



**Ingredion**

**First Quarter 2013 Earnings Call**  
**May 2, 2013**

*Ilene Gordon, Chairman and CEO*  
*Cheryl Beebe, Chief Financial Officer*

# Forward-Looking Statements

*This presentation contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends these forward-looking statements to be covered by the safe harbor provisions for such statements. Forward-looking statements include, among other things, any statements regarding the Company's prospects or future financial condition, earnings, revenues, tax rates, capital expenditures, expenses or other financial items, any statements concerning the Company's prospects or future operations, including management's plans or strategies and objectives therefor and any assumptions, expectations or beliefs underlying the foregoing. These statements can sometimes be identified by the use of forward looking words such as "may," "will," "should," "anticipate," "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 presentation or referred to in this presentation are "forward-looking statements." These statements are based on current expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and are beyond our control. Although we believe our expectations reflected in these forward-looking statements are based on reasonable assumptions, stockholders are cautioned that no assurance can be given that our expectations will prove correct. Actual results and developments may differ materially from the expectations expressed in or implied by these statements, based on various factors, including the effects of global economic conditions, including, particularly, continuation or worsening of the current economic conditions in Europe and Argentina, and their impact on our sales volumes and pricing of our products; our ability to collect our receivables from customers and our ability to raise funds at reasonable rates; fluctuations in worldwide markets for corn and other commodities, and the associated risks of hedging against such fluctuations; fluctuations in the markets and prices for our co-products, particularly corn oil; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; continued volatility and turmoil in the capital markets; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we buy our raw materials or manufacture or sell our products; future financial performance of major industries which we serve, including, without limitation, the food and beverage, pharmaceuticals, paper, corrugated, textile and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding quotas, tariffs, duties, taxes and income tax rates; operating difficulties; availability of raw materials, including tapioca and the specific varieties of corn upon which our products are based; energy issues in Pakistan; boiler reliability; our ability to effectively integrate and operate acquired businesses; our ability to achieve budgets and to realize expected synergies; our ability to complete planned maintenance and investment projects successfully and on budget; labor disputes; genetic and biotechnology issues; changing consumption preferences including those relating to high fructose corn syrup; increased competitive and/or customer pressure in the corn-refining industry; and the outbreak or continuation of serious communicable disease or hostilities including acts of terrorism. Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement as a result of new information or future events or developments. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections. For a further description of these and other risks, see "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2012 and subsequent reports on Forms 10-Q and 8-K.*

# Perspective on the first quarter

- Business model continues to be resilient in the face of a challenging macroeconomic environment
- Solid quarter highlighted by good performance in North America, Asia Pacific and EMEA
- South America was down only modestly in the face of a variety of macroeconomic challenges
- Raised dividend by 46% in the quarter

# First quarter business highlights

## North America

- Business continues to focus on cost reduction through manufacturing efficiencies
- Continue to demonstrate the ability to pass pricing through to cover higher input costs
- Good risk management discipline helps mitigate market challenges

## South America

- Inflationary pressures continue in Brazil and Argentina
- Slower economic recovery in the region
- Currency devaluations continue to pose a challenge

# First quarter business highlights

## Asia Pacific

- Volumes stable in spite of exiting Chinese JV
- Economic activity in the region remains robust but China slowing
- Lower sugar prices in South Korea have created a challenge

## Europe/Middle East/Africa (EMEA)

- Specialty food starches continue to be strong in spite of recession
- Hamburg investments progressing well and nearing completion
- Pakistani energy challenge continues; taking actions to mitigate impact on our facilities

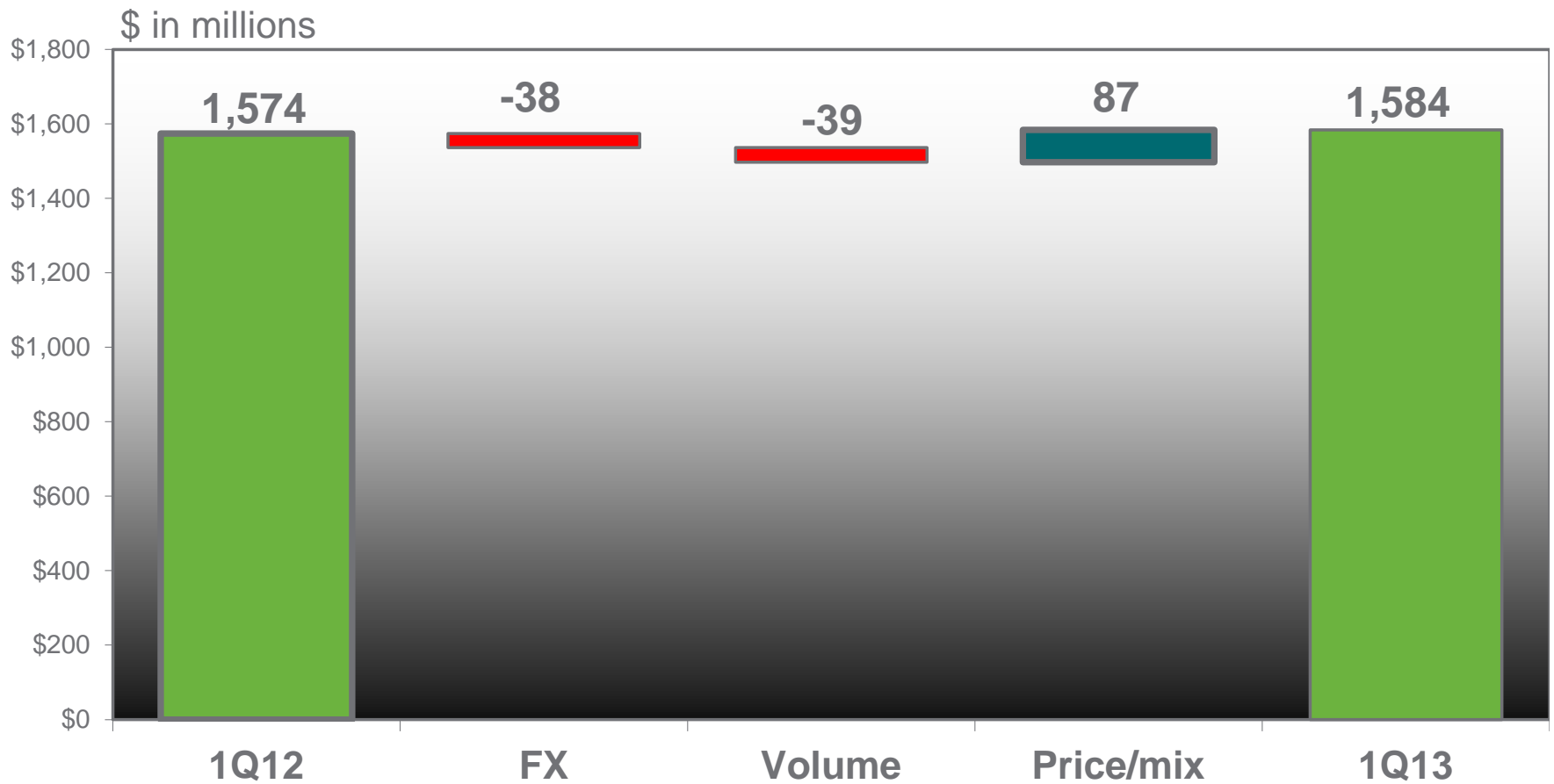
# First quarter 2013

## Income statement highlights

| \$ in millions, unless noted | 1Q12         | 1Q13         | Change        |
|------------------------------|--------------|--------------|---------------|
| Net sales                    | \$1,574      | \$1,584      | +\$10         |
| Gross profit                 | \$296        | \$306        | +\$10         |
| <i>Gross profit margin</i>   | 18.8%        | 19.3%        | +50 bps.      |
| Reported operating income    | \$161        | \$175        | +\$14         |
| Adjusted operating income*   | \$167        | \$175        | +\$8          |
| Reported diluted EPS         | \$1.21/share | \$1.41/share | +\$0.20/share |
| Adjusted diluted EPS*        | \$1.26/share | \$1.41/share | +\$0.15/share |

\*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

# First quarter 2013 net sales bridge



# First quarter 2013

## Net sales variance by region

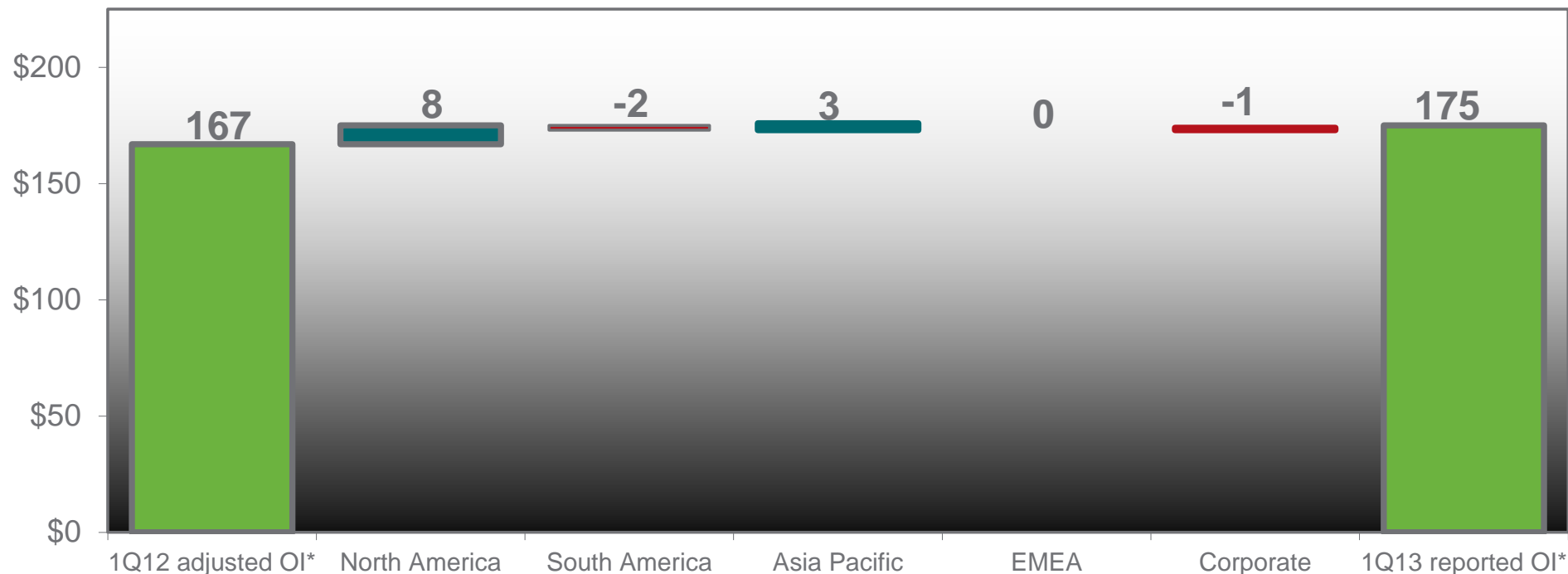
|                           | Foreign exchange | Volume     | Price/mix | Net sales change |
|---------------------------|------------------|------------|-----------|------------------|
| North America             | —                | -3%        | 5%        | 2%               |
| South America             | -10%             | -3%        | 8%        | -5%              |
| Asia Pacific              | 2%               | -2%        | 3%        | 3%               |
| Europe/Middle East/Africa | -4%              | 2%         | 5%        | 3%               |
| <b>Total Ingredion</b>    | <b>-2%</b>       | <b>-2%</b> | <b>5%</b> | <b>1%</b>        |



# First quarter 2013

## Operating income bridge

\$ in millions



### Regional operating income

(\$ in millions)

|               | 2013  | 2012  | Change |
|---------------|-------|-------|--------|
| North America | \$108 | \$100 | +\$8   |
| South America | \$43  | \$46  | -\$2   |
| APAC          | \$23  | \$20  | +\$3   |
| EMEA          | \$19  | \$19  | —      |

\*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

# Estimated first quarter 2013 EPS bridge

Amounts are dollars/share

**1Q12 reported diluted EPS** **\$1.21**

*Integration costs* 0.02

*Restructuring costs* 0.03

**1Q12 adjusted diluted EPS\*** **\$1.26**

*Changes from operations* 0.07

*Non-operational changes* 0.08

**1Q13 reported diluted EPS** **\$1.41**

|                                |             |
|--------------------------------|-------------|
| <i>Volume</i>                  | (0.03)      |
| <i>Margin</i>                  | 0.15        |
| <i>Foreign exchange rates</i>  | (0.05)      |
| <i>Other income</i>            | —           |
| <b>Changes from operations</b> | <b>0.07</b> |

|                                 |             |
|---------------------------------|-------------|
| <i>Financing costs</i>          | 0.02        |
| <i>Tax rate</i>                 | 0.07        |
| <i>Non-controlling interest</i> | —           |
| <i>Shares outstanding</i>       | (0.01)      |
| <b>Non-operational changes</b>  | <b>0.08</b> |

\*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

# Cash flow

- Cash used in operations of \$30 million as working capital was a short-term, but significant, investment
- Capital expenditures, net of proceeds on disposals, of \$66 million

# 2013 income statement guidance

- Sales growth expected to be driven by
  - Continued price/mix improvement
  - Stable volumes
  - Continued FX pressure in South America and EMEA
- Operating income anticipated to be up slightly
- 2013 diluted EPS expected to be \$5.60 - \$6.00 per share
  - Effective annual tax rate is estimated to be between 28 and 30%
  - Financing costs anticipated to be in-line with 2012

# 2013 cash flow guidance

- Expect to generate strong cash from operations of approximately \$700 million
  - Assumes minimal impact from margin accounts
- Anticipate capital expenditures of \$350 – 400 million

# 2013 regional outlook

## North America

- Expect pricing to cover higher corn costs resulting from last year's extraordinary drought
- Expect volume to be slightly down due to shedding of lower value business and stable HFCS volume
- Operating income expected to be in-line with record 2012 results

## South America

- Expect business model to continue to pass through the impact of foreign exchange and higher input costs
  - Except for Argentina where challenges include accelerating inflation and rapidly devaluing currency
- Difficult environment continues in 2Q13 while volume and operating income expected to improve in second half

# 2013 regional outlook

## Asia Pacific

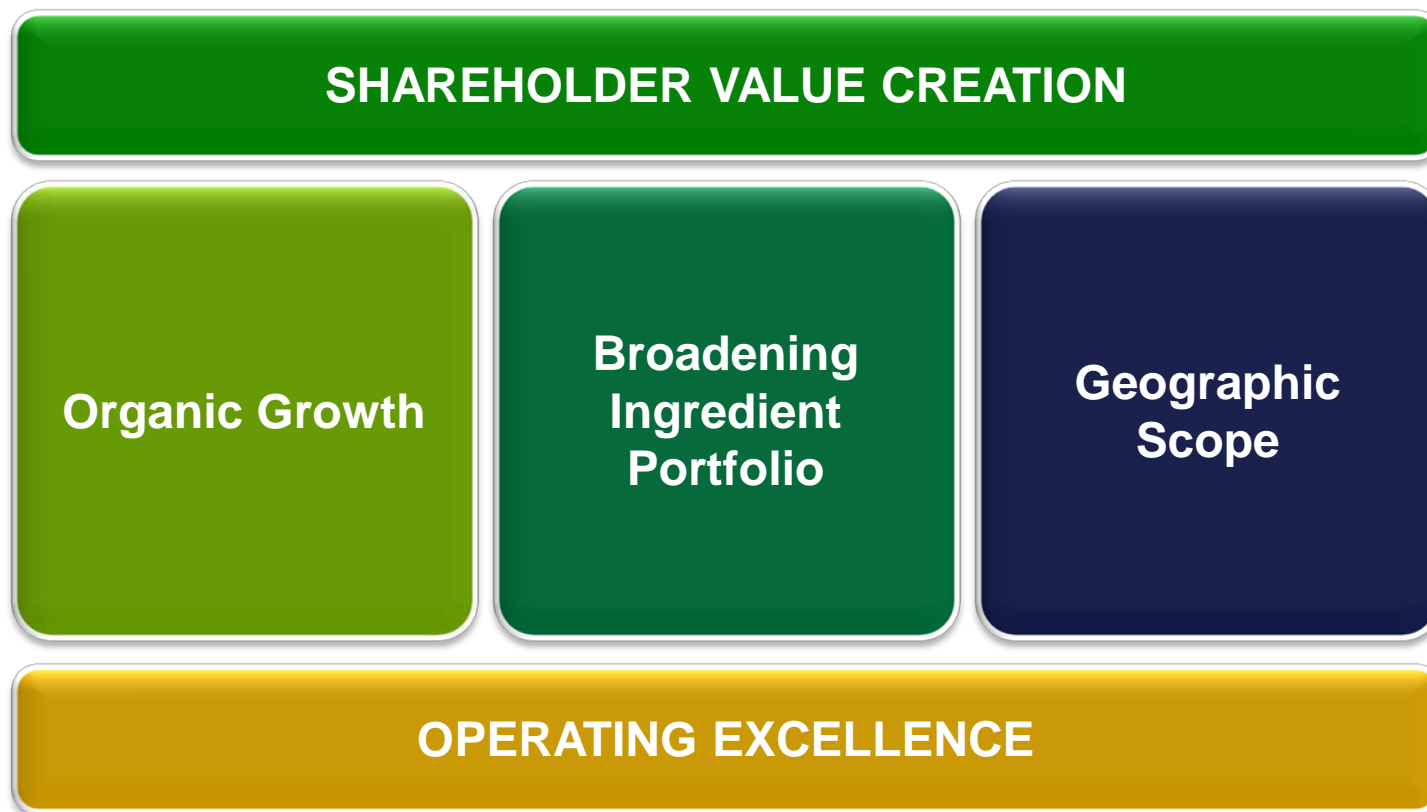
- Expect pricing to cover higher input costs
- Anticipate modest volume improvement as the comparison to 2012 will be affected by the impact of the exit from the China joint venture
- Lower sugar prices in South Korea create a challenging environment
- Operating income growth expected from improved volumes and spread

## Europe/Middle East/Africa (EMEA)

- Expect pricing to cover higher input costs
- Anticipate modest volume growth despite closing of our Kenya plant and the continuing energy supply issues impacting our customers in Pakistan
- Operating income growth should be in-line with volume growth

# Our Strategic Blueprint

A LEADING GLOBAL SUPPLIER OF INGREDIENT SOLUTIONS





# Questions and answers

# Appendix

To supplement the consolidated financial results prepared in accordance with Generally Accepted Accounting Principles (“GAAP”), the Company uses non-GAAP historical financial measures, which exclude certain GAAP items such as impairment and restructuring costs, acquisition and integration costs, and certain other unusual items. The Company uses the term “adjusted” when referring to these non-GAAP amounts.

Management uses non-GAAP financial measures internally for strategic decision making, forecasting future results and evaluating current performance. By disclosing non-GAAP financial measures, management intends to provide investors with a more meaningful, consistent comparison of the Company’s operating results and trends for the periods presented. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP and reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with generally accepted accounting principles.

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

# Reconciliation of non-GAAP adjusted net income and diluted adjusted earnings per share to GAAP net income and diluted EPS

|   | Three Months Ended<br>March 31, 2013 |        | Three Months Ended<br>March 31, 2012 |        |
|---|--------------------------------------|--------|--------------------------------------|--------|
|   | (in millions)                        | EPS    | (in millions)                        | EPS    |
| Net income attributable to Ingredion                              | \$110.8                              | \$1.41 | \$94.2                               | \$1.21 |
| Add back (deduct):  |                                      |        |                                      |        |
| Integration costs, net of income tax benefit of \$0.9 million     | -                                    | -      | 1.5                                  | 0.02   |
| Restructuring charges, net of income tax benefit of \$1.3 million | -                                    | -      | 2.5                                  | 0.03   |
| Non-GAAP adjusted net income                                      | \$110.8                              | \$1.41 | \$98.2                               | \$1.26 |

# Reconciliation of non-GAAP adjusted operating income to GAAP operating income

|                                    | Three Months Ended |                |
|------------------------------------|--------------------|----------------|
|                                    | March 31,          |                |
| <u>(in millions)</u>               | <u>2013</u>        | <u>2012</u>    |
| Operating income                   | \$175.1            | \$161.0        |
| Add back (deduct):                 |                    |                |
| Integration costs                  | -                  | 2.4            |
| Restructuring charges              | -                  | 3.8            |
| Non-GAAP adjusted operating income | <u>\$175.1</u>     | <u>\$167.2</u> |