quarter and full year 2003 was 36 percent.

Common Stock Market Prices and Dividends *

The Company's common stock is listed and traded on the New York Stock Exchange. The following table sets forth, for the periods indicated, the high, low and closing market prices of the common stock and common stock cash dividends.

	1st QTR	2nd QTR	3rd QTR	4th QTR
2004				
Market price range of common stock				
High	\$ 20.04	\$ 23.29	\$ 23.80	\$ 27.92
Low	17.22	19.81	20.63	22.72
Close	20.00	23.28	23.05	26.78
Dividends declared per common share	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07
2003				
Market price range of common stock				
High	\$ 15.74	\$ 16.25	\$ 16.75	\$ 18.13
Low	13.57	14.38	14.45	15.99
Close	14.58	15.02	15.93	17.23
Dividends declared per common share	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.06

* Per share amounts have been adjusted for the 2-for-1 stock split effective January 25, 2005.

At December 31, 2004, there were 10,134 shareholders of record of the Company's common stock.

Ten-Year Financial Highlights *

(in millions, except per share amounts)	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Summary of operations										
Net sales	\$2,283	\$2,102	\$1,871	\$1,887	\$1,865	\$1,735	\$1,448	\$1,418	\$1,524	\$1,387
Net income (loss) as previously reported	94	76	63	57	48	77	43	(75)	23	135
Adjustment for effect of a change in accounting for inventories	—	—	—	—	—	(3)	—	(1)	2	1
Net income (loss) as adjusted	94	76	63	57	48	74	43	(76)	25	136
Basic earnings (loss) per common share:										
Net income (loss) as previously reported	\$ 1.28	\$ 1.06	\$ 0.89	\$ 0.80	\$ 0.68	\$ 1.03	\$ 0.59	\$ (1.05)	\$ 0.32	\$ 1.90
Adjustment for effect of a change in accounting for inventories	—	—	—	—	—	(0.04)	—	(0.02)	0.03	0.01
Net income (loss) as adjusted	\$ 1.28	\$ 1.06	\$ 0.89	\$ 0.80	\$ 0.68	\$ 0.99	\$ 0.59	\$ (1.07)	\$ 0.35	\$ 1.91
Cash dividends declared per common share	\$ 0.25	\$ 0.21	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.08	—	—	—
Balance sheet data										
Working capital	\$ 199	\$ 153	\$ 138	\$ (120)	\$ 69	\$ 104	\$ 46	\$ (83)	\$ 151	\$ 33
Property, plant and equipment-net	1,211	1,187	1,154	1,293	1,407	1,349	1,298	1,057	1,057	920
Total assets	2,367	2,216	2,068	2,240	2,339	2,217	1,956	1,676	1,676	1,315
Total debt	568	550	600	756	720	544	404	350	350	363
Redeemable common stock **	33	67	58	64	47	57	50	—	—	—
Stockholders' equity **	1,081	911	770	793	913	973	1,009	992	1,033	606
Shares outstanding, year end	74.5	72.3	71.4	70.8	70.5	73.9	75.1	71.2	—	—
Additional data										
Depreciation and amortization	\$ 102	\$ 101	\$ 103	\$ 127	\$ 135	\$ 122	\$ 95	\$ 95	\$ 88	\$ 82
Capital expenditures	104	83	78	94	143	162	91	100	192	188
Maintenance and repairs	81	81	72	82	78	84	67	69	61	65

* All share and per share amounts have been adjusted for the 2-for-1 stock split effective January 25, 2005 . Additionally, all periods prior to 2000 have been retroactively restated to reflect the change in accounting for inventories effective January 1, 2000.

** Amounts have been restated to reflect the reclassification of redeemable common stock from stockholders' equity for periods from 1998 through 2002.

Note: 1997 and prior per share amounts are pro forma and have been computed by dividing net income (loss) by the shares outstanding, which were 71.2 million at December 31, 1997, the date that the Company was spun off from CPC International, Inc. For the purpose of this calculation, the shares outstanding at December 31, 1997 were assumed to be outstanding for all periods prior.

SUBSIDIARIES OF THE REGISTRANT

Following is a list of the Registrant's subsidiaries and their subsidiaries showing the percentage of voting securities owned, or other bases of control, by the immediate parent of each.

DOMESTIC - 100 percent

Corn Products Development, Inc. (Delaware)
Corn Products Sales Corporation (Delaware)
Crystal Car Line, Inc. (Illinois)
Feed Products Limited (New Jersey)
The Chicago, Peoria and Western Railway Company (Illinois)
Cali Investment Corp. (Delaware)
Colombia Millers Ltd. (Delaware)
Hispano-American Company, Inc. (Delaware)
Inversiones Latinoamericanas S.A. (Delaware)
Bedford Construction Company (New Jersey)
Corn Products Puerto Rico Inc. (Delaware)

FOREIGN - 100 percent

Argentina: Corn Products Southern Cone S.A.
-Starch Holding Argentina S.A.
-Productos de Maiz, S.A.
-Macher Financier S.A.
Barbados: Corn Products International Sales Company, Inc.
Brazil: Corn Products Brasil-Ingredientes Industriais Ltda.
Canada: Canada Starch Company Inc.
-Canada Starch Operating Company Inc.
-Casco Inc.
-Corn Products Canada Inc.
Chile: Corn Products Chile-Inducorn S.A.
Colombia: Industrias del Maiz S.A. — Corn Products Andina
Ecuador: Indumaiz del Ecuador S.A.
Honduras: Almidones del Istmo, S.A. de C.V.
Japan: Corn Products Japan Ltd.
Kenya: Corn Products Kenya Limited
Korea: Corn Products Korea, Inc.
Malaysia: Stamford Food Industries Sdn. Berhad
Mexico: Compania Proveedora de Ingredientes, S.A. de C.V.
-Almifin SRL de C.V.
-Arrendadora Gefemesa, S.A. de C.V.
-Bebidas y Algo Mas, S.A. de C.V.
-Bebidas Internacionales, S.A. de C.V.
Peru: Corn Products Peru S.A.C.
Singapore: Corn Products Trading Co. Pte. Ltd.

Uruguay: Productos de Maiz Uruguay S.A.
Venezuela: Corn Products Venezuela, C.A.

OTHER

Brazil: GETEC Guanabara Quimica Industrial S/A — 20.17 percent
China: Shouguang Golden Far East Modified Starch Company, Ltd. — 51.0 percent
Ecuador: Poliquimicos del Ecuador S.A. — 91.72 percent
Pakistan: Rafhan Maize Products Co. Ltd. — 70.31 percent
Thailand: Corn Products Amardass (Thailand) Limited — 82.60 percent
United States: CP Ingredients LLC — 51.0 percent

The Company also has other subsidiaries, which, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We consent to the incorporation by reference in the registration statements on Form S-8 (No. 333-43479, 333-43525, 333-71573, 333-75844, and 333-33100) and Form S-3 (No. 333-83557) of Corn Products International, Inc. of our reports dated March 10, 2005, relating to the consolidated balance sheets of Corn Products International, Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, comprehensive income, stockholders' equity and redeemable equity, and cash flows for each of the years in the three-year period ended December 31, 2004, management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2004 and the effectiveness of internal control over financial reporting as of December 31, 2004, which reports are included or incorporated by reference in the December 31, 2004 annual report on Form 10-K of Corn Products International, Inc.

KPMG LLP

Chicago, Illinois
March 11, 2005

CORN PRODUCTS INTERNATIONAL, INC.

POWER OF ATTORNEY

Form 10-K for the Fiscal Year Ended December 31, 2004

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 MARCIA E. DOANE 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, 2004, 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 11th day of March, 2005.

/s/ Richard J. Almeida

Richard J. Almeida

/s/ Luis Aranguren

Luis Aranguren

/s/ Guenther E. Greiner

Guenther E. Greiner

/s/ Ronald M. Gross

Ronald M. Gross

/s/ Karen L. Hendricks

Karen L. Hendricks

/s/ Bernard H. Kastory

Bernard H. Kastory

/s/ Barbara A. Klein

Barbara A. Klein

/s/ William S. Norman

William S. Norman

/s/ James M. Ringler

James M. Ringler

/s/ Samuel C. Scott III

Samuel C. Scott III

/s/ Clifford B. Storms

Clifford B. Storms

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Samuel C. Scott III, 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: March 11, 2005

/s/ Samuel C. Scott III

Samuel C. Scott III
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: March 11, 2005

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

EXHIBIT 32.1

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

I, Samuel C. Scott III, the Chief Executive Officer of Corn Products International, Inc., certify that (i) the report on Form 10-K for the fiscal year ended December 31, 2004 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/ Samuel C. Scott III

Samuel C. Scott III

Chief Executive Officer

March 11, 2005

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 (i) the report on Form 10-K for the fiscal year ended December 31, 2004 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
March 11, 2005

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.