

UNITED STATES 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, 2008

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

New York Stock Exchange

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

NONE

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

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

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

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). 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 \$49.11 on June 30, 2008, and, for the purpose of this calculation only, the assumption that all of the Registrant's directors and executive officers are affiliates) was approximately \$3,627,000,000.

The number of shares outstanding of the Registrant's Common Stock, par value \$.01 per share, as of February 23, 2009, was 74,744,000.

Documents Incorporated by Reference:

Information required by Part III (Items 10, 11, 12, 13 and 14) of this document is incorporated by reference to certain portions of the Registrant's definitive Proxy Statement (the "Proxy Statement") to be distributed in connection with its 2009 Annual Meeting of Stockholders which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2008.



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FORM 10-K
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PART I.

ITEM 1. BUSINESS

The Company

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

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

We are one of the world’s largest corn refiners and a major supplier of high-quality food ingredients and industrial products derived from wet milling and processing of corn and other starch-based materials.

Our consolidated net sales were \$3.94 billion in 2008. Approximately 60 percent of our 2008 net sales were provided from our North American operations, while our South American and Asia/African operations contributed approximately 28 percent and 12 percent, respectively.

Our products 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 co-products such as animal feed and corn oil. 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.

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

Corn Products 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 and corn oil markets.

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

Products

Sweetener Products. Our sweetener products represented approximately 53 percent, 57 percent and 55 percent of our net sales for 2008, 2007 and 2006, respectively.

High Fructose Corn Syrup: We primarily produce 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.

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, we offer 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: We were granted the first US patent for dextrose in 1923. We currently produce 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.

Polyols: These products are sugar-free, reduced calorie sweeteners primarily derived from starch. They include crystalline sorbitol, crystalline maltitol, mannitol, specialty liquid polyols and liquid sorbitol for the food, beverage, confectionary, industrial, personal and oral care, and nutritional supplement markets.

Maltodextrins and Glucose and Corn Syrup Solids: These products have a multitude of food applications, including formulations where liquid corn syrups cannot be used. Maltodextrins are resistant to browning, provide excellent solubility, have a low 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 bulking properties.

Starch Products. Starch products represented approximately 22 percent of our net sales in each of 2008, 2007 and 2006. 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 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, textiles, 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 25 percent, 21 percent and 23 percent of our net sales for 2008, 2007 and 2006, 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

We operate in one business segment, corn refining, and manage our business on a geographic regional basis. Our business includes regional operations in North America, South America and Asia/Africa. In 2008, approximately 60 percent of our net sales were derived from operations in North America, while net sales from operations in South America and Asia/Africa represented approximately 28 percent and 12 percent of our net sales, respectively. See Note

14 of the notes to the consolidated financial statements entitled “Segment Information” for additional financial information with respect to geographic areas.

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

Our North America region consists of operations in the US, Canada and Mexico. The region’s facilities include 11 plants producing regular and modified starches, dextrose, high fructose, glucose and high maltose corn syrups and corn syrup solids, dextrans and maltodextrins, polyols, caramel color, fructooligosaccharides and oat bran concentrate. Our plant in Bedford Park, Illinois is a major supplier of starch and dextrose products for our US and export customers. Our other US plants in Winston-Salem, North Carolina and Stockton, California enjoy strong market shares in their local areas, as do our Canadian plants in Cardinal, London and Port Colborne, Ontario. Our Winston-Salem, Stockton, Port Colborne and London plants primarily produce high fructose corn syrup. We are the largest corn refiner in Mexico, with plants in Guadalajara, Mexico City and San Juan del Rio. We also have a plant in Mapleton, Illinois that produces polyols and a plant in Missoula, Montana that produces oat bran concentrate.

We are the largest corn refiner in South America, with strong market shares in Argentina, Brazil, Chile, Colombia and Peru. Our 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.

Our 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 we engage directly, we have strategic alliances through technical license agreements with companies in South Africa and Venezuela. As a group, our strategic alliance partners produce high fructose, glucose and high maltose syrups (both corn and tapioca), regular, modified, waxy and tapioca starches, dextrose and 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 our products are viewed as basic commodity ingredients that compete with virtually identical products and derivatives manufactured by other companies in the industry. The US is a highly competitive market where there are other corn refiners, several of which are divisions of larger enterprises. Some of these competitors, unlike us, have vertically integrated their corn refining and other operations. Competitors include ADM Corn Processing Division (“ADM”) (a division of Archer-Daniels-Midland Company), Cargill, Inc., Tate & Lyle Ingredients Americas, Inc., National Starch and Chemical Company (“National Starch”) (a subsidiary of Akzo Nobel N.V.) and several others. Our operations in Mexico and Canada face competition from US imports and local producers including ALMEX, a Mexican joint venture between ADM and Tate & Lyle Ingredients Americas, Inc. In South America, Cargill and National Starch have corn-refining operations in Brazil. Many smaller local corn and tapioca refiners also operate in many of our markets. Competition within our markets is largely based on price, quality and product availability.

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

Customers

We supply a broad range of customers in over 60 industries. Approximately 25 percent of our 2008 net sales were to companies engaged in the processed foods industry and approximately 13 percent of our 2008 net sales were to companies engaged in the soft drink industry. Additionally, sales to the brewing industry and to the animal feed market each represented approximately 12 percent of our 2008 net sales.

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 our domestic needs. The price of corn, which is determined by reference to prices on the Chicago Board of Trade, fluctuates as a result of various factors including: farmer planting decisions, climate, and government policies (including those related to the production of ethanol), livestock feeding, shortages or surpluses of world grain supplies, and domestic and foreign government policies and trade agreements. Demand for corn in the US to produce ethanol has been a significant factor in increasing the price of corn in 2007 and 2008.

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

Due to the competitive nature of 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.

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

Product Development

Corn Products has product application technology centers that direct our product development teams worldwide to develop product application solutions to better serve the ingredient needs of our customers. Product development activity is focused on developing product applications for identified customer and market needs. Through this approach, we have developed value-added products for use in the corrugated paper, food, textile, baking and confectionery industries. We usually collaborate with customers to develop the desired product application either in the customers' facilities, our technical service laboratories or on a contract basis. These efforts are supported by our marketing, product technology and technology support staff.

Sales and Distribution

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

Patents, Trademarks and Technical License Agreements

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

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

Employees

As of December 31, 2008 we had approximately 7,800 employees, of which approximately 900 were located in the United States. Approximately 31 percent of US and 55 percent of our non-US employees are unionized. In addition, the Company has approximately 1,000 temporary employees.

Government Regulation and Environmental Matters

As a manufacturer and maker of food items and items for use in the pharmaceutical industry, our operations and the use of many of our products are subject to various US, state, foreign and local statutes and regulations, including the Federal Food, Drug and Cosmetic Act and the Occupational Safety and Health Act. We and many of our products are also subject to regulation by various government agencies, including the United States Food and Drug Administration. Among other things, applicable regulations prescribe requirements and establish standards for product quality, purity and labeling. Failure to comply with one or more regulatory requirements can result in a variety of sanctions, including monetary fines. No such fines of a material nature were imposed on us in 2008. We may also be required to comply with US, state, foreign and local laws regulating food handling and storage. We believe these laws and regulations have not negatively affected our competitive position.

Limestone is used as a bed in the coal-burning boiler at our Argo facility in Bedford Park, Illinois to control emissions when burning coal. In January 2009, the limestone handling system suffered a structural failure. Due to this event, the coal-burning boiler is being used at a reduced load on natural gas while the limestone system is repaired. We are also utilizing back-up natural gas boilers. We expect the losses related to this event to be covered by insurance, less deductible amounts, which we estimate to be \$3 million. At the present time, we do not believe that the event involving the limestone system will have a significant impact on the operations of our Argo facility or materially impact our financial results.

Our operations are also subject to various US, state, foreign and local laws and regulations requirements with respect to environmental matters, including air and water quality and underground fuel storage tanks, and other regulations intended to protect public health and the environment. Based on current laws and regulations and the

enforcement and interpretations thereof, we do not expect that the costs of future environmental compliance will be a material expense, although there can be no assurance that we will remain in compliance or that the costs of remaining in compliance will not have a material adverse effect on our future financial condition and results of operations.

During 2008 we spent approximately \$5 million for environmental control and wastewater treatment equipment to be incorporated into existing facilities and in planned construction projects. We currently anticipate that we will spend approximately \$9 million for environmental facilities and programs in 2009 and a similar amount in 2010.

Other

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

Executive Officers of the Registrant

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

<u>Name</u>	<u>Age</u>	<u>Positions, Offices and Business Experience</u>
Samuel C. Scott III	64	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. Previously, 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 Mellon Corporation, Abbott Laboratories, Northwestern Memorial HealthCare, ACCION International, The Executives’ Club of Chicago, The Chicago Council on Global Affairs and the Chicago Urban League. He is also a Trustee of the Conference Board. Mr. Scott is Chairman of Motorola’s Compensation and Leadership Committee.
Cheryl K. Beebe	53	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’s US consumer food business, North American audit group and worldwide corporate treasury group. Ms. Beebe is a member of the Board of Directors of Packaging Corporation of America. She is also a member of the Board of Trustees for Fairleigh Dickinson University.

Name	Age	Positions, Offices and Business Experience
Jorge L. Fiamenghi	53	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	52	Vice President since 1999 and President of the 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. Mr. Fortnum is a member of the Boards of Directors of the Chicagoland Chamber of Commerce, the Corn Refiners Association and Greenfield Ethanol, Inc.

Name	Age	Positions, Offices and Business Experience
James J. Hirschak	55	Vice President — Human Resources since December 1997. Mr. Hirschak joined CPC in 1976 and held various Human Resources positions in 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. He is a member of the Board of Directors of Accion Chicago, Inc.
Kimberly A. Hunter	47	Corporate Treasurer since February 2004. Ms. Hunter previously served as Director of Corporate Treasury from September 2001 to February 2004. Prior to that, she served as Managing Director, Investment Grade Securities at Bank One Corporation, a financial institution, from 1997 to 2000 and as Vice President, Capital Markets of Bank One from 1992 to 1997.
Mary Ann Hynes	61	Vice President, General Counsel and Corporate Secretary since March 2006 and, additionally, Chief Compliance Officer since January 2008. Prior to that, Ms. Hynes was Senior Vice President and General Counsel, Chief Legal Officer for IMC Global Inc., a producer and distributor of crop nutrients and animal feed ingredients, from July 1999 to October 2004, and a consultant to The Mosaic Company, also a producer and distributor of crop nutrients and animal feed ingredients, from October 2004 to October 2005. The Mosaic Company acquired IMC Global Inc. in October 2004.
Robin A. Kornmeyer	60	Vice President since September 2002 and Controller since January 2002. Prior to that, Mr. Kornmeyer served as Corporate Controller at Foster Wheeler Ltd., a worldwide engineering and construction company, from 2000 to 2002.
John F. Saucier	55	Vice President and President Asia/Africa Division and Global Business Development since November 2007. Mr. Saucier previously served as Vice President, Global Business and Product Development, Sales and Marketing from April 2006 to November 2007. Prior to that, Mr. Saucier was President of the Integrated Nylon Division of Solutia, Inc., a specialty chemical manufacturer from September 2001 to March 2005.

ITEM 1A. RISK FACTORS

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

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

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

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

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

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

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

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

We primarily sell world commodities. Historically, local prices have adjusted relatively quickly to offset the effect of local currency devaluations, but we expect that it will take longer than normal and be more difficult than in the past to achieve pricing and volume improvement in our international business to recapture the unfavorable impact of currency devaluations. We may hedge transactions that are denominated in a currency other than the currency of the operating unit entering into the underlying transaction. We are subject to the risks normally attendant to such hedging activities.

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

Our finished products are made primarily from corn. Purchased corn accounts for between 40 percent and 65 percent of finished product costs. Energy costs represent approximately 12 percent of our finished product costs. We use energy primarily to create steam in our 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 may vary considerably depending on supply and demand, world economies and other factors. We purchase these commodities based on our anticipated usage and future outlook for these costs. We cannot assure that we will be able to purchase these commodities at prices that we can adequately pass on to customers to sustain or increase profitability.

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

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

Our corn purchasing costs, which include the price of the corn plus delivery cost, account for 40 percent to 65 percent of our product costs. The price and availability of corn is influenced by economic and industry conditions, including supply and demand factors such as crop disease and severe weather conditions such as drought, floods or frost that are difficult to anticipate and which we cannot control. Demand for corn in the US to produce ethanol has been a significant factor in increasing the price of corn in 2007 and 2008. That demand has been significantly impacted by US governmental policies designed to encourage the production of ethanol. In addition, government programs supporting sugar prices indirectly impact the price of corn sweeteners, especially high fructose corn syrup.

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

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

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

We operate in a highly competitive environment. Almost all of our 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 than we do. Some of these competitors, unlike us, have vertically integrated their corn refining and other operations. Many of our products also compete with products made from raw materials other than corn. Fluctuation in prices of these competing products may affect prices of, and profits derived from, our products. Competition in markets in which we compete is largely based on price, quality and product availability.

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

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

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

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

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

Approximately 31 percent of US and 55 percent of non-US employees are members of unions. Strikes, lockouts or other work stoppages or slow downs involving our unionized employees could have a material adverse effect on us.

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

Approximately 25 percent of our 2008 sales were made to companies engaged in the processed foods industry and approximately 13 percent were made to companies in the soft drink industry. Additionally, sales to the brewing industry and to the animal feed market each represented approximately 12 percent of our 2008 net sales. If our processed foods customers, soft drink customers, brewing industry customers or animal feed customers were to substantially decrease their purchases, our business might be materially adversely affected.

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

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

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

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

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

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

We perform an annual impairment assessment for goodwill and, as necessary, for long-lived assets. If the results of such assessments were to show that the fair value of our property, plant and equipment or goodwill were less than the carrying values, we would be required to recognize a charge for impairment of goodwill and/or long-lived assets and the amount of the impairment charge could be material.

Our goodwill impairment assessment for the year ended December 31, 2008 did not result in any impairment charges. However, as a result of the current operating performance and expectations regarding future operating performance of our Korean operations (Korea), the fair value of these assets was only modestly in excess of their carrying value. The net book value of goodwill relating to Korea was approximately \$120 million at December 31, 2008.

We used a discounted cash flow model (DCF model) to determine the current fair value of our Korean operation. Management believes that this approach is appropriate because it provides a fair value estimate based upon Korea's expected long-term operating and cash flow performance. This approach also mitigates most of the impact of cyclical downturns that occur in the industry. This approach was based on a ten-year projection of operating results and cash flows that is discounted using a weighted-average cost of capital. The projection is based upon our best estimates of projected economic and market conditions over the related period including growth rates, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, and future capital expenditures. We specifically made the following operating assumptions for Korea: a reduction of corn costs and freight rates to historical levels; recovery of HFCS sales volume to the carbonated beverage industry; recovery of starch volume to the paper industry and glucose volumes to distributors; and the introduction of new products into the Korean market.

We also considered the market approach, which uses the price relationships of publicly traded stocks to derive value. However, given Korea's recent financial performance, the market approach was considered less reliable than the DCF model and therefore, no weight was given to it. However, the results of the market approach tended to support the income approach's conclusions.

Even though it was determined that there was no goodwill impairment for our Korean operation on December 31, 2008, the future occurrence of a potential indicator of impairment, such as a significant adverse change in the business climate that would require a change in our assumptions or strategic decisions made in response to economic or competitive conditions, would require an assessment prior to the next required assessment date of December 31, 2009.

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

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

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

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

Corn refining is a capital intensive industry. We have 29 plants and have preventive maintenance and de-bottlenecking programs designed to maintain and improve grind capacity and facility reliability. If we encounter operating difficulties at a plant for an extended period of time or start up problems with any capital improvement projects, we may not be able to meet a portion of sales order commitments and could incur significantly higher operating expenses, both of which could adversely affect our operating results. We also use boilers to generate steam required in our manufacturing processes. An event that impaired the operation of a boiler for an extended period of time could have a significant adverse effect on the operations of any plant where such event occurred.

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

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

Increased interest rates could increase our borrowing costs.

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

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

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

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

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

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

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

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

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

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

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None

ITEM 2. PROPERTIES

We operate, directly and through our consolidated subsidiaries, 29 manufacturing facilities, all of which are owned. In addition, we lease our corporate headquarters in Westchester, Illinois. The following list details the locations of our manufacturing facilities within each of our three geographic regions:

<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	Mogi-Guacu, Brazil	Inchon, South Korea
Stockton, California, U.S.	Rio de Janeiro, Brazil	Sikhiu, Thailand
Bedford Park, Illinois, U.S.	Llay-Llay, Chile	
Winston-Salem, North Carolina, U.S.	Barranquilla, Colombia	
Missoula, Montana, U.S.	Cali, Colombia	
Mapleton, Illinois, U.S.	Lima, Peru	

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

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

In recent years, we have made significant capital expenditures to update, expand and improve our facilities, spending \$228 million in 2008. We believe these capital expenditures will allow us to operate efficient facilities for the foreseeable future. We currently anticipate that capital expenditures for 2009 will approximate \$125 to \$150 million.

ITEM 3. LEGAL PROCEEDINGS

On October 21, 2003, we submitted, on our own behalf and on behalf of our Mexican affiliate, CPIIngredientes, S.A. de C.V., (previously known as Compania Proveedora de Ingredientes) a Request for Institution of Arbitration Proceedings Submitted Pursuant to Chapter 11 of the North American Free Trade Agreement (“NAFTA”) (the “Request”). The Request was submitted to the Additional Office of the International Centre for Settlement of Investment Disputes and was brought against the United Mexican States. In the Request, we asserted that the imposition by Mexico of a discriminatory tax on beverages containing HFCS in force from 2002 through 2006 breached various obligations of Mexico under NAFTA. The case was bifurcated into two phases, liability and damages, and a hearing on liability was held before a Tribunal in July 2006. In a Decision dated January 15, 2008, the Tribunal issued an order holding that Mexico had violated NAFTA Article 1102, National Treatment. In July 2008, a hearing regarding the quantum of damages was held before the same Tribunal. We sought damages and pre- and post-judgment interest totaling \$288 million through December 31, 2008. The Tribunal asked for post-hearing submissions on specific topics relative to the damages claims which were filed on October 31, 2008. The amount and timing of a final award by the Tribunal is not known at this time. See also Note 13 of the notes to the consolidated financial statements.

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

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

There were no matters submitted to a vote of our security holders, through the solicitation of proxies or otherwise, during the quarter ended December 31, 2008.

PART II

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

Shares of our common stock are traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “CPO.” The number of holders of record of our common stock was 7,503 at January 30, 2009.

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

The quarterly high and low sales prices for our common stock and cash dividends declared per common share for 2007 and 2008 are shown below.

	1st QTR	2nd QTR	3rd QTR	4th QTR
2008				
Market prices				
High	\$40.15	\$54.96	\$49.69	\$32.53
Low	31.42	35.46	28.83	17.51

	1st QTR	2nd QTR	3rd QTR	4th QTR
Per share dividends	\$ 0.12	\$ 0.14	\$ 0.14	\$ 0.14
2007				
Market prices				
High	\$37.20	\$46.63	\$48.85	\$49.30
Low	25.48	33.52	37.79	35.36
Per share dividends	\$ 0.09	\$ 0.09	\$ 0.11	\$ 0.11

Issuer Purchases of Equity Securities:

The following table summarizes information with respect to our purchases of our common stock during the fourth quarter of 2008.

(shares in thousands)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plans or Programs at end of period
Oct. 1 — Oct. 31, 2008	—	—	—	4,943 shares
Nov. 1 — Nov. 30, 2008	—	—	—	4,943 shares
Dec. 1 — Dec. 31, 2008	—	—	—	4,943 shares
Total	—	—	—	

On November 7, 2007, our Board of Directors approved a stock repurchase program, which runs through November 30, 2010, authorizing repurchase up to 5 million shares of our outstanding common stock. As of December 31, 2008, we had 4.9 million shares available for repurchase under this program.

ITEM 6. SELECTED FINANCIAL DATA*

Selected financial data is provided below.

(in millions, except per share amounts)	2008	2007	2006	2005	2004
Summary of operations:					
Net sales	\$3,944	\$3,391	\$2,621	\$2,360	\$2,283
Net income	267	198	124	90	94
Net earnings per common share:					
Basic	\$ 3.59	\$ 2.65	\$ 1.67	\$ 1.20	\$ 1.28
Diluted	\$ 3.52	\$ 2.59	\$ 1.63	\$ 1.19	\$ 1.25
Cash dividends declared per common share	\$ 0.54	\$ 0.40	\$ 0.33	\$ 0.28	\$ 0.25
Balance sheet data:					
Working capital	\$ 438	\$ 415	\$ 320	\$ 261	\$ 222
Property, plant and equipment-net	1,447	1,500	1,356	1,274	1,211
Total assets	3,207	3,103	2,645	2,389	2,367
Long-term debt	660	519	480	471	480
Total debt	866	649	554	528	568
Redeemable common stock	14	19	44	29	33
Stockholders' equity	\$1,384	\$1,605	\$1,330	\$1,210	\$1,081
Shares outstanding, year end	74.5	73.8	74.3	73.8	74.5
Additional data:					
Depreciation and amortization	\$ 128	\$ 125	\$ 114	\$ 106	\$ 102
Capital expenditures	228	177	171	143	104

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

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

OVERVIEW

We are one of the world's largest corn refiners and a major supplier of high-quality food ingredients and industrial products derived from the wet milling and processing of corn and other starch-based materials. 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 29 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 costs, including corn and utilities. In addition, due to our global operations we are exposed to fluctuations in foreign currency exchange rates. We use derivative financial instruments, when appropriate, for the purpose of minimizing the risks and/or costs associated with fluctuations in commodity prices, foreign exchange rates and interest rates. Also, the capital intensive nature of the corn wet milling industry requires that we generate significant cash flow on a yearly basis in order to selectively reinvest in the business and grow organically, as well as through strategic acquisitions and alliances. We utilize certain key metrics relating to working capital, debt and return on capital employed to monitor our progress toward achieving our strategic business objectives (see section entitled "Key Performance Metrics").

We achieved record highs for net sales, operating income, net income and diluted earnings per common share for 2008. This record performance primarily reflects significantly higher sales and earnings driven by improved pricing in our North American and South American businesses. Strong co-product pricing for the first nine months of 2008 contributed significantly to our record performance. Our record diluted earnings per common share of \$3.52 for 2008 includes the impact of \$16 million of expenses, or \$0.14 per diluted common share, related to the terminated merger with Bunge Limited ("Bunge"). See also Note 9 of the notes to the consolidated financial statements.

The global economic recession negatively impacted our business in the fourth quarter of 2008 and we expect that it will continue to present us with many challenges. During the fourth quarter co-product pricing began to decline and foreign currencies devalued substantially. In 2009, we expect significantly lower co-product pricing, particularly for corn oil, and continued foreign currency devaluations. Market prices for corn have fallen from the high levels experienced during much of 2008 and, accordingly, we currently anticipate that co-product values for 2009 will be far below the prices realized in 2008. We also expect that it will take longer and be more difficult to achieve pricing and volume improvement in our international business to recapture the unfavorable impact of currency devaluations compared to our historical experience. Additionally, a general uncertainty and lack of clarity with respect to volume demand and pricing strength in our international business are contributing factors to what we believe will be a weaker 2009. In light of these factors, we currently anticipate that operating income in each of our regions for 2009 will decrease significantly from 2008. We also expect that our diluted EPS for 2009 will decline substantially from the \$3.52 per diluted common share earned in 2008.

Despite the difficulties presented by the global economic recession, we currently expect that our future operating cash flows and borrowing availability under our credit facilities will provide us with sufficient liquidity to grow our business and meet our financial obligations.

RESULTS OF OPERATIONS

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

2008 Compared to 2007

Net Income. Net income for 2008 increased 35 percent to \$267 million, or \$3.52 per diluted common share, from 2007 net income of \$198 million, or \$2.59 per diluted common share.

The increase in net income for 2008 primarily reflects a significant increase in operating income driven by improved results in North America and South America, which more than offset lower results in Asia/Africa. Our results for 2008 include \$16 million of expenses (\$11 million net of income taxes, or \$0.14 per diluted common share) related to the terminated merger with Bunge. The 2007 results included a \$6 million pretax gain (\$4 million net of income taxes, or \$0.05 per diluted common share) associated with our investment in the CME Group Inc.

Net Sales. Net sales for 2008 increased to \$3.94 billion from \$3.39 billion in 2007, as sales grew in each of our regions.

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

(in millions)	2008	2007	Increase	% Change
North America	\$ 2,370	\$ 2,052	\$ 318	15%
South America	1,120	925	195	21%
Asia/Africa	454	414	40	10%
Total	\$ 3,944	\$ 3,391	\$ 553	16%

The increase in net sales reflects price/product mix improvement of 20 percent (\$677 million), which more than offset a volume decline of 4 percent (\$117 million) and a slight decrease (\$7 million) attributable to weaker foreign currencies relative to the US dollar. The translation impact of weaker average Asian currencies was substantially offset by stronger average South American currencies. Co-product sales of \$871 million for 2008 increased 37 percent over the prior year period, primarily reflecting higher pricing. We expect a decline in co-product sales in 2009 driven by lower market prices, particularly for corn oil.

Historically, we have generally been able to recapture foreign currency devaluations through higher selling prices within a period of three to six months. However, given the global economic recession, we believe that it will take longer to recover the impact of devaluations through pricing improvements.

Sales in North America increased 15 percent driven principally by price/product mix improvement of 18 percent as selling prices strengthened throughout the region reflecting our ability to pass on higher corn costs and stronger co-product pricing. Currency translation attributable to a stronger Canadian dollar contributed slightly to the increase in net sales. A volume decline of 3 percent, primarily related to lower demand for high fructose corn syrup (HFCS) in the region, partially offset these increases. Sales in South America increased 21 percent driven mainly by price/product mix improvement of 19 percent as selling prices rose throughout the region to recover increased corn costs. Additionally, a 5 percent translation benefit related to stronger South American currencies contributed to the net sales increase in the region. Volume in South America declined 3 percent primarily reflecting reduced demand in the brewing market. Sales in Asia/Africa increased 10 percent, as a 30 percent price/product mix improvement driven by higher selling prices throughout the region mainly attributable to our ability to pass on increased corn and tapioca costs, more than offset a 13 percent decrease attributable to weaker local currencies in Korea and Pakistan and a 7 percent volume decline primarily resulting from soft economic conditions in Korea.

Cost of Sales. Cost of sales for 2008 increased 15 percent to \$3.24 billion from \$2.81 billion in 2007. This increase principally reflects higher corn prices. Gross corn costs for 2008 were up approximately 22 percent from 2007, reflecting a significant increase in the market price for this commodity. Currency translation was negligible as the impact of stronger South American currencies was offset by the effect of weaker Asian currencies. Energy costs for 2008 increased approximately 7 percent over the prior year. Our gross profit margin for 2008 was 18 percent, compared with 17 percent in 2007, principally reflecting improved profitability and margins in North America and South America as higher selling prices for our products were able to recover increases in corn and other manufacturing costs.

Selling, General and Administrative Expenses. Selling, general and administrative (“SG&A”) expenses for 2008 were \$275 million, up from \$249 million in 2007. This increase principally reflects higher compensation-related costs. Additionally, bad debt expense increased \$5 million reflecting the difficult economic environment. We may be required to provide for additional credit losses in the future should the global economic recession continue for a prolonged period. Currency translation was negligible as the effect of stronger average currencies in South America were offset by weaker currencies in Asia/Africa. SG&A expenses for 2008 represented 7 percent of net sales, consistent with the prior year.

Other Income-net. Other income-net of \$4 million for 2008 declined \$6 million from other income-net of \$10 million last year. Other income for 2008 includes \$16 million of costs pertaining to the terminated Bunge merger. Other income for 2008 also includes various insurance and tax recoveries approximating \$8 million and a \$5 million gain from the sale of land. Other income for 2007 includes the \$6 million gain relating to our investment in CME. Fee and royalty income for 2008 was consistent with the prior year.

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

(in millions)	2008	2007	Favorable (Unfavorable) Variance	Favorable (Unfavorable) % Change
North America	\$ 313	\$ 234	\$ 79	34%
South America	151	115	36	31%
Asia/Africa	38	45	(7)	(16)%
Corporate expenses	(52)	(53)	1	2%
Costs of terminated merger	(16)	—	(16)	
Gain on CME investment	—	6	(6)	
Operating income	<u>\$ 434</u>	<u>\$ 347</u>	<u>\$ 87</u>	<u>25%</u>

Operating income for 2008 increased 25 percent to \$434 million from \$347 million in 2007 driven by strong earnings growth in North America and South America. Currency translation was negligible as the impact of weaker average Asian currencies was substantially offset by the effect of stronger average South American and North American currencies. The 2008 results include approximately \$16 million of expenses related to the terminated merger with Bunge. The 2007 results included a \$6 million gain associated with our investment in the CME Group Inc. North America operating income increased 34 percent to \$313 million in 2008 from \$234 million a year ago, reflecting earnings growth throughout the region, driven principally by higher product selling prices that more than offset increased corn and energy costs. Currency translation attributable to the stronger Canadian dollar contributed approximately \$1 million to the operating income increase in the region. South America operating income increased 31 percent to \$151 million from \$115 million in 2007, reflecting strong earnings growth in Brazil and the Southern Cone of South America. This earnings growth was principally driven by higher product selling prices that more than offset increased corn and energy costs. Currency translation, primarily associated with the stronger Brazilian Real, contributed approximately \$7 million to the operating income increase in the region. Asia/Africa operating income declined 16 percent from 2007 as lower earnings in South Korea more than offset earnings growth in the rest of the region. The earnings decline in South Korea was driven by higher corn and ocean freight costs and reduced sales volume attributable to a softer economy and increased competition. Additionally, currency translation attributable to weaker Asian currencies reduced operating income by approximately \$7 million in the region.

Financing Costs-net. Financing costs-net decreased to \$29 million in 2008 from \$42 million in 2007. The decline mainly reflects foreign currency transaction gains, lower interest costs attributable to reduced average borrowings and borrowing rates and increased capitalized interest, partially offset by a decline in interest income. Capitalized interest for 2008 was \$8 million, as compared with \$4 million in 2007.

Provision for Income Taxes. Our effective income tax rate was 32.0 percent in 2008, as compared to 33.5 percent in 2007. The decrease primarily reflects the effect of a year over year change in our geographical income mix, a statutory rate reduction in Korea, and other discrete items.

Minority Interest in Earnings. Minority interest in earnings increased to \$8 million in 2008 from \$5 million in 2007. The increase from 2007 mainly reflects the effect of earnings growth in Pakistan and China.

Comprehensive Income (Loss). We recorded a comprehensive loss of \$212 million in 2008, as compared with comprehensive income of \$306 million in 2007. The decrease in comprehensive income primarily reflects unfavorable variances in the currency translation adjustment and losses on cash flow hedges related to our corn and gas hedging contracts, which more than offset our net income growth. The \$313 million unfavorable variance in the currency translation adjustment reflects a weakening in end of period 2008 foreign currencies relative to the US dollar, as compared to the prior year period when foreign currencies appreciated for the year. Weaker end of period currencies in Brazil, Korea and Canada accounted for most of the unfavorable translation variance.

2007 Compared to 2006

Net Income. Net income for 2007 increased 60 percent to \$198 million, or \$2.59 per diluted common share, from 2006 net income of \$124 million, or \$1.63 per diluted common share.

The increase in net income for 2007 primarily reflects a significant increase in operating income driven by improved results in North America and South America. Additionally, in 2007 we recognized a \$6 million pretax gain (\$4 million after-tax, or \$.05 per diluted common share) associated with our investment in the Chicago Board of Trade Holdings, Inc. ("CBOT") upon the July 2007 merger of the CBOT with the Chicago Mercantile Exchange Holdings Inc. to form the CME Group Inc.

Net Sales. Net sales for 2007 increased to \$3.39 billion from \$2.62 billion in 2006, as sales grew in each of our regions.

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

(in millions)	2007	2006	Increase	% Change
North America	\$ 2,052	\$ 1,588	\$ 464	29%
South America	925	670	255	38%
Asia/Africa	414	363	51	14%
Total	<u>\$ 3,391</u>	<u>\$ 2,621</u>	<u>\$ 770</u>	<u>29%</u>

The increase in net sales reflects price/product mix improvement of 24 percent (\$632 million), a 4 percent benefit (\$106 million) from currency translation attributable to stronger foreign currencies relative to the US dollar and volume growth of 1 percent (\$32 million). Operations from recent acquisitions, including our December 2006 acquisition of DEMSA and our February acquisition of SPI Polyols and GETEC (see Note 3 of the notes to the consolidated financial statements), contributed approximately \$106 million of net sales in 2007.

Sales in North America increased 29 percent driven principally by significantly improved price/product mix as prices strengthened throughout the region reflecting higher corn costs. A volume decline of 1 percent was offset by a 1 percent benefit from currency translation attributable to a stronger Canadian dollar. Sales in South America increased 38 percent reflecting price/product mix improvement of 21 percent due to higher pricing for all product categories, 6 percent volume growth driven by acquisitions and stronger demand for sweetener products, and an 11 percent translation benefit

attributable to stronger South American currencies, particularly in Brazil and Colombia. Sales in Asia/Africa increased 14 percent reflecting price/product mix improvement of 11 percent driven by higher prices throughout the region mainly attributable to increased corn and tapioca costs, and a 3 percent increase attributable to stronger Asian currencies. Volume in the region was flat.

Cost of Sales. Cost of sales for 2007 increased 27 percent to \$2.81 billion from \$2.21 billion in 2006. This increase principally reflects higher corn costs, currency translation associated with the weaker US dollar and increased sales volume. Corn costs for 2007 increased approximately 38 percent over 2006. Currency translation attributable to the weaker US dollar caused cost of sales to increase approximately 4 percent from 2006. Energy costs for 2007 increased approximately 3 percent over 2006. Our gross profit margin for 2007 was 17 percent, compared with 16 percent in 2006, principally reflecting improved profitability and margins in North America and South America as higher selling prices for our products were able to recover increases in corn and other costs.

Selling, General and Administrative Expenses. SG&A expenses for 2007 were \$249 million, up from \$202 million in 2006. This increase principally reflects higher compensation-related costs, operating expenses of acquired businesses and currency translation associated with stronger foreign currencies. SG&A expenses for 2007 represented 7 percent of net sales, compared to 8 percent of net sales in 2006.

Other Income-net. Other income-net for 2007 was \$10 million, unchanged from last year. Other income for 2007 includes the \$6 million gain relating to our investment in CME. Other income for 2006 includes various insurance and tax recoveries approximating \$5 million and \$1 million of earnings from non-controlled affiliates. Fee and royalty income for 2007 was consistent with 2006.

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

(in millions)	2007	2006	Favorable (Unfavorable) Variance	Favorable (Unfavorable) % Change
North America	\$ 234	\$ 130	\$ 104	80%
South America	115	84	31	37%
Asia/Africa	45	53	(8)	(15)%
Corporate expenses	(53)	(43)	(10)	(23)%
Gain on CME investment	6	—	6	
Operating income	<u>\$ 347</u>	<u>\$ 224</u>	<u>\$ 123</u>	<u>55%</u>

Operating income for 2007 increased 55 percent to \$347 million from \$224 million in 2006 driven by strong earnings growth in North America and South America. Currency translation attributable to the weaker US dollar contributed approximately \$14 million to the increase in operating income. North America operating income increased significantly to \$234 million in 2007 from \$130 million a year ago, as earnings grew throughout the region principally attributable to improved product pricing. Currency translation attributable to the stronger Canadian dollar contributed approximately \$4 million to the operating income increase in the region. South America operating income increased 37 percent to \$115 million from \$84 million in 2006, primarily reflecting significant earnings growth in Brazil driven by higher product pricing, increased demand and a stronger local currency. Currency translation attributable to stronger local currencies in Brazil and Colombia contributed approximately \$10 million to the operating income increase in the region. Additionally, earnings growth in the Andean region of South America and results from acquired operations contributed to the increased operating income for South America. Operating income for the Southern Cone of South America was relatively unchanged from 2006. Asia/Africa operating income declined 15 percent from 2006 as lower earnings in South Korea mainly due to lower sales volume attributable to a stagnant economy and import competition, and higher corn and ocean freight costs, more than offset earnings growth in Pakistan.

Financing Costs-net. Financing costs-net increased to \$42 million in 2007 from \$27 million in 2006. The increase primarily reflects increased borrowings, a reduction in capitalized interest and an increase in foreign currency transaction

losses. An increase in interest income driven by higher average cash positions partially offset higher interest expense. Capitalized interest for 2007 was \$4 million, as compared with \$10 million in 2006.

Provision for Income Taxes. Our effective income tax rate was 33.5 percent in 2007, as compared to 35.3 percent in 2006. The decrease primarily reflects the effect of a year over year change in our geographical income mix and the recognition of \$2 million of previously unrecognized tax benefits in 2007.

Minority Interest in Earnings. Minority interest in earnings increased to \$5 million in 2007 from \$4 million in 2006. The increase from 2006 mainly reflects the effect of improved earnings in Pakistan.

Comprehensive Income. We recorded comprehensive income of \$306 million in 2007, as compared with comprehensive income of \$186 million in 2006. The increase in comprehensive income mainly reflects our net income growth and a favorable variance in the currency translation adjustment attributable to a weaker US dollar.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2008, our total assets were \$3.21 billion, up from \$3.10 billion at December 31, 2007. This increase primarily reflects an increase in our margin accounts relating to corn futures contracts, capital investments, net income and increased inventories attributable to higher corn costs, partially offset by translation effects associated with weaker end of period foreign currencies relative to the US dollar and unrealized losses on corn futures contracts. Stockholders' equity decreased to \$1.38 billion at December 31, 2008 from \$1.61 billion at December 31, 2007, primarily reflecting an increase in the accumulated other comprehensive loss due to unfavorable currency translation effects attributable to the stronger US dollar and unrealized losses on cash flow hedges, which more than offset our 2008 net income.

We have a \$500 million senior, unsecured revolving credit facility consisting of a \$470 million US revolving credit facility and a \$30 million Canadian revolving credit facility (together, the "Revolving Credit Agreement") that matures in April 2012. We guarantee the Canadian revolving credit facility. At December 31, 2008, there were \$146 million of borrowings outstanding under the US revolving credit facility and \$29 million of borrowings outstanding under the Canadian revolving credit facility. In addition, we have a number of short-term credit facilities consisting of operating lines of credit. At December 31, 2008, we had total debt outstanding of \$866 million, compared to \$649 million at December 31, 2007. In addition to the borrowings under the Revolving Credit Agreement, the debt includes \$181 million of 8.45 percent senior notes due August 15, 2009, \$200 million of 6.0 percent senior notes due 2017, \$100 million (face amount) of 6.625 percent senior notes due 2037 and \$211 million of consolidated subsidiary debt consisting of local country borrowings. Approximately \$206 million of the consolidated subsidiary debt is short-term. The 8.45 percent senior notes are included in long-term debt as we have the ability and intent to refinance these notes prior to the maturity date. Corn Products International, as the parent company, guarantees certain obligations of several of its consolidated subsidiaries. At December 31, 2008 such guarantees, including the outstanding borrowings under the Canadian revolving credit facility, aggregated \$51 million. Management believes that such consolidated subsidiaries will meet their financial obligations as they become due.

Historically, the principal source of our liquidity has been our internally generated cash flow, which we have supplemented as necessary with our ability to borrow on our bank lines and to raise funds in both the debt and equity markets. In addition to borrowing availability under our Revolving Credit Agreement, we also have approximately \$189 million of unused operating lines of credit in the various foreign countries in which we operate.

The weighted average interest rate on our total indebtedness was approximately 6.9 percent and 7.5 percent for 2008 and 2007, respectively.

Net Cash Flows

A summary of operating cash flows is shown below:

(in millions)	2008	2007
Net income	\$ 267	\$ 198
Depreciation and amortization	128	125
Deferred income taxes	12	7
Stock option expense	5	7
Unrealized gain on investment	—	(6)
Minority interest in earnings	8	5
Changes in working capital	(458)	(59)
Deposit with tax authority	(13)	(17)
Other	(28)	(2)
Cash (used for) provided by operations	<u>\$ (79)</u>	<u>\$ 258</u>

Cash used for operations was \$79 million in 2008, as compared with cash provided by operations of \$258 million in 2007. The decrease in operating cash flow primarily reflects an increase in working capital in 2008, driven principally by a \$295 million increase in margin accounts relating to corn futures and options contracts. To manage price risk related to corn purchases in North America, we use derivative instruments (corn futures and options contracts) to lock in our corn costs associated with firm-priced customer sales contracts. We are unable to hedge price risk related to co-product sales. As the market price of corn fluctuates, our derivative instruments change in value and we fund any unrealized losses or receive cash for any unrealized gains related to outstanding corn futures and option contracts. Due to the substantial change in the market price of corn in 2008 we were required to fund significant losses associated with these derivative instruments, particularly during the second half of the year. We expect that these cash payments will be recovered when the related corn is used in our manufacturing process and we collect the proceeds from the sales of our products to our customers. The increase in working capital for 2008 also reflects an increase in inventories driven by higher corn costs, an increase in accounts receivable attributable to higher sales and a reduction in accounts payable and accrued liabilities due to the timing of payments. We plan to continue to hedge certain of our North American corn purchases through the use of corn futures and option 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. During the fourth quarter of 2008 we utilized our revolving credit facilities to fund a portion of the margin calls related to our corn futures contracts.

Listed below is our primary investing and financing activities for 2008 (in millions):

Capital expenditures	\$(228)
Payments on debt	(56)
Proceeds from borrowings	313
Dividends paid (including dividends of \$4 to minority interest shareholders)	(42)
Proceeds from issuance of common stock	11

On November 19, 2008, our board of directors declared a quarterly cash dividend of \$0.14 per share of common stock. The cash dividend was paid on January 26, 2009 to stockholders of record at the close of business on January 8, 2009.

We currently anticipate that capital expenditures for 2009 will be in the range of \$125 million to \$150 million, much of which represents spending on projects continued from 2008.

As previously mentioned, we have \$181 million of 8.45 percent senior notes that mature August 15, 2009. We expect to refinance these senior notes prior to the maturity date as appropriate opportunities are presented in the debt market. In the event market conditions do not provide appropriate opportunities then we expect to utilize our US revolving credit facility to fund the repayment of the senior notes.

The global economic recession presents many challenges. Co-product values are suppressed (particularly corn oil), market prices for corn are volatile, foreign currencies are under pressure and it will take us longer than it has in the past to recapture the impact of currency devaluations. Additionally, world-wide demand for our products is soft. Despite the difficulties presented by the global economic recession, we currently expect that our future operating cash flows and borrowing availability under

our credit facilities will provide us with sufficient liquidity to fund our anticipated capital expenditures and dividends, repay the 8.45 percent senior notes (in the event it is not otherwise refinanced), and fund potential acquisitions and other investing and/or financing strategies for the foreseeable future.

Hedging

We are exposed to market risk stemming from changes in commodity prices, foreign currency exchange rates and interest rates. In the normal course of business, we actively manage our exposure to these market risks by entering into various hedging transactions, authorized under established policies that place clear controls on these activities. The counterparties in these transactions are generally highly rated institutions. Our hedging transactions include but are not limited to a variety of derivative financial instruments such as commodity futures contracts, forward currency contracts and options, interest rate swap agreements and treasury lock agreements. See Note 4 of the notes to the consolidated financial statements for additional information.

Commodity Price Risk:

We use derivatives to manage price risk related to purchases of corn and natural gas used in the manufacturing process. We periodically enter into futures and option contracts for a portion of our anticipated corn and natural gas usage, generally over the following twelve months, in order to hedge price risk associated with fluctuations in market prices. These futures and option contracts are recognized at fair value and have effectively reduced our exposure to changes in market prices for these commodities. We are unable to hedge price risk related to co-product sales. Unrealized gains and losses associated with marking our commodities-based derivative contracts to market are recorded as a component of other comprehensive income. At December 31, 2008, our accumulated other comprehensive loss account included \$179 million of losses, net of tax of \$107 million, related to these futures and options contracts. We expect that the anticipated losses will be reclassified into earnings as follows: \$170 million in 2009; and \$9 million in 2010. We expect the losses to be offset by changes in the underlying commodities cost.

Foreign Currency Exchange Risk:

Due to our global operations, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign exchange risk when our foreign operation results are translated to US dollars (USD) and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. We primarily use foreign currency forward contracts, swaps and options to selectively hedge our foreign currency cash flow exposures. We generally hedge 12 to 18 months forward. As of December 31, 2008, we had \$34 million of net notional foreign currency forward contracts that hedged net liability transactional exposures.

Interest Rate Risk:

We are exposed to interest rate volatility with regard to future issuances of fixed rate debt, and existing and future issuances of variable rate debt. Primary exposures include US Treasury rates, LIBOR, and local short-term borrowing rates. We use interest rate swaps and Treasury Lock agreements ("T-Locks") to hedge our exposure to interest rate changes, to reduce the volatility of our financing costs, and to achieve a desired proportion of fixed versus floating rate debt, based on current and projected market conditions. Generally for interest rate swaps, we agree with a counterparty to exchange the difference between fixed-rate and floating-rate interest amounts based on an agreed notional principal amount. At December 31, 2008 we did not have any interest rate swaps outstanding.

We plan to refinance our 8.45 percent \$181 million senior notes due August 2009 by issuing long-term, fixed rate debt in 2009. In conjunction with this plan and in order to manage our exposure to variability in the benchmark interest rate on which the fixed interest rate of the planned debt is expected to be based, we entered into a T-Lock with respect to \$50 million of such future indebtedness. The T-Lock is designated as a hedge of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Lock was entered and the time the debt is issued. It is accounted for as a cash flow hedge. Accordingly, changes in the fair value of the T-Lock are recorded to other comprehensive income (loss) until the consummation of the planned debt offering, at

which time any realized gain (loss) will be amortized over the life of the debt. In 2006, we had entered into T-Locks that fixed the benchmark component of the interest rate to be established for our \$200 million 6.0 percent Senior Notes due April 15, 2017. These \$200 million T-Locks, which were accounted for as cash flow hedges, expired on March 21, 2007 and we paid approximately \$5 million, representing the losses on the T-Locks, to settle the agreements. The \$5 million loss is included in accumulated other comprehensive loss and is being amortized to financing costs over the term of the \$200 million 6.0 percent Senior Notes due April 15, 2017. At December 31, 2008, our accumulated other comprehensive loss account included \$8 million of losses, net of tax of \$5 million, related to T-Locks.

Contractual Obligations and Off Balance Sheet Arrangements

The table below summarizes our significant contractual obligations as of December 31, 2008. Information included in the table is cross-referenced to the notes to the consolidated financial statements elsewhere in this report, as applicable.

(in millions)	Contractual Obligations	Note reference	Total	Payments due by period			
				Less than 1 year	2 – 3 years	4 – 5 years	More than 5 years
	Long-term debt	5	\$ 661	\$ 181	\$ 5	\$ 175	\$ 300
	Interest on long-term debt	5	320	39	45	38	198
	Operating lease obligations	6	122	28	37	23	34
	Pension and other postretirement obligations	8	236	17	25	31	163
	Purchase obligations (a)		976	194	178	114	490
	Total		\$ 2,315	\$ 459	\$ 290	\$ 381	\$ 1,185

- (a) *The purchase obligations relate principally to power supply agreements, including take or pay energy supply contracts, which help to provide us with an adequate power supply at certain of our facilities.*
- (b) *The above table does not reflect unrecognized income tax benefits of \$19 million, the timing of which is uncertain. See Note 7 of the notes to the consolidated financial statements for additional information with respect to unrecognized income tax benefits.*

On January 20, 2006, Corn Products Brazil (“CPO Brazil”) entered into a Natural Gas Purchase and Sale Agreement (the “Agreement”) with Companhia de Gas de Sao Paulo — Comgas (“Comgas”). Pursuant to the terms of the Agreement, Comgas supplies natural gas to the cogeneration facility at CPO Brazil’s Mogi Guacu plant. This Agreement will expire on March 31, 2023, unless extended or terminated under certain conditions specified in the Agreement. During the term of the Agreement, CPO Brazil is obligated to purchase from Comgas, and Comgas is obligated to provide to CPO Brazil, certain minimum quantities of natural gas that are specified in the Agreement. The price for such quantities of natural gas is determined pursuant to a formula set forth in the Agreement. The price may vary based upon gas commodity cost and transportation costs, which are adjusted annually; the distribution margin which is set by the Brazilian Commission of Public Energy Services; and the fluctuation of exchange rates between the US dollar and the Brazilian real. We estimate that the total minimum expenditures by CPO Brazil through the remaining term of the Agreement will be approximately \$268 million based on current exchange rates as of December 31, 2008 and estimates regarding the application of the formula set forth in the Agreement, spread evenly over the remaining term of the Agreement. These amounts are included in the purchase obligations disclosed in the table above. See also Note 10 of the notes to the consolidated financial statements for additional information.

As described in Note 11 of the notes to the consolidated financial statements, we have an agreement with certain common stockholders (collectively the “holder”), relating to 500,000 shares of our common stock, that provides the

holder with the right to require us to repurchase those common shares for cash at a price equal to the average of the closing per share market price of our common stock for the 20 trading days immediately preceding the date that the holder 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. 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. Any amount due would accrue interest at our revolving credit facility rate from the date of exercise until the payment date. If the holder had put the 500,000 shares then subject to the agreement to us on December 31, 2008, we would have been obligated to repurchase the shares for approximately \$14 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, 2008 (\$28.62 per share). This amount is reflected as redeemable common stock in our Consolidated Balance Sheet at December 31, 2008.

We currently anticipate that in 2009 we will make cash contributions of \$3 million and \$4 million to our US and non-US pension plans, respectively. See Note 8 of the notes to the consolidated financial statements for further information with respect to our pension and postretirement benefit plans.

Key Performance Metrics

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

The metrics below include certain information (including Capital Employed, Adjusted Operating Income, EBITDA, Adjusted Current Assets, Adjusted Current Liabilities 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 our 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 2008 with comparisons to the prior year are as follows:

Return on Capital Employed (dollars in millions)	2008	2007
Total stockholders' equity *	\$ 1,605	\$ 1,330
Add:		
Cumulative translation adjustment *	132	214
Minority interest in subsidiaries *	21	19
Redeemable common stock *	19	44
Share-based payments subject to redemption*	9	4
Total debt *	649	554

Return on Capital Employed (dollars in millions)	2008	2007
Less:		
Cash and cash equivalents *	(175)	(131)
Capital employed * (a)	\$ 2,260	\$ 2,034
Operating income	\$ 434	\$ 347
Adjusted for:		
Income taxes (at effective tax rates of 32.0% in 2008 and 33.5% in 2007)	(139)	(116)
Adjusted operating income, net of tax (b)	\$ 295	\$ 231
Return on Capital Employed (b,a)	13.1%	11.4%

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

Debt to EBITDA ratio (dollars in millions)	2008	2007
Short-term debt	\$ 206	\$ 130
Long-term debt	660	519
Total debt (a)	\$ 866	\$ 649
Net income	\$ 267	\$ 198
Add back:		
Minority interest in earnings	8	5
Provision for income taxes	130	102
Interest expense, net of interest income of \$5 and \$12, respectively	38	38
Depreciation and amortization	128	125
EBITDA (b)	\$ 571	\$ 468
Debt to EBITDA ratio (a ÷ b)	1.5	1.4

Debt to Capitalization percentage (dollars in millions)	2008	2007
Short-term debt	\$ 206	\$ 130
Long-term debt	660	519
Total debt (a)	\$ 866	\$ 649
Deferred income tax liabilities	\$ 105	\$ 133
Minority interest in subsidiaries	22	21
Redeemable common stock	14	19
Share-based payments subject to redemption	11	9

Debt to Capitalization percentage (dollars in millions)	2008	2007
Stockholders' equity	1,384	1,605
Total capital	\$ 1,536	\$ 1,787
Total debt and capital (b)	\$ 2,402	\$ 2,436
Debt to Capitalization percentage (a,b)	36.1%	26.6%
Operating Working Capital as a percentage of Net Sales (dollars in millions)	2008	2007
Current assets	\$ 1,297	\$ 1,089
Less: Cash and cash equivalents	(107)	(175)
Deferred income tax assets	(99)	(13)
Adjusted current assets	\$ 1,091	\$ 901
Current liabilities	\$ 859	\$ 674
Less: Short-term debt	(206)	(130)
Deferred income tax liabilities	—	(28)
Adjusted current liabilities	\$ 653	\$ 516
Operating working capital (a)	\$ 438	\$ 385
Net sales (b)	\$ 3,944	\$ 3,391
Operating Working Capital as a percentage of Net Sales (a , b)	11.1%	11.4%

Commentary on Key Performance Metrics:

In accordance with our long-term objectives, we set certain goals relating to these key performance metrics that we will strive to meet. At December 31, 2008, we had achieved two of our four established targets with our debt to capitalization percentage and our operating working capital as a percentage of sales being the exceptions. While these metrics are slightly higher than our targets, we are striving to return them to our targeted level in 2009. However, no assurance can be given that these goals will be attained and various factors could affect our ability to achieve not only these goals, but to also continue to meet our other performance metric targets. See Item 1A "Risk Factors" and Item 7A "Quantitative and Qualitative Disclosures About Market Risk." The objectives set out below reflect our current aspirations in light of our present plans and existing circumstances. We may change these objectives from time to time in the future to address new opportunities or changing circumstances as appropriate to meet our long-term needs and those of our shareholders.

Return on Capital Employed — Our long-term goal is to achieve a Return on Capital Employed in excess of 8.5 percent. In determining this performance metric, the negative cumulative translation adjustment is added back to stockholders' equity to calculate returns based on the Company's original investment costs. Driven by our strong operating performance, our ROCE grew to 13.1 percent in 2008 from 11.4 percent in the prior year. This represents the third consecutive year that we have achieved a ROCE in excess of our 8.5 percent target. The increase primarily reflects the impact of our significantly higher operating income in 2008. Additionally, the lower effective income tax rate for 2008

contributed to the ROCE improvement. Our effective income tax rate for 2008 was 32.0 percent, down from 33.5 percent in 2007. The capital employed base used in our 2008 ROCE computation increased \$226 million from the prior year.

Debt to EBITDA ratio — Our long-term objective is to maintain a ratio of debt to EBITDA of less than 2.25. While this ratio increased slightly to 1.5 at December 31, 2008 from 1.4 at December 31, 2007, it remains strong. EBITDA growth of 22 percent substantially offset an increase in total debt. At a ratio of 1.5 at December 31, 2008 we have additional capacity to support organic and/or acquisition growth should we need to increase our financial leverage and market conditions provide appropriate opportunities.

Debt to Capitalization percentage — Our long-term goal is to maintain a Debt to Capitalization percentage in the range of 32 to 35 percent. At December 31, 2008 our Debt to Capitalization percentage was 36.1 percent, up from 26.6 percent a year ago, reflecting a 33 percent increase in total debt driven principally by borrowings to fund margin accounts, and our decreased capital base. Our lower capital base primarily reflects the effect of unfavorable currency translation attributable to a stronger US dollar and unrealized losses on cash flow hedges, which more than offset our 2008 net income.

Operating Working Capital as a percentage of Net Sales — Our long-term goal is to maintain operating working capital in a range of 8 to 10 percent of our net sales. At December 31, 2008 the metric was 11.1 percent, slightly below the 11.4 percent of a year ago, as increased sales more than offset an increase in operating working capital. The increase in our operating working capital was mainly attributable to increased accounts receivable, which more than offset higher accounts payable. The accounts receivable increase primarily reflects margin account activity and increased sales, which more than offset the impact of unrealized losses on corn futures contracts and currency translation attributable to the stronger US dollar. The increase in accounts payable primarily reflects unrealized losses on corn and gas hedging contracts partially offset by a decline in margin accounts and currency translation attributable to the stronger US dollar. An increase in inventories primarily due to higher corn costs also contributed to the increase in operating working capital. We will continue to focus on managing our working capital in 2009.

Critical Accounting Policies and Estimates

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

We have identified below the most critical accounting policies upon which the financial statements are based and that involve our most complex and subjective decisions and assessments. Our senior management has discussed the development, selection and disclosure of these policies with members of the Audit Committee of our Board of Directors. These accounting policies are 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:

We have substantial investments in property, plant and equipment and goodwill. For property, plant and equipment we recognize the cost of depreciable assets in operations over the estimated useful life of the assets, and we evaluate the recoverability of these assets whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. For goodwill we perform an annual impairment assessment (or more frequently if impairment indicators arise) as required by Statement of Financial Accounting Standards (“SFAS”) 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. For long-lived assets we test for recoverability whenever events or

circumstances indicate that the carrying amount may not be recoverable as required by SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets."

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.

Our goodwill impairment assessment for the year ended December 31, 2008 did not result in any impairment charges. However, as a result of the current operating performance and expectations regarding future operating performance of our Korean operations (Korea), the fair value of these assets was only modestly in excess of their carrying value. The net book value of goodwill relating to Korea was approximately \$120 million at December 31, 2008.

We used a discounted cash flow model (DCF model) to determine the current fair value of our Korean operation. Management believes that this approach is appropriate because it provides a fair value estimate based upon Korea's expected long-term operating and cash flow performance. This approach also mitigates most of the impact of cyclical downturns that occur in the industry. This approach was based on a ten-year projection of operating results and cash flows that is discounted using a weighted-average cost of capital. The projection is based upon our best estimates of projected economic and market conditions over the related period including growth rates, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, and future capital expenditures. We specifically made the following operating assumptions for Korea: a reduction of corn costs and freight rates to historical levels; recovery of HFCS sales volume to the carbonated beverage industry; recovery of starch volume to the paper industry and glucose volumes to distributors; and the introduction of new products into the Korean market.

We also considered the market approach, which uses the price relationships of publicly traded stocks to derive value. However, given Korea's recent financial performance, the market approach was considered less reliable than the DCF model and therefore, no weight was given to it. However, the results of the market approach tended to support the income approach's conclusions.

Even though it was determined that there was no goodwill impairment for our Korean operation on December 31, 2008, the future occurrence of a potential indicator of impairment, such as a significant adverse change in the business climate that would require a change in our assumptions or strategic decisions made in response to economic or competitive conditions, would require an assessment prior to the next required assessment date of December 31, 2009.

Income Taxes:

We use the asset and liability method of accounting for income taxes. This method recognizes the expected future tax consequences of temporary differences between book and tax bases of assets and liabilities and provides a valuation allowance based on a more likely than not criteria. We have considered forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, we would increase the valuation allowance and make a corresponding charge to earnings in the period in which we make such determination. Likewise, if we later determine that we are more likely than not to realize the net deferred tax assets, we would reverse the applicable portion of the previously provided valuation allowance. At December 31, 2008, the Company maintained a valuation allowance of \$26 million against certain foreign tax credits and foreign net operating losses that management has determined will more likely than not expire prior to realization. The valuation allowance at December 31, 2008, with respect to foreign tax credit carry-forwards, increased to \$19 million from \$18 million at December 31, 2007. The valuation allowance with respect to foreign net operating losses decreased to \$7 million at December 31, 2008 from \$8 million at December 31, 2007.

We are regularly audited by various taxing authorities, and sometimes these audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We establish reserves under FIN 48 when, despite our belief that our tax return positions are appropriate and supportable under local tax law, we believe there is uncertainty with respect to certain positions and we may not succeed in realizing the tax benefit. We evaluate these unrecognized tax benefits and related reserves each quarter and adjust the reserves and the related interest and penalties in light of changing facts and circumstances regarding the probability of realizing tax benefits, such as the settlement of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately provided for any known tax contingencies under FIN 48.

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

Retirement Benefits:

We sponsor non-contributory defined benefit plans covering substantially all employees in the United States and Canada, and certain employees in other foreign countries. We also provide healthcare and life insurance benefits for retired employees in the United States and Canada. The net periodic pension and postretirement benefit cost was \$15 million in 2008 and \$13 million in 2007. The Company estimates that net periodic pension expense for 2009 will include approximately \$2 million relating to the amortization of its accumulated actuarial loss and prior service cost included in accumulated other comprehensive loss at December 31, 2008. In order to measure the expense and obligations associated with these retirement benefits, our management must make a variety of estimates and assumptions, including discount rates used to value certain liabilities, expected return on plan assets set aside to fund these 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. Additionally, adverse changes in investment returns earned on pension assets and discount rates used to calculate pension and related liabilities or changes in required pension funding levels may have an unfavorable impact on future pension expense and cash flow. See also Note 8 of the notes to the consolidated financial statements.

New Accounting Standards

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements” (“SFAS 157”), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements but applies to other accounting pronouncements that require or permit fair value measurements. On February 6, 2008, the FASB issued final Staff Positions that partially defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 for certain non-financial assets and non-financial liabilities and also removes certain leasing transactions from the scope of SFAS 157. We adopted the provisions of SFAS 157 with respect to financial assets and liabilities effective January 1, 2008. See Note 2 of the notes to the consolidated financial statements. The adoption of this statement did not have a material impact on our consolidated financial statements. We do not expect that the application of this statement to non-financial assets and non-financial liabilities will have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations" ("SFAS 141R"), which replaces SFAS No. 141, "Business Combinations." SFAS 141R, among other things, requires that all business combinations completed after the effective date of the statement be accounted for by applying the acquisition method (previously referred to as the purchase method). Under this method, an acquiring company is required to recognize the assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. This replaces the cost allocation process used under SFAS 141 where the cost of the acquisition is allocated to the individual assets acquired and liabilities assumed based on their estimated fair values. Acquisition-related costs, currently included in the cost of an acquisition and allocated to assets acquired and liabilities assumed under SFAS 141, are required to be recognized separately from an acquisition under SFAS 141R. SFAS 141R also requires that an acquiring company recognize contingent consideration at the acquisition date, measured at its fair value at that date. In the case of a bargain purchase, defined as a business combination in which the total acquisition-date fair value of the identifiable net assets acquired exceeds the fair value of the consideration transferred plus any noncontrolling interest in the acquiree, the acquiring company is required to recognize a gain for that excess. Under SFAS 141, this excess (or negative goodwill) is allocated as a pro rata reduction of the amounts that otherwise would have been assigned to the assets acquired. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Early application is not allowed. The adoption of SFAS 141R will impact accounting for future business combinations and the effect will be dependent upon the acquisitions at that time.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an Amendment of ARB No. 51" ("SFAS 160"), which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Among other things, SFAS 160 clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that is to be reported as equity in the consolidated balance sheet, as opposed to being reported in the mezzanine section of the balance sheet between liabilities and equity. Under SFAS 160, consolidated net income is to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. The statement requires disclosure of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest on the face of the consolidated statement of income. Additionally, SFAS 160 establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation and clarifies that such transactions are equity transactions if the parent retains its controlling financial interest in the subsidiary. SFAS 160 also requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008 and is to be applied prospectively, except for the presentation and disclosure requirements which are to be applied retrospectively. Early adoption is prohibited. We are currently evaluating SFAS 160 but do not expect that the adoption of this statement will have a material effect on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133" ("SFAS 161"). SFAS 161 is intended to improve transparency in financial reporting by requiring additional disclosures with respect to derivative instruments and hedging activities, with particular emphasis as to the affects that such items have on the financial position, results of operations, and cash flows of an entity. Statement 161 is effective prospectively for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently evaluating SFAS 161, but do not expect that the adoption of this statement will have a material effect on our consolidated financial statements.

In April 2008, the FASB issued FASB Staff Position ("FSP") 142-3, "Determination of the Useful Life of Intangible Assets," ("FSP 142-3"). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, Goodwill and Other Intangible Assets. FSP 142-3 is effective for us beginning January 1, 2009. We are currently assessing the impact of FSP 142-3 on our consolidated financial statements but do not expect that the adoption of the FSP will have a material impact on our consolidated financial statements.

In June 2008, the FASB issued FSP Emerging Issues Task Force ("EITF") No. 03-6-1, "Determining Whether Instruments Granted in Share-Based Payments Transactions Are Participating Securities." Under the FSP, unvested share-based payment awards that contain rights to receive nonforfeitable dividends (whether paid or unpaid) are participating securities, and should be included in the two-class method of computing earnings per share. The FSP is effective for fiscal years beginning after December 15, 2008, and interim periods within those years. The adoption of FSP EITF No. 03-6-1 will not have a material impact on our consolidated financial statements.

Forward Looking Statements

This Form 10-K contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 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, expectations or beliefs underlying the foregoing. These statements can sometimes be identified by the use of forward looking words such as "may," "will," "should,"

“anticipate,” “believe,” “plan,” “project,” “estimate,” “expect,” “intend,” “continue,” “pro forma,” “forecast” or other similar expressions or the negative thereof. All statements other than statements of historical facts in this report or referred to or incorporated by reference into this report are “forward-looking statements.” These statements are based on current expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and are beyond our control. Although we believe our expectations reflected in these forward-looking statements are based on reasonable assumptions, stockholders are cautioned that no assurance can be given that our expectations will prove correct. Actual results and developments may differ materially from the expectations expressed in or implied by these statements, based on various factors, including the effects of the current global economic recession and its impact on our sales volumes and pricing of our products, our ability to collect our receivables from customers and our ability to raise funds at reasonable rates; fluctuations in worldwide markets for corn and other commodities, and the associated risks of hedging against such fluctuations; fluctuations in the markets and prices for the Company’s co-products, particularly corn oil; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; continued volatility and further deterioration of the capital markets; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we manufacture and/or sell our products; future financial performance of major industries which we serve, including, without limitation, the food and beverage, pharmaceutical, paper, corrugated, textile and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding quotas, tariffs, duties, taxes and income tax rates; operating difficulties; boiler reliability; our ability to effectively integrate acquired businesses; labor disputes; genetic and biotechnology issues; changing consumption preferences and trends; increased competitive and/or customer pressure in the corn-refining industry; and the outbreak or continuation of serious communicable disease or hostilities including acts of terrorism. Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections. For a further description of these and other risks, see Item 1A-Risk Factors above and subsequent reports on Forms 10-Q and 8-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Exposure. Approximately 55 percent of our borrowings at December 31, 2008 are fixed rate bonds and loans. Interest on the remaining 45 percent of our borrowings is subject to change based on changes in short-term rates, which could affect our interest costs. See also Note 5 of the notes to the consolidated financial statements entitled “Financing Arrangements” for further information. A hypothetical increase of 1 percentage point in the weighted average floating interest rate for 2008 would have increased our interest expense and reduced our pretax income for 2008 by approximately \$2 million.

At December 31, 2008 and 2007, the carrying and fair values of long-term debt, including the current portion, were as follows:

(in millions)	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
6.0% senior notes, due April 15, 2017	\$200	\$188	\$200	\$205
6.625% senior notes, due April 15, 2037	99	90	99	101
8.45% senior notes, due August 15, 2009	181	180	200	212
U.S. revolving credit facility, due April 26, 2012	146	146	—	—
Canadian revolving credit facility, due April 26, 2012	29	29	—	—
Brazil loans, due 2010	5	5	20	20
Mexican term loan, repaid 2008	—	—	17	17
Sub-total	\$660	\$638	\$536	\$555
Less: current maturities of long-term debt	—	—	17	17
Total long-term debt	\$660	\$638	\$519	\$538

We plan to refinance our 8.45 percent \$181 million senior notes due August 2009, by issuing long-term, fixed rate debt in 2009. In conjunction with this plan and in order to manage our exposure to variability in the benchmark interest rate on which the fixed interest rate of the planned debt is expected to be based, we entered into a Treasury Lock agreement (the "T-Lock") with respect to \$50 million of such future indebtedness in September 2007. The T-Lock is designated as a hedge of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Lock was entered and the time the debt is priced. It is accounted for as a cash flow hedge. Accordingly, changes in the fair value of the T-Lock are recorded to other comprehensive income (loss) until the consummation of the planned debt offering, at which time any realized gain (loss) will be amortized over the life of the debt.

In 2006, we had entered into Treasury Lock agreements (the "T-Locks") that fixed the benchmark component of the interest rate to be established for the \$200 million 6.0 percent Senior Notes due April 15, 2017. The T-Locks were accounted for as cash flow hedges. The T-Locks expired on March 21, 2007 and we paid approximately \$5 million, representing the losses on the T-Locks, to settle the agreements. The \$5 million loss is included in accumulated other comprehensive loss and is being amortized to financing costs over the term of the \$200 million 6.0 percent Senior Notes due April 15, 2017.

On February 1, 2006, we terminated the remaining fixed to floating interest rate swap agreements associated with our 8.45 percent senior notes. The swap termination resulted in a gain of approximately \$3 million, which approximated the fair value of the swap contract. The fair value adjustment to the hedged debt at the termination date (\$3 million) is being amortized as a reduction to financing costs over the remaining term of the underlying debt (through August 2009).

Commodity Costs. Our finished products are made primarily from corn. In North America, we sell 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, we enter into corn futures contracts, or take hedging positions in the corn futures market. These contracts typically mature within one year. At expiration, we settle the derivative contracts at a net amount equal to the difference between the then-current price of corn and the 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 use derivative financial instruments to hedge portions of our natural gas costs, primarily in our North American operations.

Our commodity price hedging instruments generally relate to contracted firm-priced business. Based on our overall commodity hedge exposure at December 31, 2008, a hypothetical 10 percent decline in market prices applied to the fair value of the instruments would result in a charge to other comprehensive loss of approximately \$40 million, net of income tax benefit. It should be noted that any change in the fair value of the contracts, real or hypothetical, would be substantially offset by an inverse change in the value of the underlying hedged item.

Foreign Currencies. Due to our global operations, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign exchange risk when our foreign operation results

are translated to USD and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. We generally use derivative instruments such as forward contracts, currency swaps and options to manage transactional foreign exchange risk. Based on our overall foreign currency transactional exposure at December 31, 2008, a hypothetical 10 percent decline in the value of the USD would have resulted in a transactional foreign exchange loss of approximately \$3 million. At December 31, 2008, our accumulated other comprehensive loss account included in the stockholders' equity section of our consolidated balance sheet includes a cumulative translation loss of \$363 million. The aggregate net assets of our foreign subsidiaries where the local currency is the functional currency approximated \$1.1 billion at December 31, 2008. A hypothetical 10 percent decline in the value of the US dollar relative to foreign currencies would have resulted in a reduction to our cumulative translation loss and a credit to other comprehensive income of approximately \$118 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Corn Products International, Inc.

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Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of Corn Products International, Inc. and subsidiaries (the “Company”) as of December 31, 2008 and 2007, 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, 2008. We also have audited the Company’s internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company’s internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corn Products International, Inc. and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As discussed in Note 2 to the accompanying consolidated financial statements, effective January 1, 2008, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, effective January 1, 2007, the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109*, and effective December 31, 2006, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R)*.

/s/ KPMG LLP
Chicago, Illinois
February 27, 2009

CORN PRODUCTS INTERNATIONAL, INC.
Consolidated Statements of Income

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net sales before shipping and handling costs	\$ 4,197	\$ 3,628	\$ 2,844
Less — shipping and handling costs	253	237	223
Net sales	3,944	3,391	2,621
Cost of sales	3,239	2,805	2,205
Gross profit	705	586	416
Selling, general and administrative expenses	275	249	202
Other (income)	(4)	(10)	(10)
	<u>271</u>	<u>239</u>	<u>192</u>
Operating income	434	347	224
Financing costs-net	29	42	27
Income before income taxes and minority interest	405	305	197
Provision for income taxes	130	102	69
Minority interest in earnings	8	5	4
	<u>267</u>	<u>198</u>	<u>124</u>
Net income	\$ 267	\$ 198	\$ 124
Weighted average common shares outstanding:			
Basic	74.5	74.7	74.1
Diluted	75.9	76.5	75.8
Earnings per common share:			
Basic	\$ 3.59	\$ 2.65	\$ 1.67
Diluted	3.52	2.59	1.63

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)

	2008	2007
Assets		
Current assets		
Cash and cash equivalents	\$ 107	\$ 175
Accounts receivable — net	627	460
Inventories	454	427
Prepaid expenses	10	14
Deferred income tax assets	99	13
Total current assets	1,297	1,089
Property, plant and equipment, at cost		
Land	119	129
Buildings	401	429
Machinery and equipment	2,997	3,086
	3,517	3,644
Less: accumulated depreciation	(2,070)	(2,144)
	1,447	1,500
Goodwill and other intangible assets (less accumulated amortization of \$26 and \$33, respectively)	359	426
Deferred income tax assets	4	1
Investments	7	13
Other assets	93	74
Total assets	\$ 3,207	\$ 3,103
Liabilities and equity		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 206	\$ 130
Deferred income taxes	—	28
Accounts payable	528	382
Accrued liabilities	125	134
Total current liabilities	859	674
Non-current liabilities	152	123
Long-term debt	660	519
Deferred income taxes	105	133
Minority interest in subsidiaries	22	21
Redeemable common stock (500,000 shares issued and outstanding at December 31, 2008 and 2007) stated at redemption value	14	19
Share-based payments subject to redemption	11	9
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, 74,819,774 issued at December 31, 2008 and 2007	1	1
Additional paid-in capital	1,086	1,082
Less: Treasury stock (common stock; 776,606 and 1,568,996 shares at December 31, 2008 and 2007, respectively) at cost	(29)	(57)
Accumulated other comprehensive loss	(594)	(115)
Retained earnings	920	694
Total stockholders' equity	1,384	1,605
Total liabilities and equity	\$ 3,207	\$ 3,103

See notes to the consolidated financial statements.

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

Years ended December 31,
(in millions)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net income	\$ 267	\$ 198	\$ 124
Comprehensive income (loss):			
Gains (losses) on cash flow hedges, net of income tax effect of \$77, \$20 and \$8, respectively	(127)	32	12
Reclassification adjustment for (gains) losses on cash flow hedges included in net income, net of income tax effect of \$63, \$10 and \$2, respectively	(105)	(15)	5
Actuarial gain (loss) on pension and other postretirement obligations, net of income tax	(15)	6	—
Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax	2	2	—
Unrealized gain (loss) on investment, net of income tax	(3)	1	—
Currency translation adjustment	(231)	82	43
Adjustment to minimum pension liability, net of income tax	—	—	2
Comprehensive income (loss)	<u>\$ (212)</u>	<u>\$ 306</u>	<u>\$ 186</u>

See notes to the consolidated financial statements.

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

(in millions)	Stockholders' Equity							
	Common Stock	Additional Paid-In Capital	Treasury Stock	Deferred Compensation	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Redeemable Common Stock	Share-based Payments Subject to Redemption
Balance, December 31, 2005	\$ 1	\$1,068	\$(36)	\$ (1)	\$(251)	\$429	\$ 29	\$ —
Net income						124		
Dividends declared						(25)		
Gains on cash flow hedges, net of income tax effect of \$8					12			
Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of \$2					5			
Repurchases of common stock			(23)					
Issuance of common stock on exercise of stock options		(8)	29					
Stock option expense		5						
Other share-based compensation		(4)	3					4
Excess tax benefit on share-based compensation		6						
Reclassification of deferred compensation		(1)		1				
Change in fair value of redeemable common stock		(15)					15	
Currency translation adjustment					43			
Adjustment to minimum pension liability prior to adoption of SFAS No. 158, net of tax of \$1					2			
Recognition of unfunded portion of pension and other postretirement liabilities, net of income tax effect of \$18, upon adoption of SFAS No. 158					(34)			
Balance, December 31, 2006	\$ 1	\$1,051	\$(27)	\$ —	\$(223)	\$528	\$ 44	\$ 4
Net income						198		
Dividends declared						(30)		
Gains on cash flow hedges, net of income tax effect of \$20					32			
Amount of gains on cash flow hedges reclassified to earnings, net of income tax effect of \$10					(15)			
Unrealized gain on investment, net of income tax					1			
Repurchases of common stock			(55)					
Issuance of common stock on exercise of stock options		(7)	23					
Stock option expense		7						
Other share-based compensation			2					5
Excess tax benefit on share-based compensation		6						
Change in fair value and number of shares of redeemable common stock		25					(25)	
Currency translation adjustment					82			
Actuarial gain on postretirement obligations, net of income tax effect of \$3					6			
Losses related to postretirement obligations reclassified to earnings, net of income tax effect of \$1					2			
Cumulative effect of adopting FIN 48						(2)		
Balance, December 31, 2007	\$ 1	\$1,082	\$(57)	\$ —	\$(115)	\$694	\$ 19	\$ 9
Net income						267		
Dividends declared						(40)		
Losses on cash flow hedges, net of income tax effect of \$77					(127)			
Amount of gains on cash flow hedges reclassified to earnings, net of income tax effect of \$63					(105)			
Unrealized loss on investment, net of income tax					(3)			
Repurchases of common stock			(1)					
Issuance of common stock on exercise of stock options		(9)	20					
Stock option expense		5						
Other share-based compensation		(2)	9					2
Excess tax benefit on share-based compensation		5						
Change in fair value of redeemable common stock		5					(5)	
Currency translation adjustment					(231)			
Actuarial loss on postretirement obligations, net of income tax					(15)			
Losses related to postretirement obligations reclassified to earnings, net of income tax					2			
Effects of changing the pension plan measurement date pursuant to SFAS No. 158 service cost, interest cost, and expected return on plan assets for Oct. 1 — Dec. 31, 2007, net of income tax						(1)		
Balance, December 31, 2008	\$ 1	\$1,086	\$(29)	\$ —	\$(594)	\$920	\$ 14	\$11

See notes to the consolidated financial statements.

CORN PRODUCTS INTERNATIONAL, INC.
Consolidated Statements of Cash Flows

Years ended December 31,
(in millions)

	2008	2007	2006
Cash provided by (used for) operating activities:			
Net income	\$ 267	\$ 198	\$ 124
Non-cash charges (credits) to net income:			
Depreciation and amortization	128	125	114
Deferred income taxes	12	7	(6)
Stock option expense	5	7	5
Unrealized gain on investment	—	(6)	—
Minority interest in earnings	8	5	4
Foreign currency transaction losses (gains)	(9)	4	(1)
Earnings from non-controlled affiliates	—	—	(1)
Changes in working capital:			
Accounts receivable and prepaid expenses	(43)	(40)	(28)
Inventories	(91)	(86)	(57)
Accounts payable and accrued liabilities	(29)	12	52
Decrease (increase) in margin accounts	(295)	55	4
Deposit with tax authority	(13)	(17)	—
Other	(19)	(6)	20
Cash (used for) provided by operating activities	(79)	258	230
Cash provided by (used for) investing activities:			
Capital expenditures	(228)	(177)	(171)
Proceeds from disposal of plants and properties	9	3	3
Payments for acquisitions/investments, net of cash acquired	—	(59)	(42)
Other	—	1	—
Cash used for investing activities	(219)	(232)	(210)
Cash provided by (used for) financing activities:			
Payments on debt	(56)	(283)	(46)
Proceeds from borrowings	313	366	62
Dividends paid (including to minority interest shareholders)	(42)	(33)	(26)
Repurchases of common stock	(1)	(55)	(23)
Issuance of common stock	11	16	21
Excess tax benefit on share-based compensation	5	6	6
Other	—	(2)	—
Cash provided by (used for) financing activities	230	15	(6)
Effects of foreign exchange rate changes on cash	—	3	1
Increase (decrease) in cash and cash equivalents	(68)	44	15
Cash and cash equivalents, beginning of period	175	131	116
Cash and cash equivalents, end of period	\$ 107	\$ 175	\$ 131

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

Assets and liabilities of foreign subsidiaries, other than those whose functional currency is the US dollar, are translated at current exchange rates with the related translation adjustments reported in 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 2008, 2007 and 2006, the Company incurred foreign currency transaction gains (losses) of \$9 million, (\$4 million) and \$1 million, respectively. The Company’s accumulated other comprehensive loss included in stockholders’ equity on the Consolidated Balance Sheets includes cumulative translation loss adjustments of \$363 million and \$132 million at December 31, 2008 and 2007, respectively.

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

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

Investments — Investments in the common stock of affiliated companies over which the Company does not exercise significant influence are accounted for under the cost method and are carried at cost or less. The Company’s wholly-owned Canadian subsidiary has an investment that is accounted for under the cost method. The carrying value of this investment was \$5 million at December 31, 2008 and \$6 million at December 31, 2007. Investments that enable the Company to exercise significant influence, but do not represent a controlling interest, are accounted for under the equity method; such investments are carried at cost or less, adjusted to reflect the Company’s proportionate share of income or loss, less dividends received. The Company did not have any investments accounted for under the equity method at December 31, 2008 or 2007. The Company also has an equity interest in the CME Group Inc. (“CME”), which it classifies as available for sale securities. This investment, which totaled \$2 million at December 31, 2008 and \$7 million at December 31, 2007, is carried at fair value with unrealized gains and losses recorded to other comprehensive income. The Company would recognize a loss on its investments when there is a loss in value of an investment that is other than 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 from 3 to 25 years for all other assets. Where permitted by law, accelerated depreciation methods are used for tax purposes. The Company reviews the recoverability of the net book value of property, plant and equipment for impairment whenever events and circumstances indicate that the net book value

of an asset may not be recoverable from estimated future cash flows expected to result from its use and eventual disposition. If this review indicates that the carrying values will not be recovered, the carrying values would be reduced to fair value and an impairment loss would be recognized.

Goodwill and other intangible assets — Goodwill (\$351 million and \$423 million at December 31, 2008 and 2007, respectively) represents the excess of cost over fair value of net assets acquired. The Company also has other intangible assets (\$8 million at December 31, 2008 and \$3 million at December 31, 2007, respectively). The carrying amount of goodwill and other intangible assets by geographic segment as of December 31, 2008 and 2007 was as follows:

(in millions)	At December 31,	
	2008	2007
North America	\$ 138	\$ 140
South America	87	102
Asia/Africa	134	184
Total	\$ 359	\$ 426

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. However, as a result of the current operating performance and expectations regarding future operating performance of the Company's Korean operations (Korea), the fair value of these assets was only modestly in excess of their carrying value. The net book value of goodwill relating to Korea was approximately \$120 million at December 31, 2008.

The Company used a discounted cash flow model (DCF model) to determine the current fair value of its Korean operation. Management believes that this approach is appropriate because it provides a fair value estimate based upon Korea's expected long-term operating and cash flow performance. This approach also mitigates most of the impact of cyclical downturns that occur in the industry. This approach was based on a ten-year projection of operating results and cash flows that is discounted using a weighted-average cost of capital. The projection is based upon the Company's best estimates of projected economic and market conditions over the related period including growth rates, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, and future capital expenditures. The Company specifically made the following operating assumptions for Korea: a reduction of corn costs and freight rates to historical levels; recovery of HFCS sales volume to the carbonated beverage industry; recovery of starch volume to the paper industry and glucose volumes to distributors; and the introduction of new products into the Korean market.

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

Hedging instruments — The Company uses derivative financial instruments principally to offset exposure to market risks arising from changes in commodity prices and interest rates. Derivative financial instruments currently used by the Company consist of commodity futures and option contracts, interest rate swap agreements and treasury lock agreements. The Company enters into futures and option contracts, which are designated as hedges of specific volumes of commodities (corn and natural gas) that will be purchased and processed in a future month. These derivative financial instruments are recognized in the Consolidated Balance Sheets at fair value. The Company has also, from time to time, entered into interest rate swap agreements that effectively converted the interest rate on certain fixed rate debt to a variable interest rate and, on certain variable rate debt, to a fixed interest rate. The Company's treasury lock agreements lock the benchmark rate for an anticipated fixed rate borrowing. See also Note 4 and Note 5 of the notes to the consolidated financial statements for additional information.

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

Changes in the fair value of a floating-to-fixed interest rate swap, treasury lock or a futures contract for corn or natural gas 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, the future fixed interest rate is established 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 60 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 12. Effective January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123R, “Share-based Payment” (“SFAS 123R”), which requires, among other things, that compensation expense be recognized for employee stock options. Prior to the adoption of SFAS 123R, the Company accounted for stock compensation using the recognition and measurement principles of Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and related Interpretations. Under that method, compensation expense was recorded only if the current market price of the underlying stock on the date of grant exceeded the option exercise price. Since stock options are granted at exercise prices that equal the market value of the underlying common stock on the date of grant under the Company’s stock incentive plan, no compensation expense related to stock options was recorded in the Consolidated Statements of Income prior to January 1, 2006.

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 74.5 for 2008, 74.7 million for 2007 and 74.1 million for 2006. Diluted earnings per share (EPS) is computed by dividing net income by the weighted average number of shares outstanding, including the dilutive effect of outstanding stock options and other shares associated with long-term incentive compensation plans. The weighted average number of shares outstanding for diluted EPS calculations was 75.9 million, 76.5 million and 75.8 million for 2008, 2007 and 2006, respectively. In 2008 and 2007, options to purchase approximately 1.3 million and .6 million shares of common stock, respectively, were excluded

from the calculation of the weighted average number of shares outstanding for diluted EPS because their effects were anti-dilutive. There were no anti-dilutive stock option shares for 2006.

Risks and uncertainties — The Company operates domestically and internationally in one business segment. In each country, the business and assets are subject to varying degrees of risk and uncertainty. The Company insures its business and assets in each country against insurable risks in a manner that it deems appropriate. Because of this geographic dispersion, the Company believes that a loss from non-insurable events in any one country would not have a material adverse effect on the Company’s operations as a whole. Additionally, the Company believes there is no significant concentration of risk with any single customer or supplier whose failure or non-performance would materially affect the Company’s results.

Recently adopted accounting standards — In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements” (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Company has adopted the provisions of SFAS 157 with respect to financial assets and liabilities effective January 1, 2008, as required. In February 2008, the FASB issued Staff Position No. FAS 157-2, “Effective Date of FASB Statement No. 157,” which provides a one year deferral of the effective date of SFAS 157 for non-financial assets and non-financial liabilities, except those that are recognized or disclosed in the financial statements at fair value at least annually. In accordance with this interpretation, the Company has only adopted the provisions of SFAS 157 with respect to its financial assets and liabilities that are measured at fair value within its 2008 financial statements. The provisions of SFAS No. 157 have not been applied to non-financial assets and non-financial liabilities. The major categories of assets and liabilities that are measured at fair value, for which the Company has not applied the provisions of SFAS No. 157, are as follows: reporting units measured at fair value in the first step of a goodwill impairment test under SFAS No. 142, and long-lived assets measured at fair value for an impairment test under SFAS No. 144. The adoption of SFAS 157 did not have a material impact on the Company’s results of operations, financial condition or cash flow. As a result of the adoption of SFAS 157, the Company now provides additional disclosures in its notes to the financial statements. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 also establishes a fair value hierarchy to improve consistency and comparability in fair value measurements and disclosures. The fair value hierarchy prioritizes the inputs used to measure fair value into three broad categories referred to as Level 1, Level 2 and Level 3 inputs. Level 1 inputs consist of quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly for substantially the full term of the financial instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability or can be derived principally from or corroborated by observable market data. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Presented below are the fair values of the Company’s financial instruments and derivatives at December 31, 2008:

(in millions)	Total	Level 1	Level 2	Level 3
Available for sale securities	\$ 2	\$ 2	—	—
Derivative assets	—	—	—	—
Derivative liabilities	\$244	\$186	\$ 58	—
Long-term debt	\$638	—	\$638	—

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”). SFAS 159 allows entities the option to measure certain financial assets and liabilities at fair value at specified election dates. Such election, which may be applied on an instrument by instrument basis, is typically irrevocable once elected. Subsequent unrealized gains and losses on items for which the fair value option has been elected are to be reported in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company adopted SFAS 159 and elected not to measure any additional financial instruments and other items at fair value.

In June 2006, the FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 is an interpretation of FASB Statement No. 109, “Accounting for Income Taxes,” and seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. In addition,

FIN 48 provides guidance on de-recognition, classification, interest and penalties, and accounting in interim periods and requires expanded disclosure with respect to uncertainty in income taxes. The Company adopted FIN 48 effective January 1, 2007. The cumulative effect of the adoption of FIN 48 was reflected as a reduction in the beginning balance of retained earnings of \$2 million. See also Note 7 for additional information.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132(R)" ("SFAS 158"). Among other things, SFAS 158 requires companies to: (i) recognize in the balance sheet, a net liability or asset and an offsetting adjustment to accumulated other comprehensive income, to record the funded status of defined benefit pension and other post-retirement benefit plans; (ii) measure plan assets and obligations that determine its funded status as of the end of the company's fiscal year; and (iii) recognize in comprehensive income the changes in the funded status of a defined benefit pension and postretirement plan in the year in which the changes occur. The requirement to recognize the funded status of a benefit plan and the disclosure requirements are effective as of the end of the fiscal year ending after December 15, 2006. The requirement to measure the plan assets and benefit obligations as of the year-end balance sheet date is effective for fiscal years ending after December 15, 2008. The Company adopted SFAS 158 effective December 31, 2006 by recording a charge to accumulated other comprehensive loss of \$34 million, net of income taxes of \$18 million, to recognize the unfunded portion of its defined benefit pension and other postretirement plan liabilities. Effective December 31, 2008, the Company began measuring its plan assets and benefit obligations using a December 31, 2008 balance sheet date. Previously, the Company had used a September 30th measurement date. The change to using a year-end balance sheet measurement date did not have a material impact on the Company's consolidated financial statements. See also Note 8 of the notes to the consolidated financial statements for additional information.

NOTE 3 — Acquisitions

On February 12, 2007, the Company acquired the food business assets of SPI Polyols, a subsidiary of ABF North America Holdings, Inc., and the common shares of an SPI unit that owned the 50 percent of Getec Guanabara Quimica Industrial S.A. ("GETEC") not previously held by Corn Products International. GETEC is a major Brazilian producer of polyols, including liquid sorbitol and mannitol, and anhydrous dextrose, for the personal care, food, candy and confectionary, and pharmaceutical markets. The Company paid approximately \$66 million in cash to complete this acquisition, which was accounted for under the purchase method of accounting. Goodwill of approximately \$43 million was recorded. Effective with the acquisition, GETEC, which was previously accounted for as a non-controlled affiliate under the equity method, became a wholly-owned consolidated subsidiary of the Company.

On August 31, 2006, the Company's wholly-owned subsidiary, Corn Products Brasil — Ingredientes Industriais Ltda. ("Corn Products Brazil"), paid \$22 million in cash to increase its ownership interest in GETEC from 20 percent to 50 percent. The Company accounted for this investment as a non-controlled affiliate under the equity method of accounting until February 2007 when, as discussed above, it increased its ownership in GETEC to 100 percent.

On December 19, 2006, the Company's wholly-owned Argentinean subsidiary, Productos de Maiz, S.A., paid \$16 million in cash to acquire substantially all of the common stock of DEMSA Industrial Peru-Derivados del Maiz, S.A. ("DEMSA"), the only corn refiner in Peru. Goodwill of approximately \$4 million was recorded. Established in 1964, DEMSA sells regular and modified corn starch, glucose, grits, corn oil, corn flour, hominy feed, caramel color and other products to the food and beverage, papermaking, corrugated, pharmaceutical, textiles and animal feed markets.

All of the Company's acquisitions were accounted for under the purchase method. Had the acquisitions 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 4 — 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. Futures contracts, which are designated as hedges of specific volumes of commodities are recognized at fair value. Foreign currency forward contracts, swaps and options hedge transactional foreign exchange risk related to assets and liabilities denominated in currencies other than the functional currency and are recognized at fair value. The Company's treasury lock agreements, which lock the benchmark rate for an anticipated fixed rate borrowing, are recognized at fair value. The fair value of the Company's long-term debt is estimated based on quotations of major securities dealers who are market makers in the securities. Presented below are the carrying amounts and the fair values of the Company's long-term debt at December 31, 2008 and 2007.

(in millions)	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
6.0% senior notes, due April 15, 2017	\$ 200	\$ 188	\$ 200	\$ 205
6.625% senior notes, due April 15, 2037	99	90	99	101
8.45% senior notes, due August 15, 2009	181	180	200	212
U.S. revolving credit facility, due April 26, 2012	146	146	—	—
Canadian revolving credit facility, due April 26, 2012	29	29	—	—
Brazil loans, due 2010	5	5	20	20
Mexican term loan, repaid 2008	—	—	17	17
Sub-total	\$ 660	\$ 638	\$ 536	\$ 555
Less: current maturities of long-term debt	—	—	17	17
Total long-term debt	\$ 660	\$ 638	\$ 519	\$ 538

Derivatives:

The Company uses financial instruments primarily to manage the exposure to price risk related to the purchases of corn and natural gas used in the manufacturing process, to manage transactional foreign exchange risk and to manage its exposure to changes in interest rates on existing or anticipated borrowings. 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 and hedging transactional foreign exchange risk. The Company generally uses derivative instruments such as forward contracts, currency swaps and options to manage transactional foreign exchange risk and generally hedges twelve to eighteen months forward. As of December 31, 2008, we had \$34 million of net notional foreign currency forward contracts that hedged net liability transactional exposures. As of December 31, 2007, we had \$14 million of net notional foreign currency forward contracts that hedged net liability transactional exposures.

The derivative financial instruments that the Company uses in its management of commodity-price risk include corn futures contracts and options traded through regulated commodity exchanges and over-the-counter gas swaps. The derivative financial instruments that the Company uses in its management of interest rate risk consist of interest rate swap and treasury lock 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 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 using 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 have historically been, and are expected to continue to be, highly effective at offsetting changes in the price of the hedged items. The amounts representing the ineffectiveness of these cash flow hedges are not significant.

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, from time to time, entered into interest rate swap agreements that effectively converted the interest rate on certain fixed-rate debt to a variable rate. These swaps called for the Company to receive interest at a fixed rate and to pay interest at a variable rate, thereby creating the equivalent of variable-rate debt. The Company designated these interest rate swap agreements as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and accounted for them as fair value hedges. Changes in the fair value of interest rate swaps designated as hedging instruments that effectively offset the variability in the fair value of outstanding debt obligations are reported in earnings. These amounts offset the gain or loss (that is, the change in fair value) of the hedged debt instrument that is attributable to changes in interest rates (that is, the hedged risk) which is also recognized in earnings. The Company did not have any interest rate swap agreements outstanding at December 31, 2008 or 2007. In 2007 and 2006, the Company entered into Treasury Lock agreements (the "T-Locks") that fixed the benchmark component of the interest rate to be established for certain fixed rate debt (see also Note 5). The T-Locks are designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate until the fixed interest rate is established, and are accounted for as cash flow hedges. Accordingly, changes in the fair value of the T-Locks are recorded to other comprehensive income (loss) until the consummation of the underlying debt offering, at which time any realized gain (loss) is amortized to earnings over the life of the debt. The net gain or loss recognized in earnings during 2008, 2007 and 2006, 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, 2008, the Company's accumulated other comprehensive loss account included \$179 million of losses, net of tax of \$107 million, pertaining to commodities related derivative instruments that hedge the anticipated cash flows from future transactions, most of 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 derivative 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, the Company's accumulated other comprehensive loss account at December 31, 2008

included \$8 million of losses, net of tax of \$5 million, related to T-Locks. Cash flow hedges discontinued during 2008 were not material.

NOTE 5 — Financing Arrangements

The Company had total debt outstanding of \$866 million and \$649 million at December 31, 2008 and 2007, respectively. Short-term borrowings at December 31, 2008 and 2007 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)	2008	2007
Borrowings in various currencies (at rates ranging from 2% to 19% for 2008 and 4% to 13% for 2007)	\$206	\$113
Current maturities of long-term debt	—	17
Total short-term borrowings	\$206	\$130

The Company has a \$500 million senior, unsecured revolving credit facility consisting of a \$470 million US revolving credit facility and a \$30 million Canadian revolving credit facility (together, the “Revolving Credit Agreement”) that matures April 26, 2012. The Canadian revolving credit facility is guaranteed by Corn Products International, Inc. At December 31, 2008, there were \$146 million of borrowings outstanding under the US revolving credit facility and \$29 million of borrowings outstanding under the Canadian revolving credit facility. At December 31, 2007, there were no outstanding borrowings under the US revolving credit facility or the Canadian revolving credit facility.

On April 10, 2007, the Company sold \$200 million of 6.0 percent Senior Notes due April 15, 2017 and \$100 million of 6.625 percent Senior Notes due April 15, 2037. Interest on the notes is required to be paid semi-annually on April 15th and October 15th. The notes are unsecured obligations of the Company and rank equally with the Company’s other unsecured, senior indebtedness. The Company may redeem the notes, in whole at any time or in part from time to time, at its option at a redemption price equal to the greater of: (i) 100 percent of the principal amount of the notes to be redeemed; and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the applicable Indenture), plus, in the case of the 2017 notes, 25 basis points and plus, in the case of the 2037 notes, 30 basis points, plus, in each case, accrued interest thereon to the date of redemption. The net proceeds from the sale of the notes were used by the Company to repay its \$255 million 8.25 percent Senior Notes at the maturity date of July 15, 2007 (including accrued interest thereon), and for general corporate purposes.

In February 2007, Corn Products Brasil — Ingredientes Industriais Ltda., the Company’s wholly-owned Brazilian subsidiary, entered into two floating rate government export loans totaling \$23 million to finance the acquisition of the remaining ownership interest in GETEC. The notes are local currency denominated obligations that mature in January 2010.

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

(in millions)	2008	2007
6.0% senior notes, due April 15, 2017	\$ 200	\$ 200
6.625% senior notes, due April 15, 2037, net of discount of \$1	99	99
8.45% senior notes, due August 15, 2009	181	200
US revolving credit facility, matures April 26, 2012 (at LIBOR indexed floating rate)	146	—
Canadian revolver, matures April 26, 2012 (at LIBOR indexed floating rate)	29	—
Brazil loans, due 2010 (at rates of 14% in 2008 and 11% in 2007)	5	20
Mexican term loan, repaid 2008 (at LIBOR indexed floating rate)	—	17
Total	\$ 660	\$ 536
Less: current maturities	—	17
Long-term debt	\$ 660	\$ 519

The Company's long-term debt matures as follows: \$181 million in 2009, \$5 million in 2010, \$175 million in 2012, \$200 million in 2017 and \$100 million in 2037. The Company's long-term debt at December 31, 2008 includes \$181 million of 8.45 percent senior notes that mature August 15, 2009. These borrowings are included in long-term debt as the Company has the ability and intent to refinance the notes on a long-term basis prior to the maturity date.

Corn Products International, Inc. guarantees certain obligations of several of its consolidated subsidiaries, which aggregated \$51 million and \$37 million at December 31, 2008 and 2007, respectively.

As noted above, the Company plans to refinance its \$181 million of 8.45 percent senior notes due August 2009, by issuing long-term, fixed rate debt in 2009. In conjunction with this plan and in order to manage its exposure to variability in the benchmark interest rate on which the fixed interest rate of the planned debt will be based, the Company entered into a Treasury Lock agreement (the "T-Lock") with respect to \$50 million of such future indebtedness. The T-Lock is designated as a hedge of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate between the time the T-Lock was entered and the time the debt is priced. It is accounted for as a cash flow hedge. Accordingly, changes in the fair value of the T-Lock are recorded to other comprehensive income (loss) until the consummation of the planned debt offering, at which time any realized gain (loss) will be amortized over the life of the debt.

In 2006, the Company had entered into Treasury Lock agreements (the "T-Locks") that fixed the benchmark component of the interest rate to be established for the \$200 million 6.0 percent Senior Notes due April 15, 2017. The T-Locks were accounted for as cash flow hedges. The T-Locks expired on March 21, 2007 and the Company paid approximately \$5 million, representing the losses on the T-Locks, to settle the agreements. The \$5 million loss is included in accumulated other comprehensive loss and is being amortized to financing costs over the term of the \$200 million 6.0 percent Senior Notes due April 15, 2017.

On February 1, 2006, the Company terminated its remaining fixed to floating interest rate swap agreements associated with its 8.45 percent senior notes. The swap termination resulted in a gain of approximately \$3 million, which approximated the fair value of the swap contract. The fair value adjustment to the hedged debt at the termination date (\$3 million) is being amortized as a reduction to financing costs over the remaining term of the underlying debt (through August 2009).

NOTE 6 — Leases

The Company leases rail cars, certain machinery and equipment, and office space under various operating leases. Rental expense under operating leases was \$30 million, \$27 million and \$24 million in 2008, 2007 and 2006, respectively. Minimum lease payments due on leases existing at December 31, 2008 are shown below:

(in millions) Year	Minimum Lease Payments
2009	\$ 28
2010	22
2011	15
2012	13
2013	10
Balance thereafter	34

NOTE 7 — Income Taxes

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

(in millions)	2008	2007	2006
Income (loss) before income taxes:			
United States	\$ 70	\$ 28	\$ (10)
Outside the United States	335	277	207
Total	\$ 405	\$ 305	\$ 197
Provision for income taxes:			
Current tax expense			
US federal	\$ 15	\$ 2	\$ 5
State and local	2	1	—
Foreign	101	92	70
Total current	\$ 118	\$ 95	\$ 75
Deferred tax expense (benefit)			
US federal	\$ 11	\$ (1)	\$ (4)
State and local	2	—	—
Foreign	(1)	8	(2)
Total deferred	\$ 12	\$ 7	\$ (6)
Total provision	\$ 130	\$ 102	\$ 69

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, 2008 and 2007 are summarized as follows:

(in millions)	2008	2007
Deferred tax assets attributable to:		
Employee benefit accruals	\$ 24	\$ 28
Pensions	22	17
Hedging/derivative contracts	96	—
Net operating loss carryforwards	11	10
Foreign tax credit carryforwards	29	25
Other	17	17
Gross deferred tax assets	\$199	\$ 97
Valuation allowance	(26)	(26)
Net deferred tax assets	\$173	\$ 71
Deferred tax liabilities attributable to:		
Property, plant and equipment	\$159	\$171
Hedging/derivative contracts	—	27
Goodwill	16	20
Total deferred tax liabilities	\$175	\$218
Net deferred tax liabilities	\$ 2	\$147

Net operating loss carryforwards at December 31, 2008 include state net operating losses of \$2 million and foreign net operating losses of \$9 million. The state net operating losses expire in various years through 2028. Foreign net operating losses of \$6 million will expire in 2009 through 2013 if unused, while \$3 million may be carried forward indefinitely. The foreign tax credit carryforwards of \$29 million at December 31, 2008 will expire in 2012 through 2018 if not utilized.

SFAS No. 109, Accounting for Income Taxes, requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In making this assessment, management considers the level of historical taxable income, scheduled reversal of deferred tax liabilities, tax planning strategies, and projected future taxable income. The Company maintains a valuation allowance of \$26 million against certain foreign tax credits and foreign net operating losses that management has determined will more likely than not expire prior to realization. The valuation allowance at December 31, 2008, with respect to foreign tax credit carryforwards, increased to \$19 million from \$18 million at December 31, 2007. The valuation allowance with respect to foreign net operating losses decreased to \$7 million at December 31, 2008 from \$8 million at December 31, 2007.

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

	2008	2007	2006
Provision for tax at US statutory rate	35.00%	35.00%	35.00%
Tax rate difference on foreign income	(3.09)	(1.56)	(0.04)
State and local taxes — net	0.63	0.25	0.22
Change in valuation allowance — foreign tax credits	0.23	0.47	1.73
Change in foreign statutory tax rates	(0.83)	(1.03)	(1.07)
Non-conventional fuel tax credits	—	(0.22)	(0.68)
Other items — net	0.06	0.59	0.09
Provision at effective tax rate	32.00%	33.50%	35.25%

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 \$919 million of undistributed earnings of foreign subsidiaries at December 31, 2008, as such amounts are considered permanently reinvested.

The Company adopted FIN 48 effective January 1, 2007. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	(in millions)
Balance at January 1, 2008	\$17
Additions for tax positions related to prior years	—
Reductions for tax positions related to prior years	(1)
Additions based on tax positions related to the current year	4
Reductions related to settlements	(1)
Reductions related to a lapse in the statute of limitations	—
Balance at December 31, 2008	\$19

Of this total, \$14 million represents the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate in future periods.

The Company accounts for interest and penalties related to income tax matters in income tax expense. The Company had accrued interest and penalties of \$3 million as of December 31, 2008 and \$4 million as of December 31, 2007.

The Company is subject to US federal income tax as well as income tax in multiple state and non-US jurisdictions. The Internal Revenue Service (“IRS”) has concluded its audit of all years through 2004. The Company remains subject to potential examination in Canada for the years 2000 to 2008, Brazil for the years 2002 to 2008 and Mexico for the years 2004 to 2008. The statute of limitations is generally open for the years 2002 to 2008 for various other non-US jurisdictions.

During 2008 and 2007, the Company made deposits of approximately \$13 million and \$17 million, respectively, to the Canadian tax authorities relating to an ongoing audit examination. The Company has settled \$2 million of the claims and is in the process of appealing the remaining items from the audit. It is expected that the appeal process will not be concluded within the next twelve months. The Company believes that it has adequately provided for the most likely outcome of the appeal process.

It is reasonably possible that the total amount of unrecognized tax benefits will increase or decrease within twelve months of December 31, 2008. The Company currently estimates that such increases or decreases will not be significant.

NOTE 8 — 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/or life insurance benefits for retired employees in the United States, Canada and Brazil. US salaried employees are provided with access to postretirement medical insurance through Retirement Health Care Spending Accounts. US salaried employees 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.

The Company adopted the recognition provisions of SFAS 158 effective December 31, 2006 by recording a charge to accumulated other comprehensive loss of \$34 million, net of income taxes of \$18 million, to recognize the unfunded portion of its defined benefit pension and other postretirement plan liabilities. This charge includes a credit of \$3 million, net of tax of \$2 million, associated with the reversal of a minimum pension liability.

SFAS 158 requires the Company to change the measurement date from September 30 to December 31, effective December 31, 2008 for the US plans. The non-US plans were not affected by the change in the measurement date as they have historically been measured as of December 31, 2008. As a result, the Company adjusted retained earnings by approximately \$1 million, representing the net periodic benefit cost for the period between September 30, 2007 and January 1, 2008. The company elected to use the 15 month approach as allowed under FAS 158.

Pension Obligation and Funded Status —The changes in pension benefit obligations and plan assets during 2008 and 2007, 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, 2008 and 2007, were as follows:

(in millions)	US Plans		Non-US Plans	
	2008	2007	2008	2007
Benefit obligation				
At January 1	\$ 76	\$ 70	\$149	\$136
Service cost	3	3	3	4
Interest cost	6	4	8	8
Benefits paid	(6)	(2)	(7)	(6)
Actuarial loss (gain)	(1)	1	(27)	(10)
Plan amendment	1	—	—	—
Curtailement / Settlement	—	—	(4)	(1)
Foreign currency translation	—	—	(24)	18
Benefit obligation at December 31	\$ 79	\$ 76	\$ 98	\$149
Fair value of plan assets				
At January 1	\$ 64	\$ 58	\$139	\$113
Actual return on plan assets	(16)	5	(17)	7
Employer contributions	16	3	8	9
Benefits paid	(6)	(2)	(7)	(7)
Settlements	—	—	(4)	—
Foreign currency translation	—	—	(23)	17
Fair value of plan assets at December 31	\$ 58	\$ 64	\$ 96	\$139
Funded status	\$(21)	\$(12)	\$ (2)	\$(10)

Amounts recognized in the Consolidated Balance Sheets consist of:

(in millions)	US Plans		Non-US Plans	
	2008	2007	2008	2007
Non current asset	\$ —	\$ —	\$(8)	\$(5)
Current liabilities	2	1	1	1
Non current liabilities	19	11	9	14
Net amount recognized	\$21	\$12	\$ 2	\$10

Amounts recognized in Accumulated Other Comprehensive Loss consist of:

(in millions)	US Plans		Non-US Plans	
	2008	2007	2008	2007
Net actuarial loss	\$30	\$10	\$18	\$25
Prior service cost	2	2	—	—
Transition obligation	—	—	4	6
Net amount recognized	\$32	\$12	\$22	\$31

The accumulated benefit obligation for all defined benefit pension plans was \$151 million and \$191 million at December 31, 2008 and December 31, 2007, respectively.

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

(in millions)	US Plans		Non-US Plans	
	2008	2007	2008	2007
Projected benefit obligation	\$79	\$76	\$11	\$14
Accumulated benefit obligation	73	71	10	11
Fair value of plan assets	58	64	—	—

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

Components of net periodic benefit cost and other amounts recognized in other comprehensive income consist of the following for the years ended December 31, 2008, 2007 and 2006:

(in millions)	US Plans			Non-US Plans		
	2008	2007	2006	2008	2007	2006
Service cost	\$ 3	\$ 3	\$ 3	\$ 3	\$ 4	\$ 3
Interest cost	5	4	4	8	8	7
Expected return on plan assets	(5)	(4)	(4)	(9)	(8)	(7)
Amortization of actuarial loss	—	—	1	1	1	1
Amortization of transition obligation	—	—	—	1	1	—
Amortization of prior service cost	1	—	—	—	—	—
Settlement/Curtailment	—	—	1	1	—	—
Net pension cost	\$ 4	\$ 3	\$ 5	\$ 5	\$ 6	\$ 4

For the US plans, the Company estimates that net pension expense for 2009 will include approximately \$1.6 million relating to the amortization of its accumulated actuarial loss and \$0.2 million relating to the amortization of prior service cost included in accumulated other comprehensive loss at December 31, 2008.

For the non-US plans, the Company estimates that net pension expense for 2009 will include approximately \$0.1 million relating to the amortization of its accumulated actuarial loss and \$0.5 million relating to the amortization of prior service cost and transition obligation included in accumulated other comprehensive loss at December 31, 2008.

Other changes in plan assets and benefit obligations recognized in other comprehensive income for 2008 are as follows:

(in millions)	US Plans	Non-US
Net actuarial loss/(gain)	\$20	\$ (1)
Amortization of actuarial (loss)/gain	—	(2)
Prior service cost	1	—
Amortization of prior service (cost)/credit	(1)	—
Amortization of transition obligation	—	(1)
Total recorded in other comprehensive income	20	(4)
Net periodic benefit cost	4	5
Total recorded in other comprehensive income and net periodic benefit cost	24	1

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

	US Plans		Non-US Plans	
	2008	2007	2008	2007
Discount rate	6.05%	6.20%	8.20%	6.10%
Rate of compensation increase	2.75%	2.75%	4.56%	4.00%

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		
	2008	2007	2006	2008	2007	2006
Discount rate	6.20%	5.90%	5.40%	6.74%	5.80%	5.25%
Expected long-term return on plan assets	7.25%	7.25%	7.25%	7.25%	7.20%	7.00%
Rate of compensation increase	2.75%	2.75%	2.75%	4.39%	4.00%	3.50%

The Company has assumed an expected long-term rate of return on assets of 7.25 percent for US plans and 7.00 percent for Canadian 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, input from the Company's independent actuaries and investment consultants, and historical trends in long-term inflation rates. Projected return estimates made by such consultants are based upon broad equity and bond indices.

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

Plan Assets — The Company's investment policy for its pension plans is to balance risk and return through diversified portfolios of high-quality equity instruments, fixed income securities, and short-term investments. Maturities for fixed income securities are managed such that sufficient liquidity exists to meet near-term benefit payment obligations. For US pension plans, the weighted average target range allocation of assets was 41-71 percent with equity managers, 19-69 percent with fixed income managers and 1-3 percent in cash. The asset allocation is reviewed regularly and portfolio investments are rebalanced to the targeted allocation when considered appropriate. The Company's pension plan weighted average asset allocation as of December 31, 2008 for US plans and non-US plans and as of September 30, 2007 for US plans and October 31, 2007 for non-US plans is as follows:

Asset Category	US Plans		Non-US Plans	
	2008	2007	2008	2007
Equity securities	42%	57%	45%	54%
Debt securities	55%	36%	46%	38%
Other	3%	7%	9%	8%
Total	100%	100%	100%	100%

In 2008, the Company made cash contributions of \$16 million and \$8 million to its US and non-US pension plans, respectively. The Company currently anticipates that in 2009 it will make cash contributions of \$3 million and \$4 million to its US and non-US pension plans, respectively. Cash contributions in subsequent years will depend on a number of factors including the performance of plan assets. The following benefit payments, which reflect anticipated future service, as appropriate, are expected to be made:

(in millions)	US Plans	Non-US Plans
2009	\$ 7	\$ 8
2010	4	6
2011	4	6
2012	7	6
2013	5	7
Years 2014 — 2018	30	40

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 \$6 million, \$5 million and \$4 million in 2008, 2007 and 2006, respectively.

Postretirement Benefit Plans — The Company's postretirement benefit plans currently are not funded. The information presented below includes the plans in the United States, Brazil, and Canada. The changes in the benefit obligations of the plans during 2008 and 2007, and the amounts recognized in the Company's Consolidated Balance Sheets at December 31, 2008 and 2007, were as follows:

(in millions)	2008	2007
Accumulated postretirement benefit obligation		
At January 1	\$56	\$48
Service cost	2	1
Interest cost	4	3
Actuarial loss/(gain)	2	5
Benefits paid	(3)	(2)
Foreign currency translation	(2)	1
Benefit obligation at December 31	\$59	\$56
Fair value of plan assets	—	—
Funded status	\$59	\$56

Amounts recognized in the Consolidated Balance Sheets consist of:

(in millions)	2008	2007
Current liabilities	\$ 3	\$ 2
Non current liabilities	56	54
Net amount recognized	\$59	\$56

Amounts recognized in Accumulated Other Comprehensive Loss consist of:

(in millions)	2008	2007
Net actuarial loss	\$11	\$10
Prior service cost	2	—
Net amount recognized	\$13	\$10

Components of net periodic benefit cost and other amounts recognized in other comprehensive income consisted of the following for the years ended December 31, 2008, 2007 and 2006:

(in millions)	2008	2007	2006
Service cost	\$ 2	\$ 1	\$ 2
Interest cost	3	3	2
Amortization of actuarial loss	1	—	—
Amortization of prior service cost	—	—	—
Net periodic benefit cost	\$ 6	\$ 4	\$ 4

The Company estimates that postretirement benefit expense for 2009 will include approximately \$0.7 million relating to the amortization of its accumulated actuarial loss and \$0.1 million relating to the amortization of its prior service credit included in accumulated other comprehensive loss at December 31, 2008.

Changes in amounts recorded in other comprehensive income for 2008 are as follows:

(in millions)	2008
Net actuarial loss/(gain)	\$2
Total recorded in other comprehensive income	2
Net periodic benefit cost	6
Total recorded in other comprehensive income and net periodic benefit cost	8

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

	2008	2007
Discount rate	6.45%	6.10%

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

	2008	2007	2006
Discount rate	6.58%	5.80%	5.40%

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

In measuring the postretirement benefit obligation, for the United States, the Company assumed an increase in the per capita cost of healthcare benefits of 9.0 percent in 2009, declining ratably to 5.0 percent by the year 2013 and remaining at that level thereafter. For Canada, the Company assumed an increase in the per capita cost of healthcare benefits of 9.0 percent in 2009, declining ratably to 5.0 percent by the year 2013 and remaining at that level thereafter. In addition, for Canada, the Company assumed an increase in the per capita cost of dental benefits of 4.0 percent per year. Note that the Canada London Union Plan is not affected by health care trend rates. For Brazil, the Company assumed an increase in the

per capita cost of healthcare benefits of 7.6 percent per year. An increase in the assumed healthcare cost trend rate by 1 percentage point would increase the accumulated postretirement benefit obligation at December 31, 2008 by \$9 million, while a decrease in the rate of 1 percentage point would decrease the obligation by \$7 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 \$1.1 million for an increase of 1 percentage point and \$0.9 million for a decrease of 1 percentage point.

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

(in millions)	
2009	\$ 2
2010	2
2011	3
2012	3
2013	3
Years 2014 — 2018	18

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

NOTE 9 — Termination of Proposed Merger Agreement

On June 23, 2008, the Company and Bunge Limited (“Bunge”) announced that the two companies had entered into a definitive agreement under which Bunge would acquire Corn Products in an all-stock transaction. The aggregate transaction value based on the price of Bunge’s stock at that date was approximately \$4.8 billion including assumption of debt.

On November 10, 2008, the Company’s Board of Directors withdrew its recommendation in favor of the merger agreement and recommended against adoption of the agreement. On the same day Bunge’s Board of Directors voted to terminate the merger agreement, citing the decision of the Corn Products Board of Directors. Under the terms of the agreement, the Company reimbursed Bunge for \$10 million of their expenses in connection with the proposed acquisition. In addition, the Company incurred approximately \$6 million of expenses relating to the proposed transaction.

NOTE 10 — Supplementary Information

Balance Sheets — Supplementary information is set forth below:

(in millions)	2008	2007
Accounts receivable — net:		
Accounts receivable — trade	\$359	\$354
Accounts receivable — other	278	110
Allowance for doubtful accounts	(10)	(4)
Total accounts receivable — net	\$627	\$460
Inventories:		
Finished and in process	\$192	\$165
Raw materials	207	202
Manufacturing supplies	55	60
Total inventories	\$454	\$427
Accrued liabilities:		
Compensation expenses	\$ 58	\$ 60
Dividends payable	11	8
Accrued interest	12	12
Accrued income taxes	7	6
Taxes payable other than income taxes	11	17
Other	26	31
Total accrued liabilities	\$125	\$134
Non-current liabilities:		
Employees' pension, indemnity, retirement, and other	\$104	\$ 99
Unrealized losses on cash flow hedges	24	1
Other	24	23
Total non-current liabilities	\$152	\$123

Statements of Income — Supplementary information is set forth below:

(in millions)	2008	2007	2006
Other income (expense)-net:			
Costs of terminated Bunge merger	\$(16)	\$ —	\$—
Gain from sale of land	5	—	—
Gain on investment	—	6	—
Earnings from non-controlled affiliates	—	—	1
Other	15	4	9
Other income (expense)-net	\$ 4	\$ 10	\$10
Financing costs-net:			
Interest expense, net of amounts capitalized *	\$ 43	\$ 50	\$34
Interest income	(5)	(12)	(6)
Foreign currency transaction (gains) losses	(9)	4	(1)
Financing costs-net	\$ 29	\$ 42	\$27

* Interest capitalized amounted to \$8 million, \$4 million and \$10 million in 2008, 2007 and 2006, respectively.

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

(in millions)	2008	2007	2006
Interest paid	\$ 46	\$ 47	\$38
Income taxes paid	108	93	73
Noncash investing and financing activities:			
Change in fair value and number of shares of redeemable common stock	(5)	(25)	15
Assumption of debt in connection with acquisition	—	—	5

Natural Gas Purchase Agreement:

On January 20, 2006, Corn Products Brazil (“CPO Brazil”), the Company’s wholly-owned Brazilian subsidiary entered into a Natural Gas Purchase and Sale Agreement (the “Agreement”) with Companhia de Gas de Sao Paulo — Comgas (“Comgas”). Pursuant to the terms of the Agreement, Comgas supplies natural gas to the cogeneration facility at CPO Brazil’s Mogi Guacu plant. This agreement will expire on March 31, 2023, unless extended or terminated under certain conditions specified in the Agreement. During the term of the Agreement, CPO Brazil is obligated to purchase from Comgas, and Comgas is obligated to provide to CPO Brazil, certain minimum quantities of natural gas that are specified in the Agreement. The price for such quantities of natural gas is determined pursuant to a formula set forth in the Agreement. The price may vary based upon gas commodity cost and transportation costs, which are adjusted annually; the distribution margin which is set by the Brazilian Commission of Public Energy Services; and the fluctuation of exchange rates between the US dollar and the Brazilian real. We estimate that the total minimum expenditures by CPO Brazil through the remaining term of the Agreement will be approximately \$268 million based on current exchange rates as of December 31, 2008 and estimates regarding the application of the formula set forth in the Agreement, spread evenly over the remaining term of the Agreement. CPO Brazil will make payments of approximately \$19 million in each of the next five years in accordance with the Agreement. The amount of gas purchased under this Agreement for the years ended December 31, 2008, 2007 and 2006 was approximately \$22 million, \$20 million and \$19 million, respectively.

NOTE 11 — Redeemable Common Stock

The Company has an agreement with certain common stockholders (collectively the “holder”), relating to 500,000 shares of the Company’s common stock, that provides the holder with the right to require the Company to repurchase those 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.

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. 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. Any amount due would accrue interest at the Company’s revolving credit facility rate from the date of exercise until the payment date.

The carrying value of the redeemable common stock was \$14 million at December 31, 2008 and \$19 million at December 31, 2007, 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 (\$28.62 per share and \$38.30 per share at December 31, 2008 and 2007, respectively). Adjustments to mark the redeemable common stock to market value are recorded directly to additional paid-in capital in the stockholders’ equity section of the Company’s Consolidated Balance Sheets. During 2007, the holder sold 727,000 shares of redeemable common stock in open market transactions. There were 500,000 shares of redeemable common stock outstanding at December 31, 2008 and 2007.

NOTE 12 — Stockholders' Equity

Preferred stock:

The Company has authorized 25 million shares of \$0.01 par value preferred stock, none of which were issued or outstanding as of December 31, 2008 and December 31, 2007.

Treasury Stock:

During 2008, the Company issued, from treasury, 45,500 restricted common shares and 583,835 common shares upon the exercise of stock options under the stock incentive plan and 206,582 common shares under other incentive plans. During 2007, the Company issued, from treasury, 77,950 restricted common shares and 875,774 common shares upon the exercise of stock options under the stock incentive plan and 7,027 common shares under other incentive plans. During 2006, the Company issued, from treasury, 67,700 restricted common shares and 1,300,095 common shares upon the exercise of stock options under the stock incentive plan and 34,522 common shares under other incentive plans.

The Company reacquired 18,527, 32,040 and 28,000 shares of its common stock during 2008, 2007 and 2006, 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 \$33.96, \$44.88 and \$31.80, or fair value at the date of purchase, during 2008, 2007 and 2006, respectively. All of the acquired shares are held as common stock in treasury, less shares issued to employees under the stock incentive plan.

On November 7, 2007, the Company's Board of Directors approved a common stock repurchase program that permits the Company to purchase up to 5 million shares of its outstanding common stock over a period that runs through November 30, 2010. In 2008, the Company repurchased 25,000 common shares in open market transactions at a cost of approximately \$0.9 million. In 2007, the Company repurchased 1,480,500 common shares in open market transactions at a cost of approximately \$55 million. Substantially all of the 2007 repurchases were made under the Company's previously authorized 4 million share repurchase program, except for 32,100 shares that were repurchased under the existing 5 million share program. At December 31, 2008 the Company had 4,942,900 shares available to be repurchased under its existing program. The Company has repurchased all of the shares allowed under its previously authorized 4 million share repurchase program. In 2006, the Company repurchased 862,800 common shares in open market transactions at a cost of \$23 million. The parameters of the Company's stock repurchase program are not established solely with reference to the dilutive impact of shares issued under the Company's stock incentive plan. However, the Company expects that, over time, share repurchases will offset the dilutive impact of shares issued under the stock incentive plan.

Set forth below is a reconciliation of common stock share activity for the years ended December 31, 2006, 2007 and 2008:

(Shares of common stock, in thousands)	Issued	Held in Treasury	Redeemable Shares	Outstanding
Balance at December 31, 2005	75,320	1,529	1,227	72,564
Issuance of restricted stock as compensation	—	(68)	—	68
Issuance under incentive and other plans	—	(35)	—	35
Stock options exercised	—	(1,300)	—	1,300
Purchase/acquisition of treasury stock	—	891	—	(891)
Balance at December 31, 2006	75,320	1,017	1,227	73,076
Elimination of redemption requirement (see Note 11)	—	—	(727)	727
Issuance of restricted stock as compensation	—	(78)	—	78
Issuance under incentive and other plans	—	(7)	—	7
Stock options exercised	—	(876)	—	876
Purchase/acquisition of treasury stock	—	1,513	—	(1,513)
Balance at December 31, 2007	75,320	1,569	500	73,251
Issuance of restricted stock as compensation	—	(45)	—	45
Issuance under incentive and other plans	—	(206)	—	206
Stock options exercised	—	(584)	—	584
Purchase/acquisition of treasury stock	—	43	—	(43)
Balance at December 31, 2008	75,320	777	500	74,043

Share-based payments:

The Company has a stock incentive plan (“SIP”) administered by the compensation committee of its Board of Directors that provides for the granting of stock options, restricted stock and other stock-based awards to certain key employees. A maximum of 8 million shares were originally authorized for awards under the SIP. As of December 31, 2008, 4.4 million shares were available for future grants under the SIP. Shares covered by awards that expire, terminate or lapse will again be available for the grant of awards under the SIP. Total share-based compensation expense for 2008 was \$13 million, net of income tax effect of \$4 million.

The Company granted nonqualified options to purchase 812,800, 777,600 and 1,084,200 shares of the Company’s common stock during 2008, 2007 and 2006, respectively. The options are exercisable upon vesting, which occurs for grants issued in 2008 and 2007 evenly over a three-year period at the anniversary dates of the date of grant, and have a term of 10 years. Stock options granted prior to 2007 are exercisable upon vesting, which occurs in 50 percent increments at the one and two year anniversary dates of the date of grant, and also have a term of 10 years. Compensation expense is recognized on a straight-line basis for awards. As of December 31, 2008, certain of these nonqualified options have been forfeited due to the termination of employees.

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

	2008	2007	2006
Expected life (in years)	5.3	5.3	5.3
Risk-free interest rate	2.9%	4.8%	4.2%
Expected volatility	27.0%	26.8%	27.8%
Expected dividend yield	1.2%	1.0%	1.1%

The expected life of options represents the weighted average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and the Company’s historical exercise patterns. The risk-free interest rate is based on the US Treasury yield curve in effect at the time of the grant for periods corresponding with the expected life of the options. Expected volatility is based on historical volatilities of the Company’s common stock. Dividend yields are based on historical dividend payments. The weighted average fair value of options granted during 2008, 2007 and 2006 was estimated to be \$9.06, \$10.33 and \$7.72, respectively.

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 for Stock Options	Shares of Restricted Stock
Outstanding at December 31, 2005	4,642	\$10.12 to \$24.70	\$17.14	175
Granted	1,084	25.83 to 29.80	25.95	68
Exercised / vested	(1,300)	10.12 to 24.70	16.47	(60)
Cancelled	(76)	11.37 to 25.83	21.74	(14)
Outstanding at December 31, 2006	4,350	11.37 to 29.80	19.45	169
Granted	778	33.32 to 40.71	33.93	78
Exercised / vested	(876)	11.37 to 25.83	17.90	(69)
Cancelled	(59)	25.83 to 33.80	30.29	(12)
Outstanding at December 31, 2007	4,193	11.37 to 40.71	22.30	166
Granted	813	33.82 to 38.79	34.32	46
Exercised / vested	(584)	11.37 to 34.93	19.66	(19)
Cancelled	(52)	25.83 to 34.36	33.69	(14)
Outstanding at December 31, 2008	<u>4,370</u>	11.37 to 40.71	24.76	<u>179</u>

The intrinsic values of stock options exercised during 2008, 2007 and 2006 were approximately \$14 million, \$20 million and \$20 million, respectively. For the years ended December 31, 2008, 2007 and 2006, cash received from the exercise of stock options was \$11 million, \$16 million and \$21 million, respectively. The excess income tax benefit realized from share-based compensation was \$5 million, \$6 million and \$6 million in 2008, 2007 and 2006, respectively. As of December 31, 2008, the unrecognized compensation cost related to non-vested stock options totaled \$7 million, which will be amortized over the weighted-average period of approximately 2 years.

The following table summarizes information about stock options outstanding at December 31, 2008:

(shares in thousands)

Range of Exercise Prices	Options Outstanding	Weighted Average Exercise Price	Average Remaining Contractual Life (Years)	Options Exercisable	Weighted Average Exercise Price
\$11.37 to 12.21	87	\$11.37	1.8	87	\$11.37
\$12.22 to 16.28	933	14.24	2.9	933	14.24
\$16.29 to 20.35	482	16.90	4.8	482	16.90
\$20.36 to 24.43	4	21.23	6.3	4	21.23
\$24.44 to 28.50	1,371	25.37	6.5	1,371	25.37
\$28.51 to 32.57	20	29.80	7.3	20	29.80
\$32.58 to 36.64	1,455	34.07	8.6	218	33.79
\$36.65 to 40.71	18	40.43	8.5	5	40.71
	<u>4,370</u>	<u>\$24.76</u>	<u>6.2</u>	<u>3,120</u>	<u>\$20.98</u>

The number of options exercisable at December 31, 2008 was 3.1 million.

Stock options outstanding at December 31, 2008 had an aggregate intrinsic value of approximately \$26 million and an average remaining contractual life of 6.2 years. Stock options exercisable at December 31, 2008 had an aggregate intrinsic value of approximately \$26 million and an average remaining contractual life of 5.1 years. Stock options outstanding at December 31, 2007 had an aggregate intrinsic value of approximately \$61 million and an average remaining contractual life of 6.3 years. Stock options exercisable at December 31, 2007 had an aggregate intrinsic value of approximately \$53 million and an average remaining contractual life of 5.4 years.

In addition to stock options, the Company awards shares of restricted common stock to certain key employees. The restricted shares issued under the plan are subject to cliff vesting, generally for five years provided the employee remains in the service of the Company. Expense is recognized on a straight-line basis over the vesting period taking into account an estimated forfeiture rate. The fair value of the restricted stock is determined based upon the number of shares granted

and the quoted market price of the Company's common stock at the date of the grant. Compensation expense pertaining to these awards was \$1 million in each of 2008, 2007, and 2006.

The following table summarizes restricted share activity for the year ended December 31, 2008:

(shares in thousands)	Number of Restricted Shares	Weighted Average Fair Value
Non-vested at December 31, 2007	166	\$29.85
Granted	46	34.36
Vested	(19)	29.42
Cancelled	(14)	33.88
Non-vested at December 31, 2008	<u>179</u>	31.02

The weighted-average fair value of restricted stock granted during the year ended December 31, 2008, 2007 and 2006 was \$34.36, \$34.43 and \$27.89, respectively. Restricted stock with a total fair value of \$1 million vested in each of 2008, 2007 and 2006.

As of December 31, 2008, additional paid-in capital included \$3 million of unrecognized compensation cost related to restricted stock that will be amortized on a weighted-average basis over 2.1 years. The recognized compensation cost related to restricted stock totaling \$2 million at December 31, 2008 is included in share-based payments subject to redemption in the Consolidated Balance Sheet.

Other share-based awards under the SIP:

Under the compensation agreement with the Board of Directors at least 50 percent of a director's compensation is awarded based on each director's election to receive such compensation in the form of restricted stock units, which track investment returns to changes in value of the Company's common stock with dividends being reinvested. Stock units under this plan vest immediately. The compensation expense relating to this plan included in the Consolidated Statements of Income for 2008, 2007 and 2006 was not material. At December 31, 2008, there were approximately 190,000 share units outstanding under this plan at a carrying value of approximately \$6 million.

The Company has a long term incentive plan for officers under which awards thereunder are classified as equity in accordance with SFAS 123R. The ultimate payment of the performance shares will be based 50 percent on the Company's stock performance as compared to the stock performance of a peer group and 50 percent on a return on capital employed versus the target percentage. Compensation expense for the stock performance portion of the plan is based on the fair value of the plan that is determined on the day the plan is established. The fair value is calculated using a Monte Carlo simulation model. Compensation expense for the return on capital employed portion of the plan is based on the probability of attaining the target percentage goal and is reviewed at the end of each reporting period. The total compensation expense for these awards is being amortized over a three-year service period. Compensation expense relating to these awards included in the Consolidated Statements of Income for 2008, 2007 and 2006 was \$5 million, \$5 million and \$2 million, respectively. These amounts are included in share-based payments subject to redemption in the Consolidated Balance Sheet at December 31, 2008. As of December 31, 2008, the unrecognized compensation cost relating to these plans was \$3 million, which will be amortized over the remaining requisite service period of 2 years. This amount will vary each reporting period based on changes in the probability of attaining the goal.

Accumulated Other Comprehensive Loss:

A summary of accumulated other comprehensive income (loss) for the years ended December 31, 2006, 2007 and 2008 is presented below:

(in millions)	Currency Translation Adjustment	Deferred Gain/(Loss) on Hedging Activities	Pension Liability Adjustment	Unrealized Gain (Loss) on Investment	Accumulated Other Comprehensive Income/(Loss)
Balance, December 31, 2005	(257)	11	(5)	—	(251)
Gains on cash flow hedges, net of income tax effect of \$8		12			12
Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of \$2		5			5
Currency translation adjustment	43				43
Adjustment to minimum pension liability prior to adoption of SFAS No. 158, net of income tax effect of \$1			2		2
Adoption of SFAS No. 158, net of income tax effect of \$18			(34)		(34)
Balance, December 31, 2006	(214)	28	(37)	—	(223)
Gains on cash flow hedges, net of income tax effect of \$20		32			32
Amount of gains on cash flow hedges reclassified to earnings, net of income tax effect of \$10		(15)			(15)
Actuarial gain on pension and other postretirement obligations, net of income tax effect of \$3			6		6
Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax effect of \$1			2		2
Unrealized gain on investment, net of income tax effect				1	1
Currency translation adjustment	82				82
Balance, December 31, 2007	\$(132)	\$ 45	\$(29)	\$ 1	\$(115)
Losses on cash flow hedges, net of income tax effect of \$77		(127)			(127)
Amount of gains on cash flow hedges reclassified to earnings, net of income tax effect of \$63		(105)			(105)
Actuarial loss on pension and other postretirement obligations, net of income tax			(15)		(15)
Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax			2		2
Unrealized loss on investment, net of income tax				(3)	(3)
Currency translation adjustment	(231)				(231)
Balance, December 31, 2008	\$(363)	\$(187)	\$(42)	\$ (2)	\$(594)

NOTE 13 — Mexican Tax on Beverages Sweetened with HFCS

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

In response to the imposition of the tax, the Company submitted an arbitration claim against the government of Mexico under the provisions of the North American Free Trade Agreement (NAFTA) seeking recovery for damages. In July 2006, a hearing of the NAFTA Tribunal in the case was held to determine whether Mexico has state responsibility for a violation of obligations owed by Mexico to foreign investors under NAFTA Chapter 11. In a decision dated January 15, 2008, the Tribunal issued an order holding that Mexico had violated NAFTA Article 1102, National Treatment. In July 2008, a hearing regarding the amount of damages was held before the same Tribunal. The Company sought damages and pre- and post-judgment interest totaling to \$288 million through December 31, 2008. The Tribunal asked for post-hearing submissions on specific topics relative to the damages claims which were filed on October 31, 2008. The amount and timing of a final award by the Tribunal is not known at this time.

NOTE 14 — 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. 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, Kenya and China, and a tapioca root processing operation in Thailand.

(in millions)	2008	2007	2006
Net sales to unaffiliated customers (a):			
North America	\$2,370	\$2,052	\$1,588
South America	1,120	925	670
Asia/Africa	454	414	363
Total	\$3,944	\$3,391	\$2,621
Operating income (b):			
North America	\$ 313	\$ 234	\$ 130
South America	151	115	84
Asia/Africa	38	45	53
Corporate	(52)	(47)	(43)
Costs of terminated merger	(16)	—	—
Total	\$ 434	\$ 347	\$ 224
Total assets:			
North America	\$1,987	\$1,716	\$1,522
South America	808	902	667
Asia/Africa	412	485	456
Total	\$3,207	\$3,103	\$2,645
Depreciation and amortization:			
North America	\$ 81	\$ 83	\$ 78
South America	35	30	25
Asia/Africa	12	12	11
Total	\$ 128	\$ 125	\$ 114
Capital expenditures:			
North America	\$ 117	\$ 90	\$ 110
South America	92	77	49
Asia/Africa	19	10	12
Total	\$ 228	\$ 177	\$ 171

Notes:

- Sales between geographic regions for each of the periods presented are insignificant and therefore are not presented.
- Includes earnings from non-controlled affiliates accounted for under the equity method as follows: South America — none in 2008 and 2007 and \$1 million in 2006.

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

(in millions)	Net Sales		
	2008	2007	2006
United States	\$1,221	\$1,021	\$ 770
Mexico	750	668	532
Brazil	594	498	350
Canada	399	363	286
Korea	187	195	185
Argentina	200	160	129
Others	593	486	369
Total	\$3,944	\$3,391	\$2,621

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

(in millions)	Long-lived Assets		
	2008	2007	2006
United States	\$ 527	\$ 506	\$ 466
Mexico	397	370	365
Brazil	261	320	219
Korea	201	276	280
Canada	165	188	154
Argentina	149	137	125
Others	206	216	198
Total	\$1,906	\$2,013	\$1,807

Quarterly Financial Data (Unaudited)

Summarized quarterly financial data is as follows:

(in millions, except per share amounts)	1st QTR	2nd QTR	3rd QTR	4th QTR
2008				
Net sales before shipping and handling costs	\$ 991	\$1,094	\$1,155	\$ 957
Less: shipping and handling costs	60	65	71	57
Net sales	\$ 931	\$1,029	\$1,084	\$ 900
Gross profit	173	187	204	141
Net income	64	68	88	46*
Basic earnings per common share	\$0.87	\$ 0.92	\$ 1.18	\$0.62*
Diluted earnings per common share	\$0.85	\$ 0.90	\$ 1.15	\$0.61*

(in millions, except per share amounts)	1st QTR	2nd QTR	3rd QTR	4th QTR
2007				
Net sales before shipping and handling costs	\$ 817	\$ 917	\$ 939	\$ 956
Less: shipping and handling costs	55	60	62	61
Net sales	\$ 762	\$ 857	\$ 877	\$ 895
Gross profit	146	156	142	143
Net income	50	51	51	46
Basic earnings per common share	\$0.67	\$0.68	\$0.68	\$0.62
Diluted earnings per common share	\$0.66	\$0.66	\$0.66	\$0.61

* Includes a charge of \$10 million (\$7 million after-tax, or \$0.09 per diluted common share) in connection with the reimbursement of expenses to Bunge following the termination of the merger with Bunge. Additionally, the Company reduced its annual effective income tax rate to 32.0 percent (from 34.5 percent used for the nine months ended September 30, 2008) to reflect a change in our geographical income mix, a statutory rate reduction in Korea, and other discrete items. The Company's fourth-quarter and full year 2008 effective income tax rates were 17.2 percent and 32.0 percent, respectively, as compared to 34.1 percent and 33.5 percent in the 2007 periods.

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

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and our Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2008. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures (a) are effective in providing reasonable assurance that all material information required to be filed in this report has been recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

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

Internal control over financial reporting includes those policies and procedures that:

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

Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework of *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2008. The effectiveness of our internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their attestation report included herein.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained under the headings “Proposal 1. Election of Directors,” “The Board and Committees” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company’s definitive proxy statement for the Company’s 2009 Annual Meeting of Stockholders (the “Proxy Statement”) is incorporated herein by reference. The information regarding executive officers called for by Item 401 of Regulation S-K is included in Part 1 of this report under the heading “Executive Officers of the Registrant.” The Company has adopted a code of ethics that applies to its principal executive officer, principal financial officer, and controller. The code of ethics is posted on the Company’s Internet website, which is found at www.cornproducts.com. The Company intends to include on its website any amendments to, or waivers from, a provision of its code of ethics that applies to the Company’s principal executive officer, principal financial officer or controller that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K.

ITEM 11. EXECUTIVE COMPENSATION

The information contained under the headings “Executive Compensation” and “Compensation Committee Report” 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, 2008” and “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement is incorporated herein by reference.

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

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

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained under the heading “2008 and 2007 Audit Firm Fee Summary” in the Proxy Statement is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Item 15(a)(1) Consolidated Financial Statements

Financial Statements (see the Index to the Consolidated Financial Statements on page 40 of this report.

Item 15(a)(2) Financial Statement Schedules

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

Item 15(a)(3) Exhibits

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

<u>Exhibit No.</u>	<u>Description</u>
3.1*	Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Registration Statement on Form 10, File No. 1-13397
3.2*	Certificate of 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
3.3*	Amended By-Laws of the Company, filed on March 21, 2007 as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 21, 2007, File No. 1-13397
4.1*	Stockholder Agreement, dated as of December 2, 1998 among the Company, Arancia Industrial, S.A. de C.V. and Promociones Industriales Aralia, S.A. de C.V., filed on October 21, 1998 as Exhibit 2 to the Company's Current Report on Form 8-K dated October 21, 1998, File No. 1-13397
4.3*	Revolving Credit Agreement dated April 26, 2006 among the Company and the agents and banks named therein filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006
4.4*	Extension Letter dated as of May 14, 2007 with respect to Revolving Credit Agreement dated April 26, 2006 among the Company and the agents and banks named therein filed on May 18, 2007 as Exhibit 4.4 to the Company's Current Report on Form 8-K dated May 14, 2007, File No. 1-3397 report on Form 8-K, File No. 1-3397
4.5*	First Amendment dated as of October 30, 2007 to Revolving Credit Agreement dated April 26, 2006 among the Company and the agents and banks named therein filed on February 29, 2008 as Exhibit 4.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-3397
4.6*	Second Amendment dated as of October 30, 2007 to Revolving Credit Agreement dated April 26, 2006 among the Company and the agents and banks named therein filed on February 29, 2008 as Exhibit 4.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-3397
4.7*	Indenture Agreement dated as of August 18, 1999 between the Company and The Bank of New York, as Trustee, filed on August 27, 1999 as Exhibit 4.1 to the Company's Current Report on Form 8-K, File No. 1-13397
4.8*	Third Supplemental Indenture dated as of April 10, 2007 between Corn Products International, Inc. and The Bank of New York Trust Company, N.A., as trustee filed on April 10, 2007 as Exhibit 4.3 to the Company's Current Report on Form 8-K, dated April 10, 2007, File No. 1-13397
4.9*	Fourth Supplemental Indenture dated as of April 10, 2007 between Corn Products International, Inc. and The Bank of New York Trust Company, N.A., as trustee filed on April 10, 2007 as Exhibit 4.4 to the Company's Current Report on Form 8-K dated April 10, 2007, File No. 1-13397

<u>Exhibit No.</u>	<u>Description</u>
10.1 ***	Stock Incentive Plan as effective January 28, 2009
10.2** ***	Deferred Stock Unit Plan of the Company
10.3* ***	Form of Severance Agreement entered into by each of the Named Executive Officers other than Jorge L. Fiamenghi, filed on May 6, 2008 as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2008, File No. 1-13397
10.5** ***	Form of Indemnification Agreement entered into by each of the members of the Company's Board of Directors and the Named Executive Officers
10.6* ***	Deferred Compensation Plan for Outside Directors of the Company (Amended and Restated as of September 19, 2001), filed as Exhibit 4(d) to the Company's Registration Statement on Form S-8, File No. 333-75844, as amended by Amendment No. 1 dated December 1, 2004, filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397
10.7* ***	Supplemental Executive Retirement Plan as effective November 13, 2007 filed on February 29, 2008 as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-3397
10.8** ***	Executive Life Insurance Plan
10.9 ***	Deferred Compensation Plan, as amended by Amendment No. 1 filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001, File No. 1-13397
10.10* ***	Annual Incentive Plan as effective September 18, 2007, filed on November 7, 2007 as Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, File No. 1-13397
10.11 ***	Form of Notice of Restricted Stock Award Agreement for use in connection with awards under the Stock Incentive Plan
10.12**	Tax Sharing Agreement dated December 1, 1997 between the Company and Bestfoods
10.13* ***	Employee Benefits Agreement dated December 1, 1997 between the Company and Bestfoods, filed as Exhibit 4.E to the Company's Registration Statement on Form S-8, File No. 333-43525
10.14* ***	Executive Life Insurance Plan, Compensation Committee Summary, filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397
10.15* ***	Form of Executive Life Insurance Plan Participation Agreement and Collateral Assignment entered into by the Named Executive Officers with the exception of Jorge Fiamenghi, filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397
10.16* ***	Form of Performance Share Award Agreement, filed on February 2, 2009 as Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 27, 2009, File No. 1-13397

<u>Exhibit No.</u>	<u>Description</u>
10.17* ***	Form of Notice of Grant of Stock Option and Option Award Agreement for use in connection with awards under the Stock Incentive Plan, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 31, 2006, File No. 1-13397
10.18*	Natural Gas Purchase and Sale Agreement between Corn Products Brasil-Ingredientes Industrias Ltda. and Companhia de Ga de Sao Paulo-Comgas, filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, File No. 1-13397
10.19* ***	Form of Separation Agreement dated as of December 11, 2007 between the Company and Jeffrey B. Hebble filed on May 6, 2008 as Exhibit 10.19 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2008, File No. 1-13397
10.20* ***	Form of Severance Agreement entered into by the Company and Jorge L. Fiamenghi, filed on May 6, 2008 as Exhibit 10.20 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2008, File No. 1-13397
11.1	Earnings Per Share Computation
12.1	Computation of Ratio of Earnings to Fixed Charges
21.1	Subsidiaries of the Registrant
23.1	Consent of Independent Registered Public Accounting Firm
24.1	Power of Attorney
31.1	CEO Section 302 Certification Pursuant to the Sarbanes-Oxley Act of 2002
31.2	CFO Section 302 Certification Pursuant to the Sarbanes-Oxley Act of 2002
32.1	CEO Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code as created by the Sarbanes-Oxley Act of 2002
32.2	CFO Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code as created by the Sarbanes-Oxley Act of 2002

* Incorporated herein by reference as indicated in the exhibit description.

** Incorporated herein by reference to the exhibits filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

*** Management contract or compensatory plan or arrangement required to be filed as an exhibit to this form pursuant to item 15(b) of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 27th day of February, 2009.

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 27th day of February, 2009.

<u>Signature</u>	<u>Title</u>
<u>/s/ Samuel C. Scott III</u> Samuel C. Scott III	Chairman, President, Chief Executive Officer and Director
<u>/s/ Cheryl K. Beebe</u> Cheryl K. Beebe	Chief Financial Officer
<u>/s/ Robin A. Kornmeyer</u> Robin A. Kornmeyer	Controller
<u>*Richard J. Almeida</u> Richard J. Almeida	Director
<u>*Luis Aranguren-Trellez</u> Luis Aranguren-Trellez	Director
<u>*Paul Hanrahan</u> Paul Hanrahan	Director
<u>*Karen L. Hendricks</u> Karen L. Hendricks	Director
<u>*Bernard H. Kastory</u> Bernard H. Kastory	Director
<u>*Gregory B. Kenny</u> Gregory B. Kenny	Director
<u>*Barbara A. Klein</u> Barbara A. Klein	Director

<u>Signature</u>	<u>Title</u>
<u>*William S. Norman</u> William S. Norman	Director
<u>*James M. Ringler</u> James M. Ringler	Director

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

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

CORN PRODUCTS INTERNATIONAL, INC.
STOCK INCENTIVE PLAN
(as amended January 28, 2009)

I. INTRODUCTION

1.1 *Purpose.* The purpose of the Corn Products International, Inc. Stock Incentive Plan (the "Plan") is to promote the long-term financial success of Corn Products International, Inc. (the "Company") by (i) attracting and retaining executive personnel of outstanding ability; (ii) strengthening the Company's capability to develop, maintain and direct a competent management team; (iii) motivating executive personnel by means of performance-related incentives to achieve longer-range performance goals; (iv) providing incentive compensation opportunities which are competitive with those of other major corporations; (v) enabling such executive personnel to participate in the long-term growth and financial success of the Company through increased stock ownership and (vi) serving as a mechanism to compensate outside directors.

1.2 *Certain Definitions.* In addition to the defined terms set forth elsewhere in this Plan, the terms set forth below, shall, when capitalized, have the following respective meanings.

"Agreement" shall mean the written agreement evidencing an award hereunder between the Company and the recipient of such award.

"Board" shall mean the Board of Directors of the Company.

"Bonus Stock" shall mean shares of Common Stock that are not subject to a Restriction Period or Performance Measures.

"Cause" shall mean the willful and continued failure to substantially perform the duties assigned by the Company (other than a failure resulting from the optionee's Disability), the willful engaging in conduct which is demonstrably injurious to the Company or any Subsidiary, monetarily or otherwise, including conduct that, in the reasonable judgment of the Committee, no longer conforms to the standard of the Company's executives, any act of dishonesty, commission of a felony, or a significant violation of any statutory or common law duty of loyalty to the Company.

"Change in Control" shall have the meaning set forth in Section 5.8(b).

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Compensation Committee of the Board or a subcommittee thereof, or any other committee designated by the Board to administer this Plan, consisting of two or more members of the Board, each of whom shall be (i) a "Non-Employee Director"

within the meaning of Rule 16b-3 under the Exchange Act, (ii) an “outside director” within the meaning of Section 162(m) of the Code, and (iii) an “Independent Director” within the meaning of the rules of the New York Stock Exchange.”

“Common Stock” shall mean the common stock, \$.01 par value, of the Company.

“Disability Date” shall mean the date on which a Participant becomes a “Disabled Participant” under the Corn Products International, Inc. Retirement Savings Plan for Salaried Employees (the “Corn Products Savings Plan”) or a successor to such plan or any such similar plan containing a disability provision applicable to the Participant. If a Participant is not covered by the Corn Products Savings Plan or a similar plan containing a disability provision, the determination of whether the Participant has a “Disability Date” shall be made by the Committee by applying the provisions of the Corn Products Savings Plan as if the Participant were a participant of such plan or any similar plan that the Committee determines to be appropriate.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Fair Market Value” shall mean the closing price of a share of Common Stock as reported in the New York Stock Exchange Composite Transactions on the date as of which such value is being determined or, if there shall be no reported transactions for such date, on the next preceding date for which transactions were reported; provided, however, that, in the case of the exercise of an Incentive Stock Option or Non-Statutory Stock Option through a broker, Fair Market Value for the purpose of tax withholding shall mean the sales price received for a share of Common Stock and, provided further, that Fair Market Value may be determined by the Committee by whatever other means or method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate.

“Free-Standing SAR” shall mean an SAR which is not granted in tandem with, or by reference to, an option, which entitles the holder thereof to receive, upon exercise, shares of Common Stock (which may be Restricted Stock), cash or a combination thereof with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of such SARs which are exercised.

“Incentive Stock Option” shall mean an option to purchase shares of Common Stock which meets the requirements of Section 422 of the Code, or any successor provision, and which is intended by the Committee to constitute an Incentive Stock Option.

“Non-Statutory Stock Option” shall mean an option to purchase shares of Common Stock that is not an Incentive Stock Option.

“Participant” shall mean an individual who has been granted an Incentive Stock Option, a Non-Statutory Stock Option, an SAR, a Bonus Stock Award, Performance Share Award, Restricted Stock Award or Restricted Stock Unit Award.

“Performance Measures” shall mean the criteria and objectives, established by the Committee, which shall be satisfied or met (i) as a condition to the exercisability of all or a portion of an option or SAR, (ii) as a condition to the grant of a Stock Award or (iii) during the applicable Restriction Period or Performance Period as a condition to the holder’s receipt of Common Stock subject to a Restricted Stock Award or a Performance Share Award and/or of payment with respect to such award. The Committee may amend or adjust the Performance Measures or other terms and conditions of an outstanding award in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in law or accounting, but only to the extent such adjustment would not cause any portion of the award, upon payment, or the option, upon exercise, to be nondeductible pursuant to Section 162(m) of the Code. Such criteria and objectives may include one or more of the following: total stockholder return (based on the change in the price of a share of the Company’s Common Stock and dividends paid) earnings per share; operating income; net income; return on stockholder’s equity; return on assets; return on capital employed; economic value added; and cash flows (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment). If the Committee desires that compensation payable pursuant to any award subject to Performance Measures be “qualified performance-based compensation” within the meaning of Section 162(m) of the Code, the Performance Measures (i) shall be established by the Committee no later than the end of the first quarter of the Performance Period or Restriction Period, as applicable (or such other time designated by the Internal Revenue Service) and (ii) shall satisfy all other applicable requirements imposed under Treasury Regulations promulgated under Section 162(m) of the Code, including the requirement that such Performance Measures be stated in terms of an objective formula or standard.

“Performance Period” shall mean any period designated by the Committee during which the Performance Measures applicable to a Performance Share Award shall be measured.

“Performance Share” shall mean a right, contingent upon the attainment of specified Performance Measures within a specified Performance Period, to receive one share of Common Stock, which may be Restricted Stock, or in lieu of all or a portion thereof, at the Committee’s discretion, the Fair Market Value of such Performance Share in cash.

“Performance Share Award” shall mean an award of Performance Shares under this Plan.

“Permanent and Total Disability” shall have the meaning set forth in Section 22(e)(3) of the Code or any successor thereto.

“Restricted Stock” shall mean shares of Common Stock that are subject to a Restriction Period.

“Restricted Stock Unit” shall mean the right to receive one share of Common Stock which shall be contingent upon the expiration of a specified Restriction Period and subject to such additional restrictions as may be contained in the Agreement relating thereto.

“Restriction Period” shall mean any period designated by the Committee during which (i) the Common Stock subject to a Restricted Stock Award may not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in this Plan or the Agreement relating to such award or (ii) the conditions to vesting applicable to a Restricted Stock Unit Award shall remain in effect.

“SAR” shall mean a stock appreciation right which may be a Free Standing SAR or a Tandem SAR.

“Stock Award” shall mean a Restricted Stock Award, a Restricted Stock Unit Award, or a Bonus Stock Award.

“Tandem SAR” shall mean an SAR which is granted in tandem with, or by reference to, an option (including a Non-Statutory Stock Option granted prior to the date of grant of the SAR), which entitles the holder thereof to receive, upon exercise of such SAR and surrender for cancellation of all or a portion of such option, shares of Common Stock (which may be Restricted Stock), cash or a combination thereof with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of shares of Common Stock subject to such option, or portion thereof, which is surrendered.

1.3 Administration. This Plan shall be administered by the Committee. The Committee shall have the authority to determine eligibility for awards hereunder and to determine the form, amount and timing of each award to such persons and, if applicable, the number of shares of Common Stock, and the number of Performance Shares subject to such an award, the exercise price associated with the award, the time and conditions of exercise or settlement of the award and all other terms and conditions of the award, including, without limitation, the form of the Agreement evidencing the award. The Committee may, in its sole discretion and for any reason at any time, subject to the requirements imposed under Section 162(m) of the Code and regulations promulgated thereunder in the case of an award intended to be qualified performance-based compensation, take action such that (i) any or all outstanding options and SARs shall become exercisable in part or in full, (ii) the Performance Measures applicable to any outstanding Restricted Stock Award (if any) and to any outstanding Performance Share Award shall be deemed to be satisfied at the maximum or any other level.

The Committee shall, subject to the terms of this Plan, interpret this Plan and the application thereof, establish rules and regulations it deems necessary or desirable for the administration of this Plan and may impose, incidental to the grant of an award, conditions with respect to the award, such as limiting competitive employment or other activities. All such interpretations, rules, regulations and conditions shall be final, binding and conclusive.

The Committee shall keep minutes of its meetings and of action taken by it without a meeting. A majority of the Committee shall constitute a quorum. The acts of the Committee shall be either (i) acts of a majority of the members of the Committee present at any meeting at which a quorum is present or (ii) acts approved in writing by all of the members of the Committee without a meeting.

Notwithstanding anything in the Plan to the contrary, in accordance with Section 157 of the Delaware General Corporation Law, the Committee may, by resolution, authorize one or more executive officers of the Company to do one or both of the following: (i) designate non-director and non-executive officer employees of the Company or any of its Subsidiaries to be recipients of rights or options entitling the holder thereof to purchase from the Company shares of its capital stock of any class or other awards hereunder; and (ii) determine the number of such rights, options, or awards to be received by such non-director and non-executive officer employees; provided, however, that the resolution so authorizing such executive officer or officers shall specify the total number of rights, options, or awards such executive officer or officers may so award. The Committee may not authorize an executive officer to designate himself or herself or any director or other executive officer of the Company to be a recipient of any such rights, options, or awards.

Notwithstanding anything in the Plan to the contrary, to the extent an award granted hereunder would be subject to the requirements of Section 409A of the Code and the regulations thereunder, then the Agreement for such award and the Plan shall be construed and administered so as the award complies with Section 409A of the Code and the regulations thereunder.

1.4 *Eligibility*. Participants in this Plan shall consist of such directors, officers, and other employees of the Company and its Subsidiaries from time to time, and any other entity designated by the Board or the Committee (individually a "Subsidiary" and collectively the "Subsidiaries") as the Committee, in its sole discretion, may select from time to time. For purposes of this Plan, reference to employment by the Company shall also mean employment by a Subsidiary.

1.5 *Shares Available*. Subject to adjustment as provided in Section 5.7, 8,000,000 shares of Common Stock (the "Plan Maximum") shall be available under this Plan for awards that are granted after the Company's 2005 Annual Meeting of Stockholders (the "2005 Annual Meeting"). The Plan Maximum includes shares of Common Stock that were available for new awards under the Plan as in effect immediately prior to the 2005 Annual Meeting. Shares of Common Stock subject to awards outstanding under the Plan immediately prior to the 2005 Annual Meeting shall also be available for issuance hereunder. The Plan Maximum shall be reduced by the sum of the aggregate number of shares of Common Stock (i) that are issued upon the grant of a Stock Award after the 2005 Annual Meeting or (ii) that become subject to options, SARs or Performance Shares, in each case that are granted after the 2005 Annual Meeting, in the following ratios: 1 to 1 for each Incentive Stock Option, Non-Statutory Stock Option or Free-Standing SAR and 2.5 to 1 for any other type of award under the Plan, it being understood that in the case of an SAR the reduction shall be equal to the total number of SARs subject to the award, regardless of the number of shares of Common Stock that may be issued upon settlement thereof. Notwithstanding the immediately preceding sentence, the Plan Maximum shall not be reduced by virtue of the grant of Performance Shares or SARs that may only be settled in cash. To the extent that shares of Common Stock subject to an option (other than in connection with the exercise of a Tandem SAR), Stock Award or Performance Share award are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such award: (i) such shares of Common Stock shall again be available under this Plan and (ii) the Plan Maximum shall be increased to the extent it was reduced when such award was granted (or if such award was granted prior to the 2005 Annual Meeting, the Plan Maximum shall be increased by 1 for each share of Common Stock subject to such award). If a Performance Share or SAR that can be

settled in either cash or Common Stock is settled in cash, in whole or in part, the Plan Maximum shall be increased to the extent it was reduced with respect to the cash-settled portion of the award when the award was granted. If an award is made in the form of an option coupled with a Performance Share Award such that the Participant can receive the designated number of shares either upon exercise of the option or upon earning of the Performance Share, but not both, such coupled award shall be treated as a single award of the designated number of shares for purposes of this Section 1.5.

Shares of Common Stock shall be made available from authorized and unissued shares of Common Stock, or authorized and issued shares of Common Stock reacquired and held as treasury shares or otherwise or a combination thereof.

To the extent required by Section 162(m) of the Code and the rules and regulations thereunder, the maximum number of shares of Common Stock with respect to which options, SARs, Stock Awards or Performance Share Awards or a combination thereof may be granted during any calendar year to any person shall be 250,000, subject to adjustment as provided in Section 5.7.

Subject to the Plan Maximum, the maximum number of shares of Common Stock that may be issued pursuant to Incentive Stock Options granted after the 2005 Annual Meeting shall be 8,000,000, subject to adjustment as provided in Section 5.7.

Except with respect to a maximum of five percent (5%) of the shares of Common Stock authorized in this Section 1.5, any Stock Award which vests on the basis of a Participant's continued employment with or provision of service to the Company shall not provide for vesting which is any more rapid than annual pro rata vesting over a three (3) year period and any Stock Award which vests upon the attainment of performance goals shall provide for a performance period of at least twelve (12) months; provided that vesting may be shortened in the case of death, disability, retirement or Change in Control as set forth in this Plan or determined by the Committee.

II. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

2.1 Stock Options. The Committee may, in its discretion, grant Incentive Stock Options or Non-Statutory Stock Options to such eligible persons under Section 1.4 as may be selected by the Committee.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of Shares and Purchase Price. The number of shares and the purchase price per share of Common Stock subject to an option shall be determined by the Committee, provided, however, that the purchase price per share of Common Stock shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such option and provided further, that if an Incentive Stock Option shall be granted to any person who, at the

time such option is granted, owns capital stock possessing more than ten percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or subsidiary as defined in Section 424 of the Code) (a “Ten Percent Holder”), the purchase price per share of Common Stock shall be the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

(b) *Option Period and Exercisability.* Each option, by its terms, shall require the Participant to remain in the continuous employ of the Company for at least one year following the date of grant of the option before any part of the option shall be exercisable, except in the case of a Change in Control. The period during which an option may be exercised shall be determined by the Committee; provided, however, that no Incentive Stock Option shall be exercised later than ten years after its date of grant; provided further, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an option or to the exercisability of all or a portion of an option. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable option, or portion thereof, may be exercised only for whole shares of Common Stock.

(c) *Method of Exercise.* An option may be exercised (i) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanied by payment therefore in full (or arrangement made for such payment to the Company’s satisfaction) either (A) by the delivery of cash in the amount of the aggregate purchase price payable by reason of such exercise, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of previously acquired shares of Common Stock that have an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise (provided that except as otherwise determined by the Committee, the shares of Common Stock that are tendered must have been held by the Participant for at least six (6) months (or such other period as the Committee may permit) prior to their tender to satisfy the aggregate purchase price if acquired under this Plan or any other compensation plan maintained by the Company, or have been purchased in the open market) (C) by the delivery of cash in the amount of the aggregate purchase price payable by reason of such exercise by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (D) a combination of (A) and (B), in each case to the extent set forth in the Agreement relating to the option, (ii) if applicable, by surrendering to the Company any Tandem SARs which are cancelled by reason of the exercise of the option and (iii) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the optionee. No certificate representing Common Stock shall be delivered until the full purchase price therefore has been paid (or arrangement made for such payment to the Company’s satisfaction).

2.2 Stock Appreciation Rights. The Committee may, in its discretion, grant SARs to such eligible persons under Section 1.4 as may be selected by the Committee. The Agreement relating to an SAR shall specify whether the SAR is a Tandem SAR or a Free-Standing SAR. SARs shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of SARs and Base Price. The number of SARs subject to an award shall be determined by the Committee. Any Tandem SAR related to an Incentive Stock Option shall be granted at the same time that such Incentive Stock Option is granted. The base price of a Tandem SAR shall be the purchase price per share of Common Stock of the related option. The base price of a Free-Standing SAR shall be determined by the Committee; provided, however, that such base price shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such SAR.

(b) Exercise Period and Exercisability. Each SAR, by its terms, shall require the Participant to remain in the continuous employ of the Company for at least one year following the date of grant of the option before any part of the SAR shall be exercisable, except in the case of a Change in Control. The Agreement relating to an award of SARs shall specify whether such award may be settled in shares of Common Stock (including shares of Restricted Stock) or cash or a combination thereof, provided, however, that cash settled SARs may only be granted to persons not subject to United States income tax laws, including Section 409A of the Code and the rules and regulations promulgated thereunder. The period for the exercise of an SAR shall be determined by the Committee; provided, however, that no SAR may be exercised later than 10 years after its date of grant; provided further, that no Tandem SAR shall be exercised later than the expiration, cancellation, forfeiture or other termination of the related option. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an SAR or to the exercisability of all or a portion of an SAR. The Committee shall determine whether an SAR may be exercised in cumulative or non-cumulative installments and in part or in full at any time. An exercisable SAR, or portion thereof, may be exercised, in the case of a Tandem SAR, only with respect to whole shares of Common Stock and, in the case of a Free Standing SAR, only with respect to a whole number of SARs. If an SAR is exercised for shares of Restricted Stock, a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 3.2(c) and the holder of such Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to Section 3.2(d). Prior to the exercise of an SAR for shares of Common Stock, including Restricted Stock, the holder of such SAR shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such SAR.

(c) Method of Exercise. A Tandem SAR may be exercised (i) by giving written notice to the Company specifying the number of whole SARs which are being exercised, (ii) by surrendering to the Company any options which are cancelled by reason of the exercise of the Tandem SAR and (iii) by executing such documents as the Company may reasonably request. A Free-Standing SAR may be exercised (i) by giving written notice to the Company specifying the whole number of SARs which are being exercised and (ii) by executing such documents as the Company may reasonably request.

2.3 *Termination of Employment or Service.* (a) *Non-Statutory Stock Options and SARs.* Unless otherwise specified in the Agreement evidencing an option or SAR, but subject to Section 2.1(b) or Section 2.2(b), as the case may be, if the holder of an option (other than an Incentive Stock Option) or SAR terminates employment with the Company by reason of (i) death, or (ii) retirement on or after age 55 with a minimum of 10 years of employment with or service to the company, or (iii) the occurrence of such individual's Disability Date, or (iv) the occurrence of such termination within two years following a Change in Control, such option or SAR shall be exercisable for the remainder of the option period or SAR period as stated under the terms of the option or SAR, as the case may be, but only to the extent that such option or SAR was exercisable at the date of such termination of employment.

If the employment with the Company of the holder of an option (other than an Incentive Stock Option) or SAR is terminated for any other reason, such option or SAR shall remain exercisable to the extent that it was exercisable at the date of such termination of employment, for a period of 90 days following such termination of employment. Notwithstanding anything to the contrary contained in the preceding sentence, if such holder's employment with the Company is terminated by the Company for Cause, his or her rights under all options and SARs shall terminate automatically on the effective date of such termination of employment.

(b) *Termination of Employment — Incentive Stock Options.* Unless otherwise specified in the Agreement evidencing an option, but subject to Section 2.1(b), if the holder of an Incentive Stock Option terminates employment with the Company by reason of Permanent and Total Disability, such Incentive Stock Option shall be exercisable only to the extent that it was exercisable on the effective date of such termination of employment and may thereafter be exercised by such holder (or such holder's legal representative or similar person) until the date which is one year after the effective date of such termination of employment.

Unless otherwise specified in the Agreement evidencing an option, but subject to Section 2.1(b), if the holder of an Incentive Stock Option ceases to be an employee of the Company by reason of his or her death, such Incentive Stock Option shall be exercisable only to the extent that it was exercisable on the date of such optionee's death and may thereafter be exercised by such optionee's executor, administrator, legal representative, beneficiary or similar person until the date which is three years after the date of death.

If the Company terminates the employment of the holder of an Incentive Stock Option for Cause, such Incentive Stock Option shall terminate automatically on the effective date of such termination of employment.

Unless otherwise specified in the Agreement evidencing an option, but subject to Section 2.1(b), if the Company's employment of the holder of an Incentive Stock Option is terminated for any reason other than Permanent and Total disability, death or Cause, such Incentive Stock shall be exercisable only to the extent that it was exercisable on the effective date of such termination of employment, and may thereafter be exercised by such holder (or such holder's legal representative or similar person) until the date which is 90 days after the effective date of such termination of employment.

If the holder of an Incentive Stock Option dies during the period set forth in the first paragraph of this Subsection (b) following termination of employment by reason of Permanent and Total Disability, or during the period set forth in the fourth paragraph of this Subsection (b) following termination of employment for any reason other than Permanent and Total Disability for death or Cause, such Incentive Stock Option shall be exercisable only to the extent it was exercisable on the date of the holder's death and may thereafter be exercised by the holder's executor, administrator, legal representative, beneficiary or similar person until the date which is three years after the date of death.

2.4 No Repricing. Notwithstanding anything in this Plan to the contrary and subject to Section 5.7, without the approval of the stockholders of the Company the Committee will not amend or replace any previously granted option or SAR in a transaction that constitutes a "repricing," as such term is used in Section 303A.08 of the Listed Company Manual of the New York Stock Exchange.

III. STOCK AWARDS

3.1 Stock Awards. The Committee may, in its discretion, grant Stock Awards to such eligible persons under Section 1.4 as may be selected by the Committee. The Agreement relating to the Stock Award shall specify whether the Stock Award is a Restricted Stock Award, a Restricted Stock Unit Award, or Bonus Stock Award.

3.2 Terms of Stock Awards. Stock Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Shares and Other Terms. The number of shares of Common Stock subject to a Restricted Stock Award, Restricted Stock Unit Award, or Bonus Stock Award and the Performance Measures (if any) and Restriction Period applicable to a Restricted Stock Award or Restricted Stock Unit Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Restricted Stock Award or Restricted Stock Unit Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of the shares of Common Stock subject to such award, in the case of a Restricted Stock Award, or the vesting of the Restricted Stock Unit Award itself, in the case of Restricted Stock Unit Award, (i) if specified Performance Measures are satisfied or met during the specified Restriction Period or (ii) if the holder of such award remains continuously in the employment of or service to the Company during the specified Restriction Period, and for the forfeiture of the shares of Common Stock subject to such award in the case of a Restricted Stock Award, or the forfeiture of the Restricted Stock Unit Award itself, in the case of a Restricted Stock Unit Award, (x) if specified Performance Measures are not satisfied or met during the specified Performance Period or (y) if the holder of such award does not remain continuously in the employment of or service to the Company during the specified Restriction Period.

Bonus Stock Awards shall not be subject to any Performance Measures or Restriction Periods.

(c) Share Certificates. During the Restriction Period, a certificate or certificates representing a Restricted Stock Award may be registered in the holder's name and may bear a legend, in addition to any legend which may be required pursuant to Section 5.6, indicating that the ownership of the shares of Common Stock represented by such certificate is subject to the restrictions, terms and conditions of this Plan and the Agreement relating to the Restricted Stock Award. All such certificates shall be deposited with the Company, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Company, which would permit transfer to the Company of all or a portion of the shares of Common Stock subject to the Restricted Stock Award in the event such award is forfeited in whole or in part. Upon termination of any applicable Restriction Period (and the satisfaction or attainment of applicable Performance Measures), or upon the grant of a Bonus Stock Award, in each case subject to the Company's right to require payment of any taxes in accordance with Section 5.5, a certificate or certificates evidencing ownership of the requisite number of shares of Common Stock shall be delivered to the holder of such award.

(d) Rights with Respect to Restricted Stock Awards. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, and subject to the terms and conditions of a Restricted Stock Award, the holder of such award shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends and the right to participate in any capital adjustment applicable to all holders of Common Stock; provided, however, that a distribution with respect to shares of Common Stock, other than a regular cash dividend, shall be deposited with the Company and shall be subject to the same restrictions as the shares of Common Stock with respect to which such distribution was made.

(e) Rights and Provisions Applicable to Restricted Stock Unit Awards. The Agreement relating to a Restricted Stock Unit Award shall specify whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, or the deemed reinvestment of, any deferred dividend equivalents, with respect to the number of shares of Common Stock subject to such award. Prior to the settlement of a Restricted Stock Unit Award, the holder thereof shall not have any rights as a stockholder of the Company with respect to the shares of Common Stock subject to such award, except to the extent that the Committee, in its sole discretion, may grant dividend equivalents on Restricted Stock Unit Awards as provided above. No shares of Common Stock and no certificates representing shares of Common Stock that are the subject to a Restricted Stock Unit Award shall be issued upon the grant of a Restricted Stock Unit Award. Instead, shares of Common Stock subject to Restricted Stock Unit Awards and the certificates representing such shares of Common Stock shall only be distributed at the time of settlement of such Restricted Stock Unit Awards in accordance with the terms and conditions of this Plan and the Agreement relating to such Restricted Stock Unit Award.

3.3 Termination of Employment or Service. (a) Disability, Retirement and Death. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, if the employment with or service to the Company of the holder of such award terminates by reason of (i) death, or (ii) retirement on or after age 55 (with a minimum of 10 years of employment with or service to the Company), or (iii) the occurrence of such Participant's Disability Date, or (iv) termination of

employment under any other circumstances that the Committee may determine shall warrant the application of this provision, the restrictions imposed hereunder shall lapse with respect to such number of shares of Restricted Stock, if any, as shall be determined by the Committee, and the balance of such shares of Restricted Stock shall be forfeited to the Company.

(b) Other Termination. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, if the employment with or service to the Company of the holder of a Restricted Stock Award terminates for any other reason during the Restriction Period, then the portion of such award which is subject to a Restriction Period on the effective date of such holder's termination of employment or service shall be forfeited by such holder and such portion shall be canceled by the Company.

IV. PERFORMANCE SHARE AWARDS

4.1 Performance Share Awards. The Committee may, in its discretion, grant Performance Share Awards to such eligible persons under Section 1.4 as may be selected by the Committee.

4.2 Terms of Performance Share Awards. Performance Share Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Performance Shares and Performance Measures. The number of Performance Shares subject to any award and the Performance Measures and Performance Period applicable to such award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Performance Share Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such award, if specified Performance Measures are satisfied or met during the specified Performance Period, and for the forfeiture of such award, if specified Performance Measures are not satisfied or met during the specified Performance Period.

(c) Settlement of Vested Performance Share Awards. The Agreement relating to a Performance Share Award (i) shall specify whether such award may be settled in shares of Common Stock (including shares of Restricted Stock) or cash or a combination thereof and (ii) may specify whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, and, if determined by the Committee, interest on or the deemed reinvestment of any deferred dividend equivalents, with respect to the number of shares of Common Stock subject to such award. If a Performance Share Award is settled in shares of Restricted Stock, a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 3.2(c) and the holder of such Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to Section 3.2(d). Prior to the settlement of a Performance Share Award in shares of Common Stock, including Restricted Stock, the holder of such award shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such award and shall have rights as a stockholder of the Company in

accordance with Section 5.10. Notwithstanding any other provision of the Plan to the contrary, payments of cash, shares of Common Stock, or any combination thereof to any Participant in respect of the settlement of a Performance Share Award for any Performance Period shall not exceed \$5,000,000, with respect to the cash payment for such award, and shall not exceed 250,000 shares of Common Stock, with respect to the Common Stock payment for such award.

4.3 Termination of Employment. (a) Disability, Retirement and Death. Unless otherwise set forth in the Agreement relating to a Performance Share Award, if the employment with the Company of the holder of such award terminates prior to the end of the Performance Period applicable to such award by reason of (i) death, or (ii) retirement on or after age 55 (with a minimum of 10 years of employment or service with the Company, (iii) the occurrence of such Participant's Disability Date or (v) termination of employment under any other circumstances that the Committee may determine shall warrant the application of this provision, the Committee, in its sole discretion and taking into consideration the performance of such Participant and the performance of the Company during the Performance Period, may authorize the payment to such Participant (or his legal representative) at the end of the Performance Period of all or any portion of the Performance Award which would have been paid to such Participant for such Performance Period.

(b) Other Termination. Unless otherwise set forth in the Agreement relating to a Performance Share Award, if the employment with the Company of the holder of a Performance Share Award terminates for any other reason prior to the end of a Performance Period, then the portion of such award which is subject to such Performance Period on the effective date of such holder's termination of employment shall be forfeited and such portion shall be canceled by the Company.

V. GENERAL

5.1 Effective Date and Term of Plan. This Plan has been approved by the stockholders of the Company and became effective as of January 1, 1998. This Plan shall terminate on May 1, 2015, unless terminated earlier by the Board. Termination of this Plan shall not affect the terms or conditions of any award granted prior to termination.

5.2 Amendments. The Board may amend this Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) and Section 422 of the Code; provided, however, that no amendment shall be made without stockholder approval if such amendment would (a) increase the maximum number of shares of Common Stock available under this Plan (subject to Section 5.7), (b) effect any change inconsistent with Section 422 of the Code, (c) extend the term of this Plan or (d) reduce the minimum purchase price of a share of Common Stock subject to an option. No amendment may impair the rights of a holder of an outstanding award without the consent of such holder.

5.3 Agreement. Each award under this Plan shall be evidenced by an Agreement setting forth the terms and conditions applicable to such award. No award shall be valid until an Agreement is executed by the Company and the recipient of such award and, upon execution by each party and delivery of the Agreement to the Company, such award shall be effective as of the effective date set forth in the Agreement.

5.4 Non-Transferability of Awards. Unless otherwise specified in the Agreement relating to an award, no award shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company. Except to the extent permitted by the foregoing sentence or the Agreement relating to an award, each award may be exercised or settled during the holder's lifetime only by the holder or the holder's legal representative or similar person. Except to the extent permitted by the second preceding sentence or the Agreement relating to an award, no award may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any such award, such award and all rights thereunder shall immediately become null and void.

5.5 Tax Withholding. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash pursuant to an award made hereunder, payment by the holder of such award of any Federal, state, local or other taxes which may be required to be withheld or paid in connection with such award. An Agreement may provide that (i) the Company shall withhold whole shares of Common Stock which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company in the amount necessary to satisfy any such obligation, (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to a holder, equal to the amount necessary to satisfy any such obligation, (D) in the case of the exercise of an Incentive Stock Option or Non-Statutory Stock Option, a cash payment in the amount necessary to satisfy any such obligation by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) any combination of (A), (B) and (C), in each case to the extent set forth in the Agreement relating to the award; provided, however, that the Company shall have sole discretion to disapprove of an election pursuant to any of clauses (B)-(E). Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder.

5.6 Restrictions on Shares. Each award made hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration or qualification of the shares of Common Stock subject to such award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the exercise or

settlement of such award or the delivery of shares thereunder, such award shall not be exercised or settled and such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.

5.7 Adjustment. In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, the number and class of securities available under this Plan, the maximum number of shares of Common Stock with respect to which options, SARs, Stock Awards or Performance Share Awards or a combination thereof may be awarded during any calendar year to any one person, the maximum number of shares of Common Stock that may be issued pursuant to Awards in the form of Incentive Stock Options, the number and class of securities subject to each outstanding option and the purchase price per security, the terms of each outstanding SAR, the number and class of securities subject to each outstanding Stock Award, and the terms of each outstanding Performance Share shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options and SARs without an increase in the aggregate purchase price or base price. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive. If any such adjustment would result in a fractional security being (a) available under this Plan, such fractional security shall be disregarded, or (b) subject to an award under this Plan, the Company shall pay the holder of such award, in connection with the first vesting, exercise or settlement of such award, in whole or in part, occurring after such adjustment, an amount in cash determined by multiplying (i) the fraction of such security (rounded to the nearest hundredth) by (ii) the excess, if any, of (A) the Fair Market Value on the vesting, exercise or settlement date over (B) the exercise price, if any, of such award.

5.8 Change in Control.

(a)(1) Notwithstanding any provision in this Plan or any Agreement, in the event of a Change in Control pursuant to Section (b)(3) or (4) below in connection with which the holders of Common Stock receive shares of common stock that are registered under Section 12 of the Exchange Act, (i) all outstanding options and SARs shall immediately become exercisable in full, (ii) the Restriction Period applicable to any outstanding Restricted Stock Award or Restricted Stock Unit shall lapse, (iii) the Performance Period applicable to any outstanding Performance Share shall lapse, (iv) the Performance Measures applicable to any outstanding Restricted Stock Award (if any) and to any outstanding Performance Share shall be deemed to be satisfied at the target level and (v) there shall be substituted for each share of Common Stock available under this Plan, whether or not then subject to an outstanding award, the number and class of shares into which each outstanding share of Common Stock shall be converted pursuant to such Change in Control. In the event of any such substitution, the purchase price per share in the case of an option and the base price in the cases of an SAR shall be appropriately adjusted by the Committee (whose determination shall be final, binding and conclusive), such adjustments to be made in the case of outstanding options and SARs without an increase in the aggregate purchase price or base price.

(2) Notwithstanding any provision in this Plan or any Agreement, in the event of a Change in Control pursuant to Section (b)(1) or (2) below, or in the event of a Change in Control pursuant to Section (b)(3) or (4) below in connection with which the holders of Common Stock receive consideration other than shares of common stock that are registered under Section 12 of the Exchange Act, each outstanding award shall be surrendered to the Company by the holder thereof, and each such award shall immediately be canceled by the Company, and the holder shall receive, within ten days of the occurrence of a Change in Control pursuant to Section (b)(1) or (2) below or within ten days of the approval of the stockholders of the Company contemplated by Section (b)(3) or (4) below, a cash payment from the Company in an amount equal to (i) in the case of an option, the number of shares of Common Stock then subject to such option, multiplied by the excess, if any, of the greater of (A) the highest per share price offered to stockholders of the Company in any transaction whereby the Change in Control takes place and (B) the Fair Market Value of a share of Common Stock on the date of occurrence of the Change in Control, over the purchase price per share of Common Stock subject to the option, (ii) in the case of a Free-Standing SAR, the number of shares of Common Stock then subject to such SAR, multiplied by the excess, if any, of the greater of (A) the highest per share price offered to stockholders of the Company in any transaction whereby the Change in Control takes place or (B) the Fair Market Value of a share of Common Stock on the date of occurrence of the Change in Control, over the base price of the SAR, (iii) in the case of a Restricted Stock Award or an award of Restricted Stock Units, the number of shares of Common Stock then subject to such award, multiplied by the greater of (A) the highest per share price offered to stockholders of the Company in any transaction whereby the Change in Control takes place and (B) the Fair Market Value of a share of Common Stock on the date of occurrence of the Change in Control or (iv) in the case of a Performance Share Award, the target number of Performance Shares then subject to such award, multiplied by the greater of (A) the highest per share price offered to stockholders of the Company in any transaction whereby the Change in Control takes place and (B) the highest Fair Market Value of a share of Common Stock during the 90-day period immediately preceding the date of the Change in Control. In the event of a Change in Control, each Tandem SAR shall be surrendered by the holder thereof and shall be canceled simultaneously with the cancellation of the related option. The Company may, but is not required to, cooperate with any person who is subject to Section 16 of the Exchange Act to assure that any cash payment in accordance with the foregoing to such person is made in compliance with Section 16 and the rules and regulations thereunder.

(b) "Change in Control" shall mean:

(1) the acquisition by any individual, entity or group (a "Person"), including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Common Stock") or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); excluding, however, the following: (A) any acquisition directly from the Company

(excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this Section 5.8(b); provided further, that for purposes of clause (B), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 20% or more of the Outstanding Common Stock or 20% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Common Stock or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

(2) individuals who, as of the beginning of any consecutive two-year period constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who subsequently becomes a director of the Company and whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(3) the consummation of a reorganization, merger or consolidation of the Company or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be, (ii) no Person (other than: the Company; any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 15% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 25% or more of, respectively, the outstanding shares of

common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

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

5.9 No Right of Participation or Employment. No person shall have any right to participate in this Plan. The Committee's selection of a person to participate in this Plan at any time shall not require the Committee to select such person to participate in this Plan at any other time. Neither this Plan nor any award made hereunder shall confer upon any person any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time without liability hereunder.

5.10 Rights as Stockholder. No person shall have any right as a stockholder of the Company with respect to any shares of Common Stock or other equity security of the Company which is subject to an award hereunder unless and until such person becomes a stockholder of record with respect to such shares of Common Stock or equity security.

5.11 Stock Certificates. To the extent that this Plan provides for issuance of certificates to reflect the issuance of shares of Common Stock, the issuance may be effected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of the New York Stock Exchange.

5.12 Governing Law. This Plan, each award hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

5.13 Foreign Employees. Without amending this Plan, the Committee may grant awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purpose of this Plan and, in furtherance of such purpose, the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or any of its Subsidiaries operates or has employees.

**Corn Products International
Notice of Restricted Stock
Award Agreement**

You have been granted an award of Restricted Stock ("Award") effective _____, _____ (the "Grant Date") under the Corn Products International, Inc. Stock Incentive Plan (the "Plan"), for _____ shares of Common Stock of Corn Products International, Inc. (the "Company"). This Award Agreement and the Plan together govern your rights under the Plan and set forth all of the conditions and limitations affecting such rights.

Capitalized terms used in this Award Agreement shall have the meanings ascribed to them in the Plan or in this Award Agreement. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Award Agreement.

Overview of Your Grant

1. **Vesting Period.** Shares of Common Stock subject to this Award will be recorded in your name and held by the Company until they become fully vested on _____, _____ (the "Vesting Date"). During the period beginning on the Grant Date and ending on the Vesting Date (the "Vesting Period") the Common Stock subject to this Award ("Restricted Stock") may not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in the Plan or this Agreement.
2. **Termination of Employment:** In the event that you terminate employment with the Company, its affiliates, and/or its Subsidiaries for any reason, or in the event that the Company, its affiliates, and/or its Subsidiaries terminates your employment with or without Cause, all of the unvested shares of Restricted Stock you hold at the time your employment terminates shall be forfeited to the Company, subject to Section 3.3 of the Plan.
3. **Voting Rights:** During the Vesting Period, you may exercise full voting rights.
4. **Dividends:** Shares of Restricted Stock subject to this Award shall receive all dividends and other distributions paid with respect to the shares of Restricted Stock. Cash dividends will be taxed as earned income and reported on your W-2. All applicable federal and state taxes, FICA and Medicare will be deducted from your pay for the pay period ending immediately after the dividend payment date. If any such dividends or distributions are paid in shares of Common Stock, those shares shall be subject to the same restrictions on transferability as are the shares of Restricted Stock with respect to which they were paid.
5. **Tax Withholding:** Regardless of any action the Company, its affiliates, and/or its Subsidiaries takes with respect to any or all tax withholding, you acknowledge that the ultimate liability for all such taxes is and remains your responsibility (or that of your beneficiary) and that the Company, its affiliates, and/or its Subsidiaries: (a) make no representations or undertakings regarding the treatment of any tax withholding in connection with any aspect of the Restricted Stock grant, including the grant, vesting or exercise of the Restricted Stock or the receipt of any dividends; and (b) do not commit to structure the terms of the grant or any aspect of the Restricted Stock to reduce or eliminate your (or your beneficiary's) liability for such tax.

U.S. Restricted

6. **Stock Withholding:** With respect to withholding required upon any taxable event arising as a result of vesting of Restricted Stock granted hereunder, the Company, its affiliates, and/or its Subsidiaries will satisfy tax withholding requirements by withholding shares of Restricted Stock having a Fair Market Value equal to the total minimum statutory tax required to be withheld on the transaction. You agree to pay to the Company, its affiliates, and/or its Subsidiaries any amount of tax that the Company, its affiliates, and/or its Subsidiaries may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described.
7. **Continuation of Employment:** This Award Agreement shall not confer upon you any right to continuation of employment by the Company, its affiliates, and/or its Subsidiaries, nor shall this Award Agreement interfere in any way with the Company's, its affiliates', and/or its Subsidiaries' right to terminate your employment at any time.
8. **No Right to Future Grants; No Right of Employment; Extraordinary Item:** In accepting the grant, you acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, suspended or terminated by the Company at any time, as provided in the Plan and this Award Agreement; (b) the grant of the Restricted Stock is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock, or benefits in lieu of Restricted Stock, even if Restricted Stock has been granted repeatedly in the past; (c) all decisions with respect to future grants, if any, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) the Restricted Stock is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, its affiliates and/or Subsidiaries, and which is outside the scope of your employment contract, if any; (f) the Restricted Stock and any Common Stock subject to the Restricted Stock is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy or end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (g) in the event that you are an employee of an affiliate or Subsidiary of the Company, the grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the grant will not be interpreted to form an employment contract with the affiliate or Subsidiary that is your employer; (h) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty; (i) no claim or entitlement to compensation or damages arises from forfeiture or termination of the Restricted Stock or diminution in value of the Restricted Stock or the shares of Common Stock and you irrevocably release the Company, its affiliates and/or its Subsidiaries from any such claim that may arise; and (j) in the event of involuntary termination of your employment, your right to receive Restricted Stock and vest in Restricted Stock and/or Common Stock under the Plan, if any, will terminate in accordance with the terms of the Plan and will not be extended by any notice period mandated under local law; furthermore, your right to vest in the Restricted Stock after such termination of employment, if any, will be measured by the date of termination of your active employment and will not be extended by any notice period mandated under local law.
9. **Requirements of Law:** The granting of Restricted Stock under the Plan, and the issuance or delivery of any certificate or certificates for Common Stock upon the vesting of Restricted Stock shall be subject to, and conditioned upon, satisfaction of all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
10. **Administration:** This Award Agreement and your rights hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Board or the Committee may adopt for administration of the Plan.

U.S. Restricted

By your signature below, you represent that you are familiar with the terms and provisions of the Corn Products International, Inc. Stock Incentive Plan, and hereby accept this Award Agreement subject to all of the terms and provisions thereof. You further agree to notify the Company upon any change in residence.

Date

U.S. Restricted

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

(in millions, except per share data)

	<u>Year Ended</u> <u>December 31, 2008</u>
Basic	
Shares outstanding at the start of the period	73.8
Weighted average of new shares issued during the period	—
Weighted average of treasury shares issued during the period for exercise of stock options and other stock compensation plans	.7
Weighted average of treasury shares purchased during the period	—
Average shares outstanding — basic	<u>74.5</u>
Effect of Dilutive Securities	
Average dilutive shares outstanding — assuming dilution	1.4
Average shares outstanding — diluted	<u>75.9</u>
Net income	\$ 267.2
Net income per common share — Basic	\$ 3.59
Net income per common share — Diluted	\$ 3.52

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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Income before income taxes and minority interest	\$ 404.8	\$ 305.4	\$ 197.1	\$ 148.4	\$ 145.1
Fixed charges	53.4	55.2	46.4	43.1	39.7
Capitalized interest	(8.0)	(4.1)	(10.2)	(4.8)	(2.6)
Total	<u>\$ 450.2</u>	<u>\$ 356.5</u>	<u>\$ 233.3</u>	<u>\$ 186.7</u>	<u>\$ 182.2</u>

RATIO OF EARNINGS TO FIXED CHARGES	<u>8.43</u>	<u>6.46</u>	<u>5.03</u>	<u>4.33</u>	<u>4.59</u>
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FIXED CHARGES:

Interest expense on debt	\$ 51.1	\$ 52.5	\$ 43.8	\$ 40.7	\$ 37.4
Amortization of discount on debt	.8	1.1	1.0	1.0	1.1
Interest portion of rental expense on operating leases	1.5	1.6	1.6	1.4	1.2
Total	<u>\$ 53.4</u>	<u>\$ 55.2</u>	<u>\$ 46.4</u>	<u>\$ 43.1</u>	<u>\$ 39.7</u>

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)
Corn Products International of Argo, Inc. (Delaware)
Feed Products Limited (New Jersey)
GTC Oats, Inc. (Delaware)
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)
Corn Products Educational Foundation (Delaware)

FOREIGN — 100 percent

Argentina: Corn Products Southern Cone S.A. *
-Productos de Maíz, S.A.
-Corn Products Finance LLC (Delaware)
Brazil: Corn Products Brasil-Ingredientes Industriais Ltda. *
Canada: Canada Starch Company Inc. *
-Canada Starch Operating Company Inc.
-Casco Inc.
-Corn Products Canada Inc.
-Casco Sales Company Inc.
Chile: Corn Products Chile-Inducorn S.A.
Colombia: Industrias del Maíz S.A. — Corn Products Andina
Ecuador: Indumaiz del Ecuador S.A.
England and Wales: CP Ingredients Limited
Kenya: Corn Products Kenya Limited
Korea: Corn Products Korea, Inc.
Malaysia: Corn Products Malaysia Sdn. Bhd .
Mexico: CPIngredientes, S.A. de C.V. *
-Arrendadora Gefemesa, S.A. de C.V.
-Bebidas y Algo Mas, S.A. de C.V.
Nigeria: Globe Ingredients Nigeria Limited
Singapore: Corn Products Trading Co. Pte. Ltd.
Spain: Corn Products Espana, S.L.
Uruguay: Productos de Maíz Uruguay S.A.
Venezuela: Corn Products Venezuela, C.A.

* Subsidiaries of Corn Products Development, Inc.

OTHER

China: Shouguang Golden Far East Modified Starch Company, Ltd. — 51.0 percent

Pakistan: Rafhan Maize Products Co. Ltd. — 70.31 percent

Peru: Derivados del Maiz, S.A. — 95.0 percent

Thailand: Corn Products (Thailand) Co. Ltd. — 99.0 percent

United States: CP Ingredients LLC — 75.0 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

Corn Products International, Inc.:

We consent to the incorporation by reference in the registration statements on Form S-8 (Nos. 333-43525, 333-71573, 333-75844, 333-33100, 333-105660, 333-113746, 333-129498 and 333-143516) and Form S-3 (No. 333-141870) of Corn Products International, Inc. of our report dated February 27, 2009, with respect to the consolidated balance sheets of Corn Products International, Inc. and subsidiaries as of December 31, 2008 and 2007, 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, 2008 and the effectiveness of internal control over financial reporting as of December 31, 2008, which report appears in this December 31, 2008 annual report on Form 10-K of Corn Products International, Inc.

Our report on the financial statements refers to the Company's adoption of Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, as of January 1, 2008, FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, as of January 1, 2007, and Statement of Financial Accounting Standards (SFAS) No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106, and 132(R)*, on December 31, 2006.

/s/ KPMG LLP
Chicago, Illinois
February 27, 2009

CORN PRODUCTS INTERNATIONAL, INC.

POWER OF ATTORNEY

Form 10-K for the Fiscal Year Ended December 31, 2008

KNOW ALL MEN BY THESE PRESENTS, that I, as a director of Corn Products International, Inc., a Delaware corporation (the "Company"), do hereby constitute and appoint Mary Ann Hynes as my true and lawful attorney-in-fact and agent, for me and in my name, place and stead, to sign the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2008, and any and all amendments thereto, and to file the same and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorney-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorney-in-fact may lawfully do or cause to be done by virtue thereof.

IN WITNESS WHEREOF, I have executed this instrument this 27th day of February, 2009.

/s/ Richard J. Almeida

Richard J. Almeida

/s/ Luis Aranguren-Trellez

Luis Aranguren-Trellez

/s/ Paul Hanrahan

Paul Hanrahan

/s/ Karen L. Hendricks

Karen L. Hendricks

/s/ Bernard H. Kastory

Bernard H. Kastory

/s/ Gregory B. Kenny

Gregory B. Kenny

/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

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: February 27, 2009

/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: February 27, 2009

/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 to my knowledge (i) the report on Form 10-K for the fiscal year ended December 31, 2008 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
February 27, 2009

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

EXHIBIT 32.2

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

I, Cheryl K. Beebe, the Chief Financial Officer of Corn Products International, Inc., certify that to my knowledge (i) the report on Form 10-K for the fiscal year ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Corn Products International, Inc.

/s/ Cheryl K. Beebe

Cheryl K. Beebe

Chief Financial Officer

February 27, 2009

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.