

CORN PRODUCTS INTERNATIONAL INC

Form 10-K

February 26, 2010

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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, 2009

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

60154

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(Address of Principal Executive Offices)

(Zip Code)

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

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

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

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

NONE

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

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

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

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes o No o

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

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

Large accelerated filer x

Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company)

Smaller reporting company o

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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 \$26.79 on June 30, 2009, and, for the purpose of this calculation only, the assumption that all of the Registrant's directors and executive officers are affiliates) was approximately \$2,026,000,000.

The number of shares outstanding of the Registrant's Common Stock, par value \$.01 per share, as of February 22, 2010, was 75,095,000.

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 2010 Annual Meeting of Stockholders which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2009.

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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 \$3.67 billion in 2009. Approximately 62 percent of our 2009 net sales were provided from our North American operations, while our South American and Asia/African operations contributed approximately 27 percent and 11 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.

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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 56 percent, 53 percent and 57 percent of our net sales for 2009, 2008 and 2007, 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.

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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. Our starch products represented approximately 23 percent, 22 percent and 22 percent of our net sales for 2009, 2008 and 2007, respectively. Starches are an important component in a wide range of processed foods, where they are used particularly as a thickener and binder. Cornstarch is also sold to cornstarch packers for sale to consumers. Starches are also used in paper production to produce a smooth surface for printed communications and to improve strength in 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 21 percent, 25 percent and 21 percent of our net sales for 2009, 2008 and 2007, 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 2009, approximately 62 percent of our net sales were derived from operations in North America, while net sales from operations in South

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America and Asia/Africa represented approximately 27 percent and 11 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 10 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 and fructooligosaccharides. 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 which produces a wide range of polyols, including liquid and crystalline sorbitol.

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.

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Customers

We supply a broad range of customers in over 60 industries. Approximately 27 percent of our 2009 net sales were to companies engaged in the processed foods industry and approximately 14 percent of our 2009 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 2009 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 was 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 beets, end product prices may not necessarily fluctuate in a manner that correlates to raw material costs of corn.

We follow a policy of hedging our exposure to commodity fluctuations with commodities futures contracts for certain of our North American corn purchases. 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.

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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, 2009 we had approximately 8,100 employees, of which approximately 900 were located in the United States. Approximately 32 percent of US and 53 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 2009. We may also be required to comply with US, state, foreign and local laws regulating food handling and storage. We believe these laws and regulations have not negatively affected our competitive position.

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

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During 2009 we spent approximately \$6 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 \$5 million for environmental facilities and programs in 2010 and a similar amount in 2011.

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

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amended. These reports are made available as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission. Our corporate governance guidelines, Board committee charters and code of ethics are posted on our website, the address of which is www.cornproducts.com, and each is available in print to any shareholder upon request in writing to Corn Products International, Inc., 5 Westbrook Corporate Center, Westchester, Illinois 60154 Attention: Corporate Secretary. The contents of our website are not incorporated by reference into this report.

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

| Name | Age | Positions, Offices and Business Experience |
|-----------------|-----|---|
| Ilene S. Gordon | 56 | <p>Ms. Gordon has been Chairman of the Board, President and Chief Executive Officer of the Company since May 4, 2009. She was President and Chief Executive Officer of Rio Tinto's Alcan Packaging, a multinational business unit engaged in flexible and specialty packaging, from October 2007 until she took office as Chairman of the Board, President and Chief Executive Officer of the Company. From December 2006 to October 2007, Ms. Gordon was a Senior Vice President of Alcan Inc. and President and Chief Executive Officer of Alcan Packaging. Alcan Packaging was acquired by Rio Tinto in October 2007. From 2004 until December 2006, Ms. Gordon served as President of Alcan Food Packaging Americas, a division of Alcan Inc. From 1999 until Alcan's December 2003 acquisition of Pechiney Group, Ms. Gordon was a Senior Vice President of Pechiney Group and President of Pechiney Plastic Packaging, Inc., a global flexible packaging business. Prior to joining Pechiney in June 1999, Ms. Gordon spent 17 years with Tenneco Inc., where she most recently served as Vice President and General Manager, heading up Tenneco's folding carton business. Ms. Gordon also serves as a director of Arthur J. Gallagher & Co., an international insurance brokerage and risk management business, The Executives Club of Chicago, The Chicago Council on Global Affairs and Northwestern Memorial Hospital. She is also a Trustee of The Conference Board. Ms. Gordon served as a director of United Stationers Inc., a wholesale distributor of business products and a provider of marketing and logistics services to resellers, from January 2000 until May 2009.</p> |

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- Cheryl K. Beebe 54 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.
- Jorge L. Fiamenghi 54 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 53 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.

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| James J. Hirschak | 56 | 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. Mr. Hirschak has announced his decision to retire from the Company, effective March 31, 2010. |
| Kimberly A. Hunter | 48 | 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 | 62 | 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 | 61 | 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. |

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John F. Saucier 56 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, Integrated Nylon Division of Solutia Inc., a specialty chemical manufacturer from May 2004 to March 2005, and Vice President of Solutia and General Manager of its Integrated Nylon Division from September 2001 to May 2004. Solutia Inc. and 14 of its US subsidiaries filed voluntary petitions under the bankruptcy laws in December 2003.

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 are weak 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 currently weak worldwide economic conditions and market instability make 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.

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

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

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

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

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

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

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

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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 was 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.

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

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

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

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

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

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

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

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Approximately 32 percent of US and 53 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 27 percent of our 2009 sales were made to companies engaged in the processed foods industry and approximately 14 percent were made to companies in the soft drink industry. Additionally, sales to the brewing industry and to the animal feed market each represented approximately 12 percent of our 2009 net sales. If our processed

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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.

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

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

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

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

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

In the second quarter of 2009, we recorded a write-off of \$119 million of goodwill pertaining to our operation in South Korea. See Note 4 of the notes to the consolidated financial statements included in this Form 10-K for additional information regarding the write-off.

We perform an annual impairment assessment for goodwill and, as necessary, for long-lived assets. If the results of such assessments were to show that the fair value of our property, plant and equipment or goodwill were less than the carrying values, we could be required to recognize a charge for impairment of goodwill and/or long-lived assets and the amount of the impairment charge could be material. Our annual impairment assessment as of December 31, 2009 did not result in any additional impairment charges for the year.

Even though it was determined that there was no additional long-lived asset impairment as of December 31, 2009, the future occurrence of a potential indicator of impairment, such as a significant adverse change in the business climate that would require a change in our assumptions or strategic decisions made in response to economic or competitive conditions, could require us to perform an assessment prior to the next required assessment date of December 31, 2010.

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.

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

Corn refining is a capital intensive industry. We have 28 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.

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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, 28 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:

| North America | South America | Asia/Africa |
|-------------------------------------|----------------------|----------------------|
| 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 |

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| | | |
|-------------------------------------|------------------------|---------------------|
| 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 | |
| Mapleton, Illinois, U.S. | Cali, Colombia | |
| | 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 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-

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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 \$146 million in 2009. We believe these capital expenditures will allow us to operate efficient facilities for the foreseeable future. We currently anticipate that capital expenditures for 2010 will approximate \$175 million to \$200 million.

ITEM 3. LEGAL PROCEEDINGS

On October 21, 2003, we submitted, on our own behalf and on behalf of our Mexican affiliate, CPIngredientes, S.A. de C.V., (previously known as Compania Proveedora de Ingredientes) a Request for Institution of Arbitration Proceedings Submitted Pursuant to Chapter 11 of the North American Free Trade Agreement (NAFTA) (the Request). The Request was submitted to the Additional Office of the International Centre for Settlement of Investment Disputes and was brought against the United Mexican States. In the Request, 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. In an award rendered August 18, 2009, the Tribunal awarded damages to the Company in the amount of \$58.386 million, representing lost profits in Mexico as a result of the tax and certain out-of-pocket expenses incurred by CPIngredientes, together with accrued interest (the Award). On October 1, 2009, we submitted to the Tribunal a request for correction of the Award to avoid effective double taxation on the amount of the Award in Mexico. On November 16, 2009 the Company preserved its appeal rights by entering a Notice of Application in the Superior Court of Justice of Ontario, Canada pending the outcome of the request for correction or interpretation. 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, 2009.

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 7,100 at January 31, 2010.

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.

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The quarterly high and low sales prices for our common stock and cash dividends declared per common share for 2008 and 2009 are shown below.

| | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR |
|---------------------|----------|----------|----------|----------|
| 2009 | | | | |
| Market prices | | | | |
| High | \$ 31.15 | \$ 28.97 | \$ 32.37 | \$ 31.90 |
| Low | 17.80 | 18.04 | 24.15 | 26.70 |
| Per share dividends | \$ 0.14 | \$ 0.14 | \$ 0.14 | \$ 0.14 |
| 2008 | | | | |
| Market prices | | | | |
| High | \$ 40.15 | \$ 54.96 | \$ 49.69 | \$ 32.53 |
| Low | 31.42 | 35.46 | 28.83 | 17.51 |
| Per share dividends | \$ 0.12 | \$ 0.14 | \$ 0.14 | \$ 0.14 |

Issuer Purchases of Equity Securities:

The following table summarizes information with respect to our purchases of our common stock during the fourth quarter of 2009.

| (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, 2009 | | | | 4,785 shares |
| Nov. 1 Nov. 30, 2009 | | | | 4,785 shares |
| Dec. 1 Dec. 31, 2009 | | | | 4,785 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, 2009, we had 4.8 million shares available for repurchase under this program.

Table of Contents**ITEM 6. SELECTED FINANCIAL DATA**

Selected financial data is provided below.

| (in millions, except per share amounts) | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|----------|----------|----------|----------|----------|
| Summary of operations: | | | | | |
| Net sales | \$ 3,672 | \$ 3,944 | \$ 3,391 | \$ 2,621 | \$ 2,360 |
| Net income attributable to CPI (a) | 41 | 267 | 198 | 124 | 90 |
| Net earnings per common share of CPI (a): | | | | | |
| Basic | \$ 0.55 | \$ 3.59 | \$ 2.65 | \$ 1.67 | \$ 1.20 |
| Diluted | \$ 0.54 | \$ 3.52 | \$ 2.59 | \$ 1.63 | \$ 1.19 |
| Cash dividends declared per common share of CPI | \$ 0.56 | \$ 0.54 | \$ 0.40 | \$ 0.33 | \$ 0.28 |
| Balance sheet data: | | | | | |
| Working capital | \$ 480 | \$ 438 | \$ 415 | \$ 320 | \$ 261 |
| Property, plant and equipment-net | 1,564 | 1,447 | 1,500 | 1,356 | 1,274 |
| Total assets | 2,952 | 3,207 | 3,103 | 2,645 | 2,389 |
| Long-term debt | 408 | 660 | 519 | 480 | 471 |
| Total debt | 544 | 866 | 649 | 554 | 528 |
| Redeemable common stock | 14 | 14 | 19 | 44 | 29 |
| Total equity (b) | \$ 1,704 | \$ 1,406 | \$ 1,626 | \$ 1,349 | \$ 1,227 |
| Shares outstanding, year end | 74.9 | 74.5 | 73.8 | 74.3 | 73.8 |
| Additional data: | | | | | |
| Depreciation and amortization | \$ 130 | \$ 128 | \$ 125 | \$ 114 | \$ 106 |
| Capital expenditures | 146 | 228 | 177 | 171 | 143 |

(a) Includes an after-tax charge of \$110 million, or \$1.47 per diluted common share, for impaired assets and restructuring costs in 2009. See Note 4 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K for additional information.

(b) Includes non-controlling interests.

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**ITEM 7.
OPERATIONS**

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

OVERVIEW

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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 twenty-eight 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").

In 2009, we experienced significant declines in net sales, operating income, net income and diluted earnings per common share from our strong performance of a year ago. Our diluted earnings per common share of \$0.54 for 2009, which includes a charge of \$1.47 per diluted common share (see below), declined substantially from our record diluted earnings per common share of \$3.52 in 2008. The global economic recession continued to negatively impact our business in 2009. Improved product selling prices for sweeteners and starches were not sufficient to offset the unfavorable impacts of significantly lower co-product selling prices, foreign currency devaluations and weaker volumes. Given this difficult environment, we recorded a \$125 million charge (\$110 million after-tax, or \$1.47 per diluted common share) for impaired assets and restructuring costs in the second quarter of 2009. Among other things, the charge included the write-off of \$119 million of goodwill pertaining to the Company's operations in South Korea and a \$5 million charge to write-off impaired assets in North America. See also Note 4 of the notes to the consolidated financial statements. While it has been a difficult year, our quarterly gross profit margins and operating income (adjusted to exclude the second quarter impairment and restructuring charge) have improved sequentially throughout 2009 as we worked through higher net corn costs, foreign currencies became more favorable and volumes began to recover. During the second-half of 2009 and particularly in the fourth quarter, co-product pricing improved and foreign currencies strengthened, as compared to the first-half of 2009. In 2010, we anticipate improved co-product pricing and favorable foreign currency translation effects, as compared to 2009. Additionally, while demand for our products remains relatively soft due to the global economic recession, we currently expect improved sales and earnings in 2010 as economic conditions improve.

We generated strong operating cash flow in 2009 that we used to, among other things, reduce debt and invest in our business. Despite the difficulties presented by the weak global economy, 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.

Table of Contents**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.

2009 Compared to 2008

Net Income attributable to CPI. Net income attributable to CPI for 2009 decreased 85 percent to \$41 million, or \$0.54 per diluted common share, from 2008 net income of \$267 million, or \$3.52 per diluted common share. Our results for 2009 include a \$125 million charge (\$110 million after-tax, or \$1.47 per diluted common share) for impaired assets and restructuring costs that was recorded in the second quarter of 2009. The charge consists of a \$119 million write-off of goodwill pertaining to our operations in South Korea, a \$5 million write-off of impaired assets in North America and a \$1 million charge for employee severance and related benefit costs primarily attributable to the termination of employees in our Asia/Africa region. See also Note 4 of the notes to the consolidated financial statements. Our results for 2008 included \$16 million of expenses (\$11 million net of income taxes, or \$0.14 per diluted common share) related to the terminated merger with Bunge Limited.

While the decrease in net income includes the impact of the impairment and restructuring charges, it also reflects a significant decline in operating income across all of our regions principally driven by reduced co-product selling prices, higher North American corn costs, foreign currency devaluations and lower sales volumes. Increased financing costs also contributed to the decline.

Net Sales. Net sales for 2009 decreased to \$3.67 billion from \$3.94 billion in 2008, as sales declined in each of our regions.

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

| (in millions) | 2009 | 2008 | Decrease | % Change |
|---------------|----------|----------|----------|----------|
| North America | \$ 2,268 | \$ 2,370 | \$ (102) | (4)% |
| South America | 1,012 | 1,120 | (108) | (10)% |
| Asia/Africa | 392 | 454 | (62) | (14)% |
| Total | \$ 3,672 | \$ 3,944 | \$ (272) | (7)% |

The decrease in net sales reflects unfavorable currency translation of 5 percent attributable to weaker foreign currencies and a 2 percent volume decline due to reduced demand attributable to the global economic recession. Price/product mix was relatively flat. Co-product sales of approximately \$673 million for 2009 decreased 23 percent from \$871 million in 2008, driven primarily by lower pricing, and to a lesser extent, by reduced volume and foreign currency weakness. We expect improved co-product sales in 2010 driven by higher market prices, particularly

for corn oil.

Sales in North America decreased 4 percent primarily due to a 4 percent volume reduction principally driven by weak demand in the United States. Price/product mix improvement of 1 percent was offset by a 1 percent decline attributable to currency translation relating to a weaker Canadian dollar. Price/product mix improved despite the unfavorable impact of approximately \$114 million from lower co-product selling prices. Sales in South America decreased 10 percent, primarily due to unfavorable currency translation attributable to weaker South American currencies, which reduced sales by approximately 10 percent. Improved volume of 3 percent, driven principally by increased shipments to the brewing industry, was offset by a price/product mix decline of 3 percent that was mainly due to lower co-product values. Sales in

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Asia/Africa decreased 14 percent, reflecting an 11 percent decline attributable to currency translation associated with weaker Asian/African currencies and a 3 percent volume reduction due to lower demand. Price/product mix was up slightly.

Cost of Sales. Cost of sales for 2009 decreased 3 percent to \$3.15 billion from \$3.24 billion in 2008. The decrease principally reflects reduced volume and currency translation. Currency translation attributable to the stronger US dollar caused cost of sales for 2009 to decrease approximately 5 percent from 2008. Gross corn costs for 2009 were relatively unchanged from 2008, as higher corn costs in North America were offset by reduced costs in South America and the impact of currency translation associated with weaker foreign currencies. Energy costs for 2009 decreased approximately 1 percent from the prior year. Our gross profit margin for 2009 was 14 percent, compared to 18 percent in 2008, principally reflecting reduced profitability and margins throughout our business.

Selling, General and Administrative Expenses. Selling, general and administrative (SG&A) expenses for 2009 were \$247 million, down from \$275 million in 2008. This decrease primarily reflects weaker foreign currencies and reduced compensation-related costs. Currency translation caused operating expenses for 2009 to decrease approximately 4 percent from a year ago, reflecting the weaker foreign currencies. Additionally, bad debt expense decreased \$4 million from last year. Our bad debt expense was higher than normal in 2008 due to the global economic crisis. We may be required to provide for additional credit losses in the future should the global economy deteriorate in the future. SG&A expenses for 2009 represented 7 percent of net sales, consistent with the prior year.

Other Income-net. Other income-net of \$5 million for 2009 increased slightly from other income-net of \$4 million last year. Other income for 2009 includes various insurance and tax recoveries approximating \$2 million and a \$2 million gain from the sale of land. 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. Fee and royalty income of \$1 million for 2009 declined \$1 million from 2008.

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

| (in millions) | 2009 | 2008 | Favorable (Unfavorable) Variance | Favorable (Unfavorable) % Change |
|----------------------------------|--------|--------|--|--|
| North America | \$ 177 | \$ 313 | \$ (136) | (44)% |
| South America | 138 | 151 | (13) | (9)% |
| Asia/Africa | 17 | 38 | (21) | (56)% |
| Corporate expenses | (54) | (52) | (2) | (3)% |
| Impairment/restructuring charges | (125) | | (125) | |
| Costs of terminated merger | | (16) | 16 | |
| Operating income | \$ 153 | \$ 434 | \$ (281) | (65)% |

Operating income for 2009 decreased to \$153 million from \$434 million in 2008. This decrease partially reflects the impact of the \$125 million impairment and restructuring charge that we recorded in the second quarter of 2009. The 2008 results include \$16 million of expenses related to the terminated merger with Bunge. Without the impairment and restructuring charge for 2009 and the Bunge expenses for 2008, operating income would have declined 38 percent to \$278 million in 2009 from \$450 million in 2008, as earnings declined across all of our regions. Currency translation caused operating income to decline by approximately \$25 million from 2008, reflecting weaker foreign currencies. North America operating income decreased 44 percent to \$177 million from \$313 million a year ago, as earnings declined throughout the region. The decline primarily reflects lower co-product pricing, higher corn costs and reduced sales volumes attributable to the weak economy. Currency

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translation attributable to the weaker Canadian dollar caused operating income to decline by approximately \$5 million in the region. South America operating income decreased 9 percent to \$138 million from \$151 million in 2008, as translation effects associated with weaker South American currencies caused operating income to decline by approximately \$16 million in the region. Reduced product selling

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prices, particularly for co-products, also contributed to the earnings decline in the region. Lower corn costs partially offset the unfavorable translation impact of the weaker South American currencies and decreased product selling prices in the region. Asia/Africa operating income decreased 56 percent to \$17 million from \$38 million a year ago, as earnings declined throughout the region and most significantly in South Korea and Pakistan. These earnings declines primarily reflect reduced sales volume attributable to the difficult economy and a government power rationing program in Pakistan, higher corn costs and weaker foreign currencies. Currency translation attributable to weaker foreign currencies reduced operating income by approximately \$4 million in the region.

Financing Costs-net. Financing costs-net increased to \$38 million in 2009 from \$29 million in 2008. The increase mainly reflects foreign currency transaction losses and a reduction in interest income, which more than offset a decrease in interest expense driven by lower interest rates. Capitalized interest for 2009 was \$7 million, as compared to \$8 million in 2008.

Provision for Income Taxes. Our effective income tax rate was 59.5 percent in 2009, as compared to 32.0 percent in 2008. The increase primarily reflects the tax effect of our goodwill write-off and an increase to our valuation allowance in Korea in the second quarter of 2009. Excluding the impact of the impairment and restructuring charges, our effective income tax rate for 2009 would have been approximately 35 percent. See also Note 8 of the notes to the consolidated financial statements.

Net Income Attributable to Non-controlling Interests. Net income attributable to non-controlling interests decreased to \$6 million in 2009 from \$8 million in 2008. The decrease from 2008 mainly reflects the effect of lower earnings in Pakistan and China.

Comprehensive Income (Loss). We recorded comprehensive income of \$327 million, as compared with a comprehensive loss of \$212 million a year ago. The increase primarily reflects the effects of our corn and gas hedging contracts and favorable variances in the currency translation adjustment, which more than offset our lower net income. The favorable variances in the currency translation adjustment reflect a strengthening in end of period 2009 foreign currencies relative to the US dollar, as compared to a year ago when end of period foreign currencies had weakened. Stronger end of period currencies in Brazil, Canada, Colombia and South Korea accounted for most of the favorable translation variance.

2008 Compared to 2007

Net Income attributable to CPI. Net income attributable to CPI 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.

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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 approximately \$871 million for 2008 increased 37 percent over 2007, primarily reflecting higher pricing.

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. 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. 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 2007.

Other Income-net. Other income-net of \$4 million for 2008 declined \$6 million from other income-net of \$10 million in 2007. Other income for 2008 includes \$16 million of costs pertaining to the terminated Bunge merger. Other income for 2008 also includes various insurance and

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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 2007.

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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 | \$ 434 | \$ 347 | \$ 87 | 25% |

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 \$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 in 2007, 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.

Net Income Attributable to Non-controlling Interests. Net income attributable to non-controlling interests 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

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dollar, as compared to 2007, when end of period foreign currencies appreciated for the year. Weaker end of period 2008 currencies in Brazil, Korea and Canada accounted for most of the unfavorable translation variance.

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LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2009, our total assets were \$2.95 billion, down from \$3.21 billion at December 31, 2008. This decrease primarily reflects a decrease in our margin accounts relating to corn futures contracts, our write-off of the Korean goodwill and other impaired assets in North America and a reduction in inventories, partially offset by translation effects associated with stronger end of period foreign currencies relative to the US dollar. Total equity increased to \$1.70 billion at December 31, 2009 from \$1.41 billion at December 31, 2008, primarily reflecting a decrease in the accumulated other comprehensive loss due to favorable currency translation effects attributable to stronger end of period 2009 foreign currencies and the effects of our commodity hedging contracts.

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, 2009, there were \$109 million of borrowings outstanding under the US revolving credit facility. We had no borrowings outstanding under the Canadian revolving credit facility at December 31, 2009. In addition, we have a number of short-term credit facilities consisting of operating lines of credit. At December 31, 2009, we had total debt outstanding of \$544 million, compared to \$866 million at December 31, 2008. In addition to the borrowings under the Revolving Credit Agreement, the debt includes \$200 million of 6.0 percent senior notes due 2017, \$100 million (face amount) of 6.625 percent senior notes due 2037 and \$136 million of consolidated subsidiary debt consisting of local country short-term borrowings. Corn Products International, as the parent company, guarantees certain obligations of its consolidated subsidiaries. At December 31, 2009, such guarantees aggregated \$21 million. Management believes that such consolidated subsidiaries will meet their financial obligations as they become due.

Historically, the principal source of our liquidity has been our internally generated cash flow, which we supplement as necessary with our ability to borrow on our bank lines and to raise funds in the capital markets. In addition to borrowing availability under our Revolving Credit Agreement, we also have approximately \$322 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 5.0 percent and 6.9 percent for 2009 and 2008, respectively.

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A summary of operating cash flows is shown below:

| (in millions) | 2009 | 2008 |
|--|--------|---------|
| Net income | \$ 47 | \$ 275 |
| Write-off of impaired assets | 124 | |
| Depreciation and amortization | 130 | 128 |
| Deferred income taxes | | 12 |
| Stock option expense | 5 | 5 |
| Changes in working capital | 257 | (458) |
| Deposit with tax authority | | (13) |
| Other | 23 | (28) |
| Cash provided by (used for) operations | \$ 586 | \$ (79) |

Cash provided by operations was \$586 million in 2009, as compared with cash used for operations of \$79 million in 2008. The increase in operating cash flow primarily reflects an improvement in cash flow from working capital activities, which more than offset our reduction in earnings. The increase in cash flow from working capital activities was driven principally by a \$537 million year over year change in our margin accounts related to corn futures and option 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 our derivative instruments, particularly during the second half of 2008. As expected, these cash payments were recovered in 2009 when the related corn was used in our manufacturing process and we collected the proceeds from the sales of our products to our customers. We plan to continue to use corn futures and option contracts to hedge the price risk associated with firm-priced customer sales contracts in our North American business and accordingly, we will be required to make or be entitled to receive, cash deposits for margin calls depending on the movement in the market price for corn. Our improved cash flow from working capital activities also reflects a significant reduction in inventories for 2009 driven by reduced volume and lower corn prices.

Listed below is our primary investing and financing activities for 2009:

| | Sources (Uses) of Cash (in millions) |
|--|--|
| Capital expenditures | \$ (146) |
| Payments on debt | (340) |
| Dividends paid (including dividends of \$3 to non-controlling interests) | (45) |

On August 15, 2009, we repaid \$150 million to retire our 8.45 percent senior notes at the maturity date. We had repaid \$31 million of the 8.45 percent senior notes earlier in 2009.

On November 18, 2009, our board of directors declared a quarterly cash dividend of \$0.14 per share of common stock. The cash dividend was paid on January 25, 2010 to stockholders of record at the close of business on January 4, 2010.

We currently anticipate that capital expenditures for 2010 will be in the range of \$175 million to \$200 million.

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We expect to issue long-term fixed-rate senior notes. In the event market conditions do not provide appropriate opportunities to issue new debt then we may be required to reclassify a loss associated with our \$50 million Treasury Lock Agreement from the accumulated other comprehensive loss account included in the equity section of our balance sheet into earnings. See also *Interest Rate Risk* below and Note 6 of the notes to the consolidated financial statements for additional information.

Despite the difficulties presented by the global economic recession, we currently expect that our future operating cash flows, borrowing availability under our credit facilities and access to capital markets will provide us with sufficient liquidity to fund our anticipated capital expenditures, dividends, 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. These transactions utilize exchange traded derivatives or over-the-counter derivatives with investment grade counterparties. Our hedging transactions include but are not limited to a variety of derivative financial instruments such as commodity futures, options and swap contracts, forward currency contracts and options, interest rate swap agreements and treasury lock agreements. See Note 5 of the notes to the consolidated financial statements for additional information.

Commodity Price Risk:

We use derivatives to manage price risk related to purchases of corn and natural gas used in the manufacturing process. We periodically enter into futures, options and swap contracts for a portion of our anticipated corn and natural gas usage, generally over the following twelve to eighteen months, in order to hedge price risk associated with fluctuations in market prices. These derivative instruments are recognized at fair value and have effectively reduced our exposure to changes in market prices for these commodities. We are unable to hedge price risk related to co-product sales. Unrealized gains and losses associated with marking our commodities-based derivative instruments to market are recorded as a component of other comprehensive income. At December 31, 2009, our accumulated other comprehensive loss account included \$28 million of losses, net of tax of \$20 million, related to these derivative instruments. It is anticipated that these losses, net of tax, will be reclassified into earnings during the next twelve months. We expect the losses to be offset by changes in the underlying commodities cost.

Foreign Currency Exchange Risk:

Due to our global operations, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign exchange risk when our foreign operation results are translated to US dollars (USD) and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. We primarily use foreign currency forward contracts, swaps and options to selectively hedge our foreign currency transactional exposures. We generally hedge these exposures up to twelve months forward. As of December 31, 2009, we had \$22 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) from time to time to hedge our exposure to interest rate changes, to reduce the volatility of our financing costs, or to achieve a desired proportion of fixed versus

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floating rate debt, based on current and projected market conditions. At December 31, 2009, we did not have any interest rate swaps outstanding.

In conjunction with our plan to issue long-term fixed-rate debt 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). 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. The T-Lock expired on April 30, 2009 and we paid approximately \$6 million, representing the losses on the T-Lock, to settle the agreements. The \$6 million loss was recorded to the accumulated other comprehensive loss account in the equity section of our balance sheet and will be amortized to financing costs over the term of the long-term fixed-rate debt that we plan to issue. If we do not issue new debt, then we may be required to reclassify a portion of the deferred loss on the T-Lock from the accumulated other comprehensive loss account into earnings. See also Note 6 of the notes to the consolidated financial statements for additional information.

At December 31, 2009, our accumulated other comprehensive loss account included \$5 million of losses (net of tax of \$3 million) related to T-Locks, of which \$3 million (net of tax of \$2 million) related to the \$50 million T-Lock.

Contractual Obligations and Off Balance Sheet Arrangements

The table below summarizes our significant contractual obligations as of December 31, 2009. Information included in the table is cross-referenced to the notes to the consolidated financial statements elsewhere in this report, as applicable.

| Contractual Obligations | (in millions) | Note reference | Total | Payments due by period | | | | |
|--|---------------|----------------|-----------------|------------------------|---------------|---------------|-----------------|---------|
| | | | | Less than 1 year | 2 years | 3 years | 4 years | 5 years |
| Long-term debt | | 6 | \$ 409 | \$ | \$ 109 | \$ | | \$ 300 |
| Interest on long-term debt | | 6 | 275 | 20 | 39 | | 37 | 179 |
| Operating lease obligations | | 7 | 122 | 26 | 38 | | 26 | 32 |
| Pension and other postretirement obligations | | 9 | 273 | 13 | 29 | | 31 | 200 |
| Purchase obligations (a) | | | 858 | 195 | 139 | | 97 | 427 |
| Total | | | \$ 1,937 | \$ 254 | \$ 354 | \$ 191 | \$ 1,138 | |

- (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 \$22 million, the timing of which is uncertain. See Note 8 of the notes to the consolidated financial statements for additional information with respect to unrecognized income tax benefits.*

On January 20, 2006, Corn Products Brazil (CPO Brazil) entered into a Natural Gas Purchase and Sale Agreement (the Agreement) with Companhia de Gas de Sao Paulo Comgas (Comgas). Pursuant to the terms of the Agreement, Comgas supplies natural gas to the cogeneration facility at CPO Brazil's Mogi Guacu plant. This Agreement will expire on March 31, 2023, unless extended or terminated under certain conditions specified in the Agreement. During the term of the Agreement, CPO Brazil is obligated to purchase from Comgas, and Comgas is

obligated to provide to CPO Brazil, certain minimum quantities of natural gas that are specified in the Agreement. The price for such quantities of natural

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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 \$236 million based on current exchange rates as of December 31, 2009 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 had an agreement with certain common stockholders (collectively the holder), relating to 500,000 shares of our common stock, that provided the holder with the right to require us to repurchase those common shares for cash at a price equal to the average of the closing per share market price of our common stock for the 20 trading days immediately preceding the date that the holder exercised the put option. This put option expired in January 2010. If the holder had put the 500,000 shares then subject to the agreement to us on December 31, 2009, 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, 2009 (\$29.03 per share). This amount is reflected as redeemable common stock in our Consolidated Balance Sheet at December 31, 2009. As a result of the expiration of the agreement, we will discontinue reporting the shares as redeemable common stock in our Consolidated Balance Sheet in 2010 and reclassify the amount to additional paid-in capital.

We currently anticipate that we will make cash contributions of \$8 million to our non-US pension plans in 2010. We have not yet determined the amount, if any, that we will contribute to our US pension plans in 2010. See Note 9 of the notes to the consolidated financial statements for further information with respect to our pension and postretirement benefit plans.

Key Performance Metrics

We use certain key metrics to 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 Adjusted 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, Adjusted 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.

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Our calculations of these key metrics for 2009 with comparisons to the prior year are as follows:

| Return on Capital Employed (dollars in millions) | 2009 | | 2008 | |
|--|------|-------|------|-------|
| Total equity * | \$ | 1,406 | \$ | 1,626 |
| Add: | | | | |
| Cumulative translation adjustment * | | 363 | | 132 |
| Redeemable common stock * | | 14 | | 19 |
| Share-based payments subject to redemption* | | 11 | | 9 |
| Total debt * | | 866 | | 649 |
| Less: | | | | |
| Cash and cash equivalents * | | (107) | | (175) |
| Capital employed * (a) | \$ | 2,553 | \$ | 2,260 |
| Operating income | \$ | 153 | \$ | 434 |
| Adjusted for: | | | | |
| Impairment and restructuring charges | | 125 | | |
| Adjusted operating income | \$ | 278 | \$ | 434 |
| Income taxes (at effective tax rates of 34.6% in 2009 and 32.0% in 2008)** | | (96) | | (139) |
| Adjusted operating income, net of tax (b) | \$ | 182 | \$ | 295 |
| Return on Capital Employed (b÷a) | | 7.1% | | 13.1% |

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

** The effective income tax rate for 2009 excludes the impact of the impairment and restructuring charges. Including these charges, the Company's effective income tax rate for 2009 was 59.5 percent. Listed below is a schedule that reconciles our effective income tax rate under US GAAP (59.5 percent) to the adjusted income tax rate of 34.6 percent.

| | Income before Income Taxes (a) | Provision for Income Taxes (b) | Effective Income Tax Rate (b÷a) |
|----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|
| As reported | \$ 115 | \$ 68 | 59.5% |
| Add back: | | | |
| Impairment/restructuring charges | 125 | 15 | |
| Adjusted-non-GAAP | \$ 240 | \$ 83 | 34.6% |

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| Debt to Adjusted EBITDA ratio | (dollars in millions) | | 2009 | | 2008 | |
|---|------------------------------|--|-------------|----|-------------|-----|
| Short-term debt | \$ | | 136 | \$ | | 206 |
| Long-term debt | | | 408 | | | 660 |
| Total debt (a) | \$ | | 544 | \$ | | 866 |
| Net income attributable to CPI | \$ | | 41 | \$ | | 267 |
| Add back: | | | | | | |
| Impairment and restructuring charges | | | 125 | | | - |
| Net income attributable to non-controlling interest | | | 6 | | | 8 |
| Provision for income taxes | | | 68 | | | 130 |
| Interest expense, net of interest income of \$1 and \$5, respectively | | | 32 | | | 38 |
| Depreciation and amortization | | | 130 | | | 128 |
| Adjusted EBITDA (b) | \$ | | 402 | \$ | | 571 |
| Debt to Adjusted EBITDA ratio (a ÷ b) | | | 1.3 | | | 1.5 |

| Debt to Capitalization percentage | (dollars in millions) | | 2009 | | 2008 | |
|--|------------------------------|--|-------------|----|-------------|-------|
| Short-term debt | \$ | | 136 | \$ | | 206 |
| Long-term debt | | | 408 | | | 660 |
| Total debt (a) | \$ | | 544 | \$ | | 866 |
| Deferred income tax liabilities | \$ | | 111 | \$ | | 105 |
| Redeemable common stock | | | 14 | | | 14 |
| Share-based payments subject to redemption | | | 8 | | | 11 |
| Total equity | | | 1,704 | | | 1,406 |
| Total capital | \$ | | 1,837 | \$ | | 1,536 |
| Total debt and capital (b) | \$ | | 2,381 | \$ | | 2,402 |
| Debt to Capitalization percentage (a÷b) | | | 22.8% | | | 36.1% |

Table of Contents**Operating Working Capital**

| as a percentage of Net Sales | (dollars in millions) | | 2009 | 2008 |
|--|------------------------------|-------|-------------|-------------|
| Current assets | \$ | 1,045 | \$ | 1,297 |
| Less: Cash and cash equivalents | | (175) | | (107) |
| Deferred income tax assets | | (23) | | (99) |
| Adjusted current assets | \$ | 847 | \$ | 1,091 |
| Current liabilities | \$ | 565 | \$ | 859 |
| Less: Short-term debt | | (136) | | (206) |
| Deferred income tax liabilities | | (9) | | |
| Adjusted current liabilities | \$ | 420 | \$ | 653 |
| Operating working capital (a) | \$ | 427 | \$ | 438 |
| Net sales (b) | \$ | 3,672 | \$ | 3,944 |
| Operating Working Capital as a percentage of Net Sales (a ÷ b) | | 11.6% | | 11.1% |

Commentary on Key Performance Metrics:

In accordance with our long-term objectives, we set certain goals relating to these key performance metrics that we strive to meet. At December 31, 2009, we had achieved two of our four established targets with our ROCE and our operating working capital as a percentage of sales being the exceptions. While these metrics fell short of our targets, we are striving to return them to our targeted level in 2010. However, no assurance can be given that these goals will be attained and various factors could affect our ability to achieve not only these goals, but to also continue to meet our other performance metric targets. See Item 1A Risk Factors and Item 7A Quantitative and Qualitative Disclosures About Market Risk. The objectives set out below reflect our current aspirations in light of our present plans and existing circumstances. We may change these objectives from time to time in the future to address new opportunities or changing circumstances as appropriate to meet our long-term needs and those of our shareholders.

Return on Capital Employed Our long-term goal is to achieve a Return on Capital Employed in excess of 8.5 percent. In determining this performance metric, the negative cumulative translation adjustment is added back to total equity to calculate returns based on the Company's original investment costs. As a result of our significantly lower operating income for 2009, adjusted to exclude the impairment and restructuring costs, our ROCE declined to 7.1 percent in 2009 from 13.1 percent in the prior year. This follows three consecutive years that we had achieved a ROCE in excess of our 8.5 percent target. The decrease primarily reflects the impact of our significantly lower operating income in 2009. Additionally, an increased capital employed base and a higher effective income tax rate for 2009 contributed to the ROCE decline. The capital employed base used in our 2009 ROCE computation increased \$293 million from the prior year. Our effective income tax rate for 2009, excluding the impact of the impairment and restructuring charges, was 34.6

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percent, up from 32.0 percent in 2008. Including the impairment and restructuring charges and our actual effective income tax rate, our ROCE for 2009 was 2.4 percent.

Debt to Adjusted EBITDA ratio Our long-term objective is to maintain a ratio of debt to adjusted EBITDA of less than 2.25. This ratio strengthened to 1.3 at December 31, 2009, from 1.5 at December 31, 2008. A significant reduction in debt more than offset a decline in adjusted EBITDA. At a ratio of 1.3 at December 31, 2009, 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, 2009, our Debt to Capitalization percentage was 22.8 percent, down from 36.1 percent a year ago, reflecting a 37 percent reduction in total debt and our increased capital base. Our improved capital base primarily reflects the effect of a reduction in unrealized losses on cash flow hedges and favorable currency translation attributable to stronger foreign currencies.

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, 2009, the metric was 11.6 percent, up from the 11.1 percent of a year ago, as our sales decline more than offset a slight reduction in operating working capital. The decrease in our operating working capital was mainly attributable to declines in accounts receivable and inventories, which more than offset a reduction in accounts payable. The accounts receivable decrease primarily reflects margin account activity, which more than offset the impact of currency translation attributable to stronger foreign currencies and unrealized gains on corn futures contracts. The decline in inventories reflects reduced volumes and lower corn costs, which more than offset the impact of currency translation. The decrease in accounts payable primarily reflects a reduction in unrealized losses on corn and gas hedging contracts. We will continue to focus on managing our working capital in 2010.

Critical Accounting Policies and Estimates

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

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

Long-lived Assets

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

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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.

As previously discussed, we wrote off \$119 million of goodwill related to our South Korean operations in the second quarter of 2009. See also Note 4 of the notes to the consolidated financial statements. Our annual goodwill impairment assessment as of December 31, 2009 did not result in any additional impairment charges for the year.

The Company has recently completed a strategic plan review for the period 2010 to 2014. As part of this plan, the Company will address whether there is a need to consolidate manufacturing facilities or redeploy assets to areas where we can expect to achieve higher returns on our investments. This review may result in the closing or selling of certain of our 28 manufacturing facilities. The closing or selling of any of the facilities could have a significant negative impact on the results of operations in the year that the closing or selling of a facility occurs.

Even though it was determined that there was no additional long-lived asset impairment as of December 31, 2009, the future occurrence of a potential indicator of impairment, such as a significant adverse change in the business climate that would require a change in our assumptions or strategic decisions made in response to economic or competitive conditions, could require us to perform an assessment prior to the next required assessment date of December 31, 2010.

Income Taxes:

We use the asset and liability method of accounting for income taxes. This method recognizes the expected future tax consequences of temporary differences between book and tax bases of assets and liabilities and provides a valuation allowance when deferred tax assets are not more likely than not to be realized. We have considered forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, we would increase the valuation allowance and make a corresponding charge to earnings in the period in which we make such determination. Likewise, if we later determine that we are more likely than not to realize the net deferred tax assets, we would reverse the applicable portion of the previously provided valuation allowance. At December 31, 2009, the Company maintained a valuation allowance of \$44 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, 2009, with respect to foreign tax credit carry-forwards, decreased to \$15 million from \$19 million at December 31, 2008. The valuation allowance with respect to foreign net operating losses increased to \$20 million at December 31, 2009 from \$7 million at December 31, 2008. In addition, a valuation allowance of \$9 million was established during 2009 for the deferred tax asset associated with the future tax amortization of goodwill in Korea.

We are regularly audited by various taxing authorities, and sometimes these audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We establish reserves when, despite our belief that our tax return positions are appropriate and supportable under local tax law, we believe there is uncertainty with respect to certain positions and we may not succeed in realizing the tax benefit. We evaluate these unrecognized tax benefits and related reserves each quarter and adjust the reserves and the related interest and penalties in light of changing facts and circumstances regarding the probability of realizing tax benefits, such as the settlement of a tax audit or

the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax benefit realization are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different than estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect

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on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately provided for any known tax contingencies.

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

Retirement Benefits:

We sponsor non-contributory defined benefit plans covering substantially all employees in the United States and Canada, and certain employees in other foreign countries. We also provide healthcare and life insurance benefits for retired employees in the United States and Canada. The net periodic pension and postretirement benefit cost was \$16 million in 2009 and \$15 million in 2008. The Company estimates that net periodic pension and postretirement benefit expense for 2010 will include approximately \$3 million relating to the amortization of its accumulated actuarial loss and prior service cost included in accumulated other comprehensive loss at December 31, 2009. In order to measure the expense and obligations associated with these retirement benefits, our management must make a variety of estimates and assumptions, including discount rates used to value certain liabilities, expected return on plan assets set aside to fund these obligations, rate of compensation increase, employee turnover rates, retirement rates, mortality rates, and other factors. These estimates and assumptions are based on our historical experience, along with our knowledge and understanding of current facts, trends and circumstances. We use third-party specialists to assist management in evaluating our assumptions and estimates, as well as to appropriately measure the costs and obligations associated with our retirement benefit plans. Had we used different estimates and assumptions with respect to these plans, our retirement benefit obligations and related expense could vary from the actual amounts recorded, and such differences could be material. Additionally, adverse changes in investment returns earned on pension assets and discount rates used to calculate pension and related liabilities or changes in required pension funding levels may have an unfavorable impact on future pension expense and cash flow. See also Note 9 of the notes to the consolidated financial statements.

New Accounting Standards

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2010-06, *Improving Disclosures about Fair Value Measurements*. The Update requires entities to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. In addition, the Update requires entities to present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). The disclosures related to Level 1 and Level 2 fair value measurements are effective for interim and annual periods beginning after December 15, 2009. The disclosures related to Level 3 fair value measurements are effective for interim and annual periods beginning after December 15, 2010. The Update requires new disclosures only, and will have no impact on our consolidated financial position, results of operation, or cash flows.

Forward Looking Statements

This Form 10-K contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends these forward-looking statements to be

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covered by the safe harbor provisions for such statements. These statements include, among other things, any predictions regarding the Company's prospects or future financial condition, earnings, revenues, 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 expression thereof. All statements other than statements of historical facts in this report or referred to in or incorporated by reference into this report are forward-looking statements. These

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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 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 our co-products, particularly corn oil; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; continued volatility and turmoil in the capital markets; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we manufacture and/or sell our products; future financial performance of major industries which we serve, including, without limitation, the food and beverage, pharmaceuticals, paper, corrugated, textile and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding quotas, tariffs, duties, taxes and income tax rates; operating difficulties; 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 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 risk factors, 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, 2009 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 6 of the notes to the consolidated financial statements entitled *Financing Arrangements* for further information. A hypothetical increase of 1 percentage point in the weighted average floating interest rate for 2009 would have increased our interest expense and reduced our pretax income for 2009 by approximately \$2 million.

At December 31, 2009 and 2008, the carrying and fair values of long-term debt were as follows:

| (in millions) | 2009 | | 2008 | |
|--|-----------------|------------|-----------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| 6.0% senior notes, due April 15, 2017 | \$ 200 | \$ 204 | \$ 200 | \$ 188 |
| 6.625% senior notes, due April 15, 2037 | 99 | 94 | 99 | 90 |
| 8.45% senior notes, repaid August 15, 2009 | | | 181 | 180 |
| US revolving credit facility, due April 26, 2012 | 109 | 109 | 146 | 146 |
| Canadian revolving credit facility, due April 26, 2012 | | | 29 | 29 |
| Brazil loans | | | 5 | 5 |
| Total long-term debt | \$ 408 | \$ 407 | \$ 660 | \$ 638 |

In conjunction with our plan to issue long-term fixed-rate debt 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 with respect to \$50 million of such future indebtedness (the *T-Lock*). The *T-Lock* is designated as a hedge of the variability in cash flows associated with future

interest payments caused by market

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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. The T-Lock expired on April 30, 2009 and we paid approximately \$6 million, representing the losses on the T-Lock, to settle the agreements. The \$6 million loss was recorded to the accumulated other comprehensive loss account in the equity section of our balance sheet and will be amortized to financing costs over the term of the long-term fixed-rate debt that we plan to issue. If we do not issue new debt, then we may be required to reclassify a portion of the deferred loss on the T-Lock from the accumulated other comprehensive loss account into earnings.

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) was amortized as a reduction to financing costs through the August 15, 2009 maturity date of the 8.45 percent senior notes.

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

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

Our commodity price hedging instruments generally relate to contracted firm-priced business. Based on our overall commodity hedge exposure at December 31, 2009, 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 \$31 million, net of income tax benefit. It should be noted that any change in the fair value of the contracts, real or hypothetical, would be substantially offset by an inverse change in the value of the underlying hedged item.

Foreign Currencies. Due to our global operations, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign exchange risk when our foreign operation results are translated to USD and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. We selectively use derivative instruments such as forward contracts, currency swaps and options to manage transactional foreign exchange risk. Based on our overall foreign currency transactional exposure at December 31, 2009, a hypothetical 10 percent decline in the value of the USD would have resulted in a transactional foreign exchange loss of approximately \$2 million. At December 31, 2009, our accumulated other comprehensive loss account included in the equity section of our consolidated balance sheet includes a cumulative translation

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loss of \$228 million. The aggregate net assets of our foreign subsidiaries where the local currency is the functional currency approximated \$1.2 billion at December 31, 2009. 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 \$137 million.

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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, 2009 and 2008, and the related consolidated statements of income, comprehensive income, equity and redeemable equity, and cash flows for each of the years in the three-year period ended December 31, 2009. We also have audited the Company's internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

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

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corn Products International, Inc. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also in our

opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009,

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based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ KPMG LLP

Chicago, Illinois
February 26, 2010

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CORN PRODUCTS INTERNATIONAL, INC.

Consolidated Statements of Income

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Years Ended December 31,

(in millions, except per share amounts)

| | 2009 | 2008 | 2007 |
|--|--------------|---------------|---------------|
| Net sales before shipping and handling costs | \$ 3,890 | \$ 4,197 | \$ 3,628 |
| Less shipping and handling costs | 218 | 253 | 237 |
| Net sales | 3,672 | 3,944 | 3,391 |
| Cost of sales | 3,152 | 3,239 | 2,805 |
| Gross profit | 520 | 705 | 586 |
| Selling, general and administrative expenses | 247 | 275 | 249 |
| Other (income)-net | (5) | (4) | (10) |
| Impairment/restructuring charges | 125 | 271 | 239 |
| | 367 | 271 | 239 |
| Operating income | 153 | 434 | 347 |
| Financing costs-net | 38 | 29 | 42 |
| Income before income taxes | 115 | 405 | 305 |
| Provision for income taxes | 68 | 130 | 102 |
| Net Income | 47 | 275 | 203 |
| Less: Net income attributable to non-controlling interests | 6 | 8 | 5 |
| Net income attributable to CPI | \$ 41 | \$ 267 | \$ 198 |
| Weighted average common shares outstanding: | | | |
| Basic | 74.9 | 74.5 | 74.7 |
| Diluted | 75.5 | 75.9 | 76.5 |
| Earnings per common share of CPI: | | | |
| Basic | \$ 0.55 | \$ 3.59 | \$ 2.65 |
| Diluted | 0.54 | 3.52 | 2.59 |

See notes to the consolidated financial statements.

Table of Contents**CORN PRODUCTS INTERNATIONAL, INC.****Consolidated Balance Sheets**

| As of December 31, (in millions, except share and per share amounts) | 2009 | 2008 |
|--|-----------------|-----------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 175 | \$ 107 |
| Accounts receivable net | 440 | 627 |
| Inventories | 394 | 454 |
| Prepaid expenses | 13 | 10 |
| Deferred income tax assets | 23 | 99 |
| Total current assets | 1,045 | 1,297 |
| Property, plant and equipment, at cost | | |
| Land | 125 | 119 |
| Buildings | 461 | 401 |
| Machinery and equipment | 3,272 | 2,997 |
| | 3,858 | 3,517 |
| Less: accumulated depreciation | (2,294) | (2,070) |
| | 1,564 | 1,447 |
| Goodwill and other intangible assets (less accumulated amortization of \$13 and \$26, respectively) | 245 | 359 |
| Deferred income tax assets | 3 | 4 |
| Investments | 10 | 7 |
| Other assets | 85 | 93 |
| Total assets | \$ 2,952 | \$ 3,207 |
| Liabilities and equity | | |
| Current liabilities | | |
| Short-term borrowings and current portion of long-term debt | \$ 136 | \$ 206 |
| Deferred income taxes | 9 | |
| Accounts payable | 319 | 528 |
| Accrued liabilities | 101 | 125 |
| Total current liabilities | 565 | 859 |
| Non-current liabilities | 142 | 152 |
| Long-term debt | 408 | 660 |
| Deferred income taxes | 111 | 105 |
| Redeemable common stock (500,000 shares issued and outstanding at December 31, 2009 and 2008) stated at redemption value | 14 | 14 |
| Share-based payments subject to redemption | 8 | 11 |
| CPI stockholders equity | | |
| Preferred stock authorized 25,000,000 shares-\$0.01 par value, none issued | | |
| Common stock authorized 200,000,000 shares-\$0.01 par value, 74,819,774 issued at December 31, 2009 and 2008 | 1 | 1 |
| Additional paid-in capital | 1,082 | 1,086 |
| Less: Treasury stock (common stock; 433,596 and 776,606 shares at December 31, 2009 and 2008, respectively) at cost | (13) | (29) |
| Accumulated other comprehensive loss | (308) | (594) |
| Retained earnings | 919 | 920 |

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| | | |
|--------------------------------------|-----------------|-----------------|
| Total CPI stockholders equity | 1,681 | 1,384 |
| Non-controlling interests | 23 | 22 |
| Total equity | 1,704 | 1,406 |
| Total liabilities and equity | \$ 2,952 | \$ 3,207 |

See notes to the consolidated financial statements.

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

| Years ended December 31, (in millions) | 2009 | 2008 | 2007 |
|---|---------------|-----------------|---------------|
| Net income | \$ 47 | \$ 275 | \$ 203 |
| Other comprehensive income (loss): | | | |
| (Losses) gains on cash flow hedges, net of income tax effect of \$28, \$77 and \$20, respectively | (45) | (127) | 32 |
| Reclassification adjustment for losses (gains) on cash flow hedges included in net income, net of income tax effect of \$117, \$63 and \$10, respectively | 199 | (105) | (15) |
| Actuarial gain (loss) on pension and other postretirement obligations, settlements and plan amendments, net of income tax | (5) | (15) | 6 |
| Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax | 2 | 2 | 2 |
| Unrealized gain (loss) on investment, net of income tax | | (3) | 1 |
| Currency translation adjustment | 135 | (231) | 82 |
| Comprehensive income (loss) | \$ 333 | \$ (204) | \$ 311 |
| Less: Comprehensive income attributable to non-controlling interests | 6 | 8 | 5 |
| Comprehensive income (loss) attributable to CPI | \$ 327 | \$ (212) | \$ 306 |

See notes to the consolidated financial statements.

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CORN PRODUCTS INTERNATIONAL, INC.

Consolidated Statements of Equity and Redeemable Equity

| (in millions) | Common Stock | Additional Paid-In Capital | Treasury Stock | Equity Accumulated Other Comprehensive Income (Loss) | Retained Earnings | Non-Controlling Interests | Redeemable Common Stock | Share-based Payments Subject to Redemption |
|---|-----------------|----------------------------------|-------------------|---|----------------------|------------------------------|-------------------------------|--|
| Balance, December 31, 2006 | \$ 1 | \$ 1,051 | \$ (27) | \$ (223) | \$ 528 | \$ 19 | \$ 44 | \$ 4 |
| Net income attributable to CPI | | | | | 198 | | | |
| Net income attributable to non-controlling interests | | | | | | 5 | | |
| Dividends declared | | | | | (30) | (4) | | |
| 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 | | | | 6 | | | | |
| Losses related to postretirement obligations reclassified to earnings, net of income tax effect | | | | 2 | | | | |
| Cumulative effect of adopting guidance pertaining to the accounting for uncertainty in income taxes | | | | | (2) | | | |
| Other | | | | | | | 1 | |
| Balance, December 31, 2007 | \$ 1 | \$ 1,082 | \$ (57) | \$ (115) | \$ 694 | \$ 21 | \$ 19 | \$ 9 |
| Net income attributable to CPI | | | | | 267 | | | |
| Net income attributable to non-controlling interests | | | | | | 8 | | |
| Dividends declared | | | | | (40) | (4) | | |
| 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 |

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| | | | | | | | | | | |
|---|-------------|-----------------|----------------|-----------------|---------------|--------------|--------------|--------------|--|-----|
| Excess tax benefit on share-based compensation | | | | | | | | | | |
| 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 pension plan measurement date and related impact on service cost, interest cost and expected return on plan assets for October 1 December 31, 2007, net of income tax | | | | | | | (1) | | | |
| Other | | | | | | | | (3) | | |
| Balance, December 31, 2008 | \$ 1 | \$ 1,086 | \$ (29) | \$ (594) | \$ 920 | \$ 22 | \$ 14 | \$ 11 | | |
| Net income attributable to CPI | | | | | 41 | | | | | |
| Net income attributable to non-controlling interests | | | | | | | | 6 | | |
| Dividends declared | | | | | (42) | | | (3) | | |
| Losses on cash flow hedges, net of income tax effect of \$28 | | | | | (45) | | | | | |
| Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of \$117 | | | | | 199 | | | | | |
| Repurchases of common stock | | | | (3) | | | | | | |
| Issuance of common stock on exercise of stock options | (7) | | 11 | | | | | | | |
| Stock option expense | 5 | | | | | | | | | |
| Other share-based compensation | (1) | | 8 | | | | | | | (3) |
| Excess tax benefit on share-based compensation | 1 | | | | | | | | | |
| Currency translation adjustment | | | | | 135 | | | | | |
| Purchase of non-controlling interests | | | (2) | | | | | (1) | | |
| Actuarial loss on postretirement obligations, settlements and plan amendments, net of income tax | | | | | (5) | | | | | |
| Losses related to postretirement obligations reclassified to earnings, net of income tax | | | | | 2 | | | | | |
| Other | | | | | | | | (1) | | |
| Balance, December 31, 2009 | \$ 1 | \$ 1,082 | \$ (13) | \$ (308) | \$ 919 | \$ 23 | \$ 14 | \$ 8 | | |

See notes to the consolidated financial statements

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

Years ended December 31,

(in millions)

| | 2009 | 2008 | 2007 |
|--|--------|--------|--------|
| Cash provided by (used for) operating activities: | | | |
| Net income | \$ 47 | \$ 275 | \$ 203 |
| Non-cash charges (credits) to net income: | | | |
| Write-off of impaired assets | 124 | | |
| Depreciation and amortization | 130 | 128 | 125 |
| Deferred income taxes | | 12 | 7 |
| Stock option expense | 5 | 5 | 7 |
| Unrealized gain on investment | | | (6) |
| Foreign currency transaction losses (gains) | 6 | (9) | 4 |
| Changes in working capital: | | | |
| Accounts receivable and prepaid expenses | (3) | (43) | (40) |
| Inventories | 82 | (91) | (86) |
| Accounts payable and accrued liabilities | (64) | (29) | 12 |
| Decrease (increase) in margin accounts | 242 | (295) | 55 |
| Deposit with tax authority | | (13) | (17) |
| Other | 17 | (19) | (6) |
| Cash provided by (used for) operating activities | 586 | (79) | 258 |
| Cash provided by (used for) investing activities: | | | |
| Capital expenditures | (146) | (228) | (177) |
| Proceeds from disposal of plants and properties | 5 | 9 | 3 |
| Payments for acquisitions, net of cash acquired | (4) | | (59) |
| Other | | | 1 |
| Cash used for investing activities | (145) | (219) | (232) |
| Cash provided by (used for) financing activities: | | | |
| Payments on debt | (340) | (56) | (283) |
| Proceeds from borrowings | 8 | 313 | 366 |
| Dividends paid (including to non-controlling interests) | (45) | (42) | (33) |
| Repurchases of common stock | (3) | (1) | (55) |
| Issuance of common stock | 4 | 11 | 16 |
| Excess tax benefit on share-based compensation | 1 | 5 | 6 |
| Other | | | (2) |
| Cash (used for) provided by financing activities | (375) | 230 | 15 |
| Effects of foreign exchange rate changes on cash | 2 | | 3 |
| Increase (decrease) in cash and cash equivalents | 68 | (68) | 44 |
| Cash and cash equivalents, beginning of period | 107 | 175 | 131 |
| Cash and cash equivalents, end of period | \$ 175 | \$ 107 | \$ 175 |

See notes to the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1- Description of the Business

Corn Products International, Inc. (CPI or the Company) was founded in 1906 and became an independent and public company as of December 31, 1997. The Company operates domestically and internationally in one business segment, 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 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 2009, 2008 and 2007, the Company incurred foreign currency transaction gains (losses) of (\$6 million), \$9 million and (\$4 million), respectively. The Company's accumulated other comprehensive loss included in equity on the Consolidated Balance Sheets includes cumulative translation loss adjustments of \$228 million and \$363 million at December 31, 2009 and 2008, 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 \$6 million at December 31, 2009 and \$5 million at December 31, 2008. 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, 2009 or 2008. The Company also has an

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equity interest in the CME Group Inc. (CME), which it classifies as available for sale securities. This investment is carried at fair value with unrealized gains and losses recorded to other comprehensive income. The Company would recognize a loss on its investments when there is a loss in value of an investment that is other than temporary.

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 (\$238 million and \$351 million at December 31, 2009 and 2008, respectively) represents the excess of cost over fair value of net assets acquired. The Company also has other intangible assets (\$7 million at December 31, 2009 and \$8 million at December 31, 2008, respectively). The carrying amount of goodwill and other intangible assets by geographic segment as of December 31, 2009 and 2008 was as follows:

| (in millions) | At December 31, | | | |
|---------------|-----------------|-----|------|-----|
| | 2009 | | 2008 | |
| North America | \$ | 137 | \$ | 138 |
| South America | | 94 | | 87 |
| Asia/Africa | | 14 | | 134 |
| Total | \$ | 245 | \$ | 359 |

In the second quarter of 2009, the Company wrote-off \$119 million of goodwill pertaining to its South Korean operations. See Note 4 for additional information regarding this impairment charge. The Company assesses goodwill for impairment annually (or more frequently if impairment indicators arise). The Company has chosen to perform this annual impairment assessment in December of each year. The Company has completed the required impairment assessments and determined there to be no additional goodwill impairment other than the \$119 million Korean goodwill impairment charge discussed above.

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

Hedging instruments The Company uses derivative financial instruments principally to offset exposure to market risks arising from changes in commodity prices, foreign currency exchange rates and interest rates. Derivative financial instruments used by the Company consist of commodity futures and option contracts, forward currency contracts and options, interest rate swap agreements and treasury lock agreements. The Company enters into futures and option contracts, which are designated as hedges of specific volumes of commodities (corn and natural gas) that will be purchased and processed in a future month. These derivative financial instruments are recognized in the Consolidated Balance

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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 5 and Note 6 of the notes to the consolidated financial statements for additional information.

On the date a derivative contract is entered into, the Company designates the derivative as either a hedge of variable cash flows to be paid related to interest on variable rate debt, as a hedge of market variation in the

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

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

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

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

Earnings per common share Basic earnings per common share is computed by dividing net income by the weighted average number of shares outstanding (including redeemable common stock), which totaled 74.9 million for 2009, 74.5 million for 2008 and 74.7 million for 2007. 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 75.5 million, 75.9 million and 76.5 million for 2009, 2008 and 2007, respectively. In 2009, 2008 and 2007, options to purchase approximately 2.3 million, 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.

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.

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

In June 2006, the FASB issued guidance pertaining to the accounting for uncertainty in income taxes to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. In addition, the guidance provides insight with respect to 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 the provisions of the guidance effective January 1, 2007 by recognizing a \$2 million cumulative effect reduction in the beginning balance of retained earnings. See also Note 8 for additional information.

In September 2006, the FASB issued guidance pertaining to the accounting and disclosure for defined benefit pension and other postretirement plans. Among other things, the guidance 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 were 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. Accordingly, the Company began measuring its plan assets and benefit obligations using a December 31st balance sheet date, effective December 31, 2008. 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 9 of the notes to the consolidated financial statements for additional information.

In February 2007, the FASB issued guidance that provides entities with 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. This guidance is effective for fiscal years beginning after November 15, 2007. The Company elected not to measure any additional financial instruments and other items at fair value.

In December 2007, the FASB issued guidance establishing new accounting and reporting standards for a non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. Among other things, the guidance clarifies that a non-controlling interest in a subsidiary (previously referred to as a minority 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 the guidance, consolidated net income is reported at amounts that include the amounts attributable to both the parent and the non-controlling interest. The guidance also requires disclosure of the amounts of consolidated net income attributable to the parent and to the non-controlling interest on the face of the consolidated statement of income. Additionally, it establishes a single method of accounting for changes in a parent s ownership interest in a subsidiary that does not result in deconsolidation and clarifies that such transactions are equity transactions if the parent retains its controlling financial interest in the subsidiary. The guidance also requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. The Company adopted the new guidance effective January 1, 2009. The adoption did not have a material effect on the Company s consolidated financial

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statements. As required, the prior year consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on CPI's previously reported net income or cash flows.

In December 2007, the FASB issued guidance on how acquirers recognize and measure the consideration transferred, identifiable assets, liabilities assumed, non-controlling interest, and goodwill acquired in a business combination. The guidance also expands required disclosures surrounding the nature and financial effects of business combinations. The revised guidance is effective, on a prospective basis, for fiscal years beginning after December 15, 2008. The adoption of the new guidance did not have a material impact on the Company's consolidated financial statements, however the guidance will impact the accounting for future business combinations and the effect will be dependent upon the acquisitions at that time.

In February 2008, the FASB issued revised guidance related to fair value measurements, which among other things, partially deferred the effective date to fiscal years beginning after November 15, 2008 for certain non-financial assets and non-financial liabilities. The Company adopted the guidance with respect to financial assets and liabilities in 2008. The application of the guidance related to non-financial assets and liabilities, effective January 1, 2009, did not have a material impact on the Company's consolidated financial statements.

In March 2008, the FASB issued guidance 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 effects that such items have on the financial position, results of operations, and cash flows of an entity. The Company adopted the additional disclosure provisions in the first quarter of 2009. See Note 5 for information regarding the Company's derivative instruments and hedging activities.

In June 2008, the FASB issued guidance stating that unvested share-based payment awards which contain rights to receive non-forfeitable dividends (whether paid or unpaid) are participating securities, and should be included in the two-class method of computing earnings per share. This guidance is effective for fiscal years beginning after December 31, 2008 and for interim periods within those years. The adoption of the guidance did not have a material impact on the Company's consolidated financial statements.

In December 2008, the FASB amended the disclosure requirements for employer's disclosure of plan assets for defined benefit pension and other postretirement plans. The objective of the additional disclosure requirements is to provide users of financial statements with an understanding of how investment allocation decisions are made, the major categories of plan assets held by the plans, the inputs and valuation techniques used to measure the fair value of plan assets, significant concentration of risk within the Company's plan assets, and for fair value measurements determined using significant unobservable inputs a reconciliation of changes between the beginning and ending balances. The additional disclosure requirements are effective for fiscal years ending after December 15, 2009. The implementation of the additional disclosure requirements did not have a material impact on our consolidated financial statements. See also Note 9 of the notes to the consolidated financial statements for information regarding the plan assets.

In April 2009, the FASB issued additional guidance on factors to consider in estimating fair value when there has been a significant decrease in market activity for a financial asset. The additional guidance is effective for interim and annual periods ending after June 15, 2009 and it did not have a material impact on the Company's consolidated financial statements.

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In April 2009, the FASB issued guidance that requires publicly-traded companies to provide disclosures on the fair value of financial instruments in interim and annual financial statements. The guidance is effective for interim and annual periods ending after June 15, 2009. The required disclosures are provided in Note 5 of the notes to the consolidated financial statements.

In April 2009, the FASB issued guidance related to business combinations that amends and clarifies application issues associated with initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. It is effective for assets or liabilities arising from contingencies in 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. The revised guidance will

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impact the accounting and disclosures arising from contingencies in business combinations and the effect will be dependent upon the acquisitions at that time.

In May 2009, the FASB issued guidance that establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are filed with the SEC. The guidance defines subsequent events and also required that companies disclose the date through which they have evaluated subsequent events and the basis for that date. The guidance is effective for financial statements issued for interim and annual periods ending after June 15, 2009. In February 2010, the FASB issued Accounting Standards Update (ASU) 2010-09, *Subsequent Events (Topic 855)*, which amends Topic 855 to remove the requirement for an SEC filer to disclose the date through which subsequent events have been evaluated. The adoption of the guidance did not have an impact on the Company's consolidated financial statements. See also Subsequent Events section below.

In September 2009, the FASB issued Accounting Standards Update (ASU) 2009-12, *Fair Value Measurements and Disclosures - Investments in Certain Entities That Calculate Net Asset Value per Share*. ASU 2009-12 allows, as a practical expedient, companies that have investments that are within the scope of this ASU to use net asset value per share of the investment as a fair value measurement without further adjustment. The Company adopted this standard, which applies to certain benefit plan assets, in 2009. The adoption did not have a material impact on the Company's consolidated financial statements.

Subsequent events Subsequent events have been evaluated through the filing of this Form 10-K with the SEC.

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.

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

All of the Company's acquisitions were accounted for under the purchase method. Had the acquisitions 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 Asset Impairment and Restructurings Charges

In the second quarter of 2009, the Company recorded a \$125 million charge to its Statement of Income for impaired assets and restructuring costs. The charge includes the write-off of \$119 million of goodwill pertaining to the Company's operations in South Korea and a \$5 million charge to write-off impaired assets in North America. Additionally, the Company recorded a \$1 million charge for employee severance and related benefit costs primarily attributable to the termination of employees in its Asia/Africa region. As of December 31, 2009, the employee terminations were completed and the restructuring accrual was fully utilized.

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

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The Company's goodwill impairment assessment for the year ended December 31, 2008 did not result in any impairment charges. However, due to the operating performance and expectations regarding future operating performance of the Korean operations (Korea) at that time, the fair value of Korea's assets was only modestly in excess of their carrying value. As part of the Korean goodwill impairment assessment for the year ended December 31, 2008, the Company specifically made the following operating assumptions for Korea: a reduction of corn costs and freight rates to historical levels; recovery of high fructose corn syrup 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.

During the second quarter of 2009, the Company reviewed the status of the Korean operations. While both corn costs and freight rates were trending down to historical levels, the other operating assumptions were not moving forward as anticipated. Most significantly, the Company determined that the Korean operations would not meet sales expectations to the carbonated beverage industry. This determination was based on the completion of scheduled negotiations with a significant customer at the end of the second quarter.

As a result of these triggering events, it was determined that the goodwill related to the Korean operations should be tested for impairment. In carrying out the first step test, the Company used a discounted cash flow model (DCF model) to determine the fair value of the Korean operation. Management believes that this approach was appropriate because it provided a fair value estimate based upon Korea's expected long-term operating and cash flow performance. This approach also mitigated 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 was discounted using a weighted-average cost of capital. The projection of future cash flows represented a significant unobservable input (a Level 3 input as defined by ASC Topic 820, *Fair Value Measurements and Disclosures*). The projection was 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 included terminal value growth rates and future capital expenditures.

The Company also considered the market approach, which uses the price relationships of comparable publicly traded companies to derive an estimated fair value. The results of the market approach supported the conclusions reached using the DCF model.

In performing the first step of the goodwill impairment test, the results indicated that the carrying amount of the Korean reporting unit exceeded its estimated fair value. Therefore, the second step of the impairment test was performed to determine the implied fair value of the Korean goodwill. The second step of the impairment test indicated that the full amount of the Korean goodwill was impaired.

The Company reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. As required under United States generally accepted accounting principles, the impairment analysis for long-lived assets occurs before the goodwill impairment assessment. If the carrying amount of an asset or group of assets exceeds its fair value, the asset may need to be written down to its fair value. The Company has reviewed its Korean long-lived assets and has determined that none of those long-lived assets are impaired. The determination was based on reviewing the estimated undiscounted cash flows for the Korean asset group, which were greater than the asset group's carrying value.

NOTE 5 Financial Instruments, Derivatives and Hedging Activities

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The Company is exposed to market risk stemming from changes in commodity prices (corn and natural gas), foreign currency exchange rates and interest rates. In the normal course of business, the Company actively manages its exposure to these market risks by entering into various hedging transactions, authorized under established policies that place clear controls on these activities. Derivative financial instruments currently used by the Company consist of commodity futures, options and swap contracts, treasury lock agreements and forward currency contracts and options.

Commodity price hedging: The Company's principal use of derivative financial instruments is to manage commodity price risk in North America relating to anticipated purchases of corn and natural gas to be used in the manufacturing process, generally over the next twelve to eighteen months. The Company maintains a commodity-price risk management strategy that uses derivative instruments to minimize significant, unanticipated earnings

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fluctuations caused by commodity-price volatility. For example, the manufacturing of the Company's products requires a significant volume of corn and natural gas. Price fluctuations in corn and natural gas cause the actual purchase price of corn and natural gas to differ from anticipated prices.

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

At December 31, 2009, the Company's accumulated other comprehensive loss account included \$33 million of losses, net of tax of \$24 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 corn and the usage of hedged natural gas. Cash flow hedges discontinued during 2009 were not material.

Interest rate hedging: The Company assesses its exposure to variability in interest rates by continually identifying and monitoring changes in interest rates that may adversely impact future cash flows and the fair value of existing debt instruments, and by evaluating hedging opportunities. The Company maintains risk management control systems to monitor interest rate risk attributable to both the Company's outstanding and forecasted debt obligations as well as the Company's offsetting hedge positions. The risk management control systems involve the use of analytical techniques, including sensitivity analysis, to estimate the expected impact of changes in interest rates on the fair value of the Company's outstanding and forecasted debt instruments.

Derivative financial instruments used by the Company to manage its interest rate risk consist of Treasury Lock agreements (T-Locks) and interest rate swaps. The Company periodically enters into T-Locks to fix the benchmark component of the interest rate to be established for certain planned fixed-rate debt issuances (see also Note 6). The T-Locks are designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate until the fixed interest rate is established, and are accounted for as cash flow hedges. Accordingly, changes in the fair value of the T-Locks are recorded to 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 2009, 2008 and 2007, representing the amount of the Company's hedges' ineffectiveness, was not significant. The Company has also, from time to time, entered into interest rate swap agreements that effectively converted the interest rate on certain fixed-rate debt to a variable rate. These swaps called for the Company to receive interest at a fixed rate and to pay interest at a variable rate, thereby creating the equivalent of variable-rate debt. The Company designated these interest rate swap agreements as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and accounted for them as fair value hedges. Changes in the fair value of interest rate swaps designated as hedging instruments that effectively offset the variability in the fair value of outstanding debt obligations are reported in earnings. These amounts offset the gain or loss (that is, the change in fair value) of the hedged debt instrument that is attributable to changes in interest rates (that is, the hedged risk) which is also recognized in earnings. The Company did not have any interest rate swap agreements outstanding at December 31, 2009, 2008 or 2007.

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In conjunction with a plan to issue long-term fixed-rate debt and in order to manage 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-

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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. The T-Lock expired on April 30, 2009 and the Company paid approximately \$6 million, representing the losses on the T-Lock, to settle the agreements. The \$6 million loss was recorded to AOCI and will be amortized to financing costs over the term of the long-term fixed-rate debt that we plan to issue. If the Company does not issue new debt, then it may be required to reclassify a portion of the deferred loss on the T-Lock from AOCI into earnings.

At December 31, 2009, the Company's AOCI account included \$5 million of losses (net of tax of \$3 million) related to T-Locks, of which \$3 million (net of tax of \$2 million) related to the \$50 million T-Lock. Cash flow hedges discontinued during 2009 were not material.

Foreign currency hedging: Due to the Company's global operations, it is exposed to fluctuations in foreign currency exchange rates. As a result, the Company has exposure to translational foreign exchange risk when its foreign operation results are translated to US dollars (USD) and to transactional foreign exchange risk when transactions not denominated in the functional currency of the operating unit are revalued. The Company primarily uses derivative financial instruments such as foreign currency forward contracts, swaps and options to manage its transactional foreign exchange risk. These derivative financial instruments are primarily accounted for as fair value hedges. As of December 31, 2009, the Company had \$22 million of net notional foreign currency forward contracts that hedged net liability transactional exposures.

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

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

| (in millions) | Balance Sheet Location | Fair Value of Derivative Instruments | | |
|--|--------------------------------|--|---|------------|
| | | Asset Derivatives December 31, 2009 | Liability Derivatives December 31, 2009 | |
| | | Fair Value | Balance Sheet Location | Fair Value |
| Derivatives designated as hedging instruments: | | | | |
| Commodity contracts | <i>Accounts receivable-net</i> | \$ 26 | <i>Accounts payable and accrued liabilities</i> | \$ 18 |
| Total | | \$ 26 | | \$ 18 |

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At December 31, 2009, the Company had outstanding futures and option contracts that hedge approximately 103 million bushels of forecasted corn purchases. Also at December 31, 2009, the Company had outstanding swap and option contracts that hedge approximately 11 million mmbtu s of forecasted natural gas purchases.

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Additional information relating to the Company's derivative instruments is presented below:

| Derivatives in Cash Flow Hedging Relationships | (in millions) | For the year ended December 31, 2009 | | | |
|---|---------------|--|--|--|-----|
| | | Amount of Gains (Losses) Recognized in OCI on Derivatives | Location of Losses Reclassified from AOCI into Income | Amount of Losses Reclassified from AOCI into Income | |
| Commodity contracts | \$ | (77) | Cost of sales | \$ | 315 |
| Interest rate contracts | | 4 | Financing costs-net | | 1 |
| Total | \$ | (73) | | \$ | 316 |

At December 31, 2009, the Company's AOCI account included approximately \$28 million of losses, net of income taxes, which are expected to be reclassified into earnings during the next twelve months. The Company expects the losses to be offset by changes in the underlying commodities cost.

Presented below are the fair values of the Company's financial instruments and derivatives at December 31, 2009:

| (in millions) | Total | Level 1 | Level 2 | Level 3 |
|-------------------------------|-------|---------|---------|---------|
| Available for sale securities | \$ 3 | \$ 3 | | \$ |
| Derivative assets | 26 | 26 | | |
| Derivative liabilities | 18 | 2 | 16 | |
| Long-term debt | 407 | | 407 | |

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

The carrying values of cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair values. Commodity futures, options and swap contracts, which are designated as hedges of specific volumes of commodities are recognized at fair value. Foreign currency forward contracts, swaps and options hedge transactional foreign exchange risk related to assets and liabilities denominated in currencies other than the functional currency and are recognized at fair value. The 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, 2009 and 2008.

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| (in millions) | 2009 | | 2008 | |
|--|-----------------|------------|-----------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| 6.0% senior notes, due April 15, 2017 | \$ 200 | \$ 204 | \$ 200 | \$ 188 |
| 6.625% senior notes, due April 15, 2037 | 99 | 94 | 99 | 90 |
| 8.45% senior notes, repaid August 15, 2009 | | | 181 | 180 |
| US revolving credit facility, due April 26, 2012 | 109 | 109 | 146 | 146 |
| Canadian revolving credit facility, due April 26, 2012 | | | 29 | 29 |
| Brazil loans | | | 5 | 5 |
| Total long-term debt | \$ 408 | \$ 407 | \$ 660 | \$ 638 |

NOTE 6 Financing Arrangements

The Company had total debt outstanding of \$544 million and \$866 million at December 31, 2009 and 2008, respectively. Short-term borrowings at December 31, 2009 and 2008 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) | 2009 | 2008 |
|--|--------|--------|
| Borrowings in various currencies (at rates ranging from 1% to 11% for 2009 and 2% to 19% for 2008) | \$ 136 | \$ 206 |
| Current maturities of long-term debt | | |
| Total short-term borrowings | \$ 136 | \$ 206 |

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, 2009, there were \$109 million of borrowings outstanding under the US revolving credit facility. There were no borrowings outstanding under the Canadian revolving credit facility at December 31, 2009. 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.

On August 15, 2009, the Company repaid \$150 million to retire its 8.45 percent senior notes at the maturity date. The Company had repaid \$31 million of the 8.45 percent senior notes earlier in 2009.

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

| (in millions) | 2009 | 2008 |
|---------------|------|------|
|---------------|------|------|

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| | | | | |
|---|----|-----|----|-----|
| 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, repaid August 15, 2009 | | | | 181 |
| US revolving credit facility, matures April 26, 2012 (at LIBOR indexed floating rate) | | 109 | | 146 |
| Canadian revolver, matures April 26, 2012 (at LIBOR indexed floating rate) | | | | 29 |
| Brazil loans (at rate of 14% in 2008) | | | | 5 |
| Total | \$ | 408 | \$ | 660 |
| Less: current maturities | | | | |
| Long-term debt | \$ | 408 | \$ | 660 |

The Company's long-term debt matures as follows: \$109 million in 2012, \$200 million in 2017 and \$100 million in 2037.

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Corn Products International, Inc. guarantees certain obligations of its consolidated subsidiaries, which aggregated \$21 million and \$51 million at December 31, 2009 and 2008, respectively.

In conjunction with the Company's plan to issue long-term fixed-rate debt and in order to manage its exposure to variability in the benchmark interest rate on which the fixed interest rate of the planned debt is expected to be based, the Company entered into a T-Lock with respect to \$50 million of such future indebtedness (the "T-Lock"). 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. The T-Lock expired on April 30, 2009 and the Company paid approximately \$6 million, representing the losses on the T-Lock, to settle the agreements. The \$6 million loss was recorded to the accumulated other comprehensive loss account in the equity section of the Company's balance sheet and will be amortized to financing costs over the term of the long-term fixed-rate debt that the Company plans to issue. If the Company does not issue new debt, then it may be required to reclassify a portion of the deferred loss on the T-Lock from the accumulated other comprehensive loss account into earnings.

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 was recorded to 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 the 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) was amortized as a reduction to financing costs over the remaining term of the underlying debt (through August 2009) and has been fully amortized.

NOTE 7 - Leases

The Company leases rail cars, certain machinery and equipment, and office space under various operating leases. Rental expense under operating leases was \$29 million, \$30 million and \$27 million in 2009, 2008 and 2007, respectively. Minimum lease payments due on leases existing at December 31, 2009 are shown below:

| Year | (in millions) | Minimum Lease Payments |
|--------------------|---------------|------------------------|
| 2010 | | \$ 26 |
| 2011 | | 21 |
| 2012 | | 17 |
| 2013 | | 14 |
| 2014 | | 12 |
| Balance thereafter | | 32 |

Table of Contents**NOTE 8 - Income Taxes**

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

| (in millions) | 2009 | | 2008 | | 2007 | |
|------------------------------------|------|-----|------|-----|------|-----|
| Income (loss) before income taxes: | | | | | | |
| United States | \$ | 25 | \$ | 70 | \$ | 28 |
| Foreign | | 90 | | 335 | | 277 |
| Total | \$ | 115 | \$ | 405 | \$ | 305 |
| Provision for income taxes: | | | | | | |
| Current tax expense | | | | | | |
| US federal | \$ | 2 | \$ | 15 | \$ | 2 |
| State and local | | 1 | | 2 | | 1 |
| Foreign | | 65 | | 101 | | 92 |
| Total current | \$ | 68 | \$ | 118 | \$ | 95 |
| Deferred tax expense (benefit) | | | | | | |
| US federal | \$ | (3) | \$ | 11 | \$ | (1) |
| State and local | | (1) | | 2 | | |
| Foreign | | 4 | | (1) | | 8 |
| Total deferred | \$ | | \$ | 12 | \$ | 7 |
| Total provision | \$ | 68 | \$ | 130 | \$ | 102 |

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, 2009 and 2008 are summarized as follows:

| (in millions) | 2009 | | 2008 | |
|---|------|------|------|------|
| Deferred tax assets attributable to: | | | | |
| Employee benefit accruals | \$ | 30 | \$ | 24 |
| Pensions | | 19 | | 22 |
| Hedging/derivative contracts | | 17 | | 96 |
| Net operating loss carryforwards | | 23 | | 11 |
| Foreign tax credit carryforwards | | 24 | | 29 |
| Goodwill | | 8 | | |
| Other | | 9 | | 17 |
| Gross deferred tax assets | \$ | 130 | \$ | 199 |
| Valuation allowance | | (44) | | (26) |
| Net deferred tax assets | \$ | 86 | \$ | 173 |
| Deferred tax liabilities attributable to: | | | | |
| Property, plant and equipment | \$ | 180 | \$ | 159 |
| Goodwill | | | | 16 |
| Total deferred tax liabilities | \$ | 180 | \$ | 175 |
| Net deferred tax liabilities | \$ | 94 | \$ | 2 |

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Net operating loss carryforwards at December 31, 2009 include state net operating losses of \$2 million and foreign net operating losses of \$21 million. The state net operating losses expire in various years through 2029. Foreign net operating losses of \$17 million will expire in 2010 through 2014 if unused, while \$4 million may be carried forward indefinitely. The foreign tax credit carryforwards of \$24 million at December 31, 2009 will expire in 2011 through 2019 if not utilized.

Income tax accounting requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In making this assessment, management considers the level of historical taxable income, scheduled reversal of deferred tax liabilities, tax planning strategies and projected future taxable income. The Company maintains a valuation allowance of \$44 million against certain foreign tax credits, foreign net operating losses and deferred tax assets in Korea that management has determined will more likely than not expire prior to realization. The valuation allowance at December 31, 2009, with respect to foreign tax credit carryforwards, decreased to \$15 million from \$19 million at December 31, 2008. The valuation allowance with respect to foreign net operating losses increased to \$20 million at December 31, 2009 from \$7 million at December 31, 2008. In addition, a valuation allowance of \$9 million was established during 2009 primarily for the deferred tax asset associated with the future tax amortization of goodwill in Korea.

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

| | 2009 | 2008 | 2007 |
|--|--------|--------|--------|
| Provision for tax at US statutory rate | 35.00% | 35.00% | 35.00% |
| Tax rate difference on foreign income | .50 | (3.09) | (1.56) |
| State and local taxes - net | .28 | 0.63 | 0.25 |
| Change in valuation allowance - foreign tax credits | .51 | 0.23 | 0.47 |
| Change in foreign statutory tax rates | (0.94) | (0.83) | (1.03) |
| Non-conventional fuel tax credits | | | (0.22) |
| Korea goodwill write-off, net of valuation allowance | 25.50 | | |
| Other items - net | (1.40) | 0.06 | 0.59 |
| Provision at effective tax rate | 59.45% | 32.00% | 33.50% |

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 \$921 million of undistributed earnings of foreign subsidiaries at December 31, 2009, as such amounts are considered permanently reinvested.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

| | (in millions) | |
|--|---------------|-----|
| Balance at January 1, 2009 | \$ | 19 |
| Additions for tax positions related to prior years | | 2 |
| Reductions for tax positions related to prior years | | |
| Additions based on tax positions related to the current year | | 4 |
| Reductions related to settlements | | |
| Reductions related to a lapse in the statute of limitations | | (3) |
| Balance at December 31, 2009 | \$ | 22 |

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Of this total, \$18 million represents the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate in future periods.

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The Company accounts for interest and penalties related to income tax matters in income tax expense. The Company had accrued interest and penalties of \$1 million as of December 31, 2009 and \$3 million as of December 31, 2008.

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 2005. The Company remains subject to potential examination in Canada for the years 2004 to 2009, Brazil for the years 2004 to 2009 and Mexico for the years 2005 to 2009. The statute of limitations is generally open for the years 2002 to 2009 for various other non-US jurisdictions.

In 2008 and 2007, the Company made deposits of approximately \$13 million and \$17 million, respectively, to the Canadian tax authorities relating to an ongoing audit examination. The Company did not make any additional deposits relating to this ongoing audit examination in 2009. 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, 2009. The Company currently estimates that such increases or decreases will not be significant.

NOTE 9 Benefit Plans

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

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

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, Canada and Brazil are generally

covered through local government plans.

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Pension Obligation and Funded Status The changes in pension benefit obligations and plan assets during 2009 and 2008, 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, 2009 and 2008, were as follows:

| (in millions) | US Plans | | Non-US Plans | |
|--|----------|---------|--------------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| Benefit obligation | | | | |
| At January 1 | \$ 79 | \$ 76 | \$ 98 | \$ 149 |
| Service cost | 3 | 3 | 2 | 3 |
| Interest cost | 5 | 6 | 8 | 8 |
| Benefits paid | (3) | (6) | (8) | (7) |
| Actuarial loss (gain) | 4 | (1) | 11 | (27) |
| Plan amendment | | 1 | | |
| Curtailed / Settlement | (4) | | (1) | (4) |
| Foreign currency translation | | | 13 | (24) |
| Benefit obligation at December 31 | \$ 84 | \$ 79 | \$ 123 | \$ 98 |
| Fair value of plan assets | | | | |
| At January 1 | \$ 58 | \$ 64 | \$ 96 | \$ 139 |
| Actual return on plan assets | 11 | (16) | 11 | (17) |
| Employer contributions | 7 | 16 | 5 | 8 |
| Benefits paid | (3) | (6) | (8) | (7) |
| Settlements | (4) | | (1) | (4) |
| Foreign currency translation | | | 13 | (23) |
| Fair value of plan assets at December 31 | \$ 69 | \$ 58 | \$ 116 | \$ 96 |
| Funded status | \$ (15) | \$ (21) | \$ (7) | \$ (2) |

Amounts recognized in the Consolidated Balance Sheets consist of:

| (in millions) | US Plans | | Non-US Plans | |
|-------------------------|----------|-------|--------------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| Non current asset | \$ | \$ | \$ | \$ (8) |
| Current liabilities | | | 2 | 1 |
| Non current liabilities | 15 | 19 | 12 | 9 |
| Net amount recognized | \$ 15 | \$ 21 | \$ 7 | \$ 2 |

Amounts recognized in Accumulated Other Comprehensive Loss consist of:

| (in millions) | US Plans | | Non-US Plans | |
|-----------------------|----------|-------|--------------|-------|
| | 2009 | 2008 | 2009 | 2008 |
| Net actuarial loss | \$ 25 | \$ 30 | \$ 29 | \$ 18 |
| Prior service cost | 2 | 2 | | |
| Transition obligation | | | 4 | 4 |
| Net amount recognized | \$ 27 | \$ 32 | \$ 33 | \$ 22 |

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The accumulated benefit obligation for all defined benefit pension plans was \$172 million and \$151 million at December 31, 2009 and December 31, 2008, respectively.

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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 | | | |
|--------------------------------|----------|-------|-------|-------|--------------|------|------|------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Projected benefit obligation | \$ 84 | \$ 79 | \$ 13 | \$ 11 | | | | |
| Accumulated benefit obligation | 77 | 73 | 11 | 10 | | | | |
| Fair value of plan assets | 69 | 58 | | | | | | |

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:

| (in millions) | US Plans | | | | | | Non-US Plans | | |
|---------------------------------------|----------|------|------|------|------|------|--------------|------|------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Service cost | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 4 | | | |
| Interest cost | 5 | 5 | 4 | 8 | 8 | 8 | | | |
| Expected return on plan assets | (4) | (5) | (4) | (9) | (9) | (8) | | | |
| Amortization of actuarial loss | 1 | | | | | 1 | | | 1 |
| Amortization of transition obligation | | | | | | 1 | | | 1 |
| Amortization of prior service cost | | 1 | | | | | | | |
| Settlement/Curtailment | 1 | | | 1 | 1 | | | | |
| Net pension cost | \$ 6 | \$ 4 | \$ 3 | \$ 3 | \$ 5 | \$ 6 | | | |

For the US plans, the Company estimates that net pension expense for 2010 will include approximately \$1.2 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, 2009.

For the non-US plans, the Company estimates that net pension expense for 2010 will include approximately \$0.3 million relating to the amortization of its accumulated actuarial loss and \$0.5 million relating to the amortization of prior service cost and \$0.1 million relating to the amortization of transition obligation included in accumulated other comprehensive loss at December 31, 2009.

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income for 2009 are as follows:

| (in millions) | US Plans | Non-US |
|---|----------|--------|
| Net actuarial loss/(gain) | \$ (3) | \$ 8 |
| Amortization of actuarial (loss)/gain | (1) | |
| Actuarial (loss) recognized due to settlement | (1) | (1) |
| Total recorded in other comprehensive income | \$ (5) | \$ 7 |
| Net periodic benefit cost | 6 | 3 |

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

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| | | | | |
|--|----|---|----|----|
| Total recorded in other comprehensive income and net periodic benefit cost | \$ | 1 | \$ | 10 |
|--|----|---|----|----|

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

| | US Plans | | Non-US Plans | |
|-------------------------------|----------|-------|--------------|-------|
| | 2009 | 2008 | 2009 | 2008 |
| Discount rate | 5.85% | 6.05% | 7.24% | 8.20% |
| Rate of compensation increase | 2.75% | 2.75% | 4.12% | 4.56% |

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 | | |
|--|----------|-------|-------|--------------|-------|-------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Discount rate | 6.05% | 6.20% | 5.90% | 8.63% | 6.74% | 5.80% |
| Expected long-term return on plan assets | 7.25% | 7.25% | 7.25% | 7.65% | 7.25% | 7.20% |
| Rate of compensation increase | 2.75% | 2.75% | 2.75% | 5.30% | 4.39% | 4.00% |

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 and Canadian equity and debt securities, management evaluated historical rates of return achieved on plan assets and the asset allocation of the plans, input from the Company's independent actuaries and investment consultants, and historical trends in long-term inflation rates. Projected return estimates made by such consultants are based upon broad equity and bond indices.

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

Plan Assets - The Company's investment policy for its pension plans is to balance risk and return through diversified portfolios of equity instruments, fixed income securities, and short-term investments. Maturities for fixed income securities are managed such that sufficient liquidity exists to meet near-term benefit payment obligations. For US pension plans, the weighted average target range allocation of assets was 41-81 percent with equity managers, 19-59 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 for US plans and non-US plans is as follows:

| Asset Category | US Plans | | Non-US Plans | |
|-------------------|----------|------|--------------|------|
| | 2009 | 2008 | 2009 | 2008 |
| Equity securities | 53% | 42% | 51% | 45% |
| Debt securities | 46% | 55% | 47% | 46% |
| Other | 1% | 3% | 2% | 9% |
| Total | 100% | 100% | 100% | 100% |

Plan Assets - The Company's investment policy for its pension plans is to balance risk and return through diversified

The Company's pension plan weighted average asset allocation for US plans and non-US plans is as follows:

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

| Asset Category | Fair Value Measurements at December 31, 2009 | | | Total |
|-----------------------|--|---|---|--------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| US Plans: | | | | |
| Equity Index: | | | | |
| US (a) | \$ | \$ | 30 | \$ 30 |
| International (b) | | | 4 | 4 |
| Real Estate (c) | | | 2 | 2 |
| Fixed Income Index: | | | | |
| Intermediate Bond (d) | | | 17 | 17 |
| Long Bond (e) | | | 15 | 15 |
| Cash (f) | | 1 | | 1 |
| Total US Plans | \$ | 1 | \$ 68 | \$ 69 |
| Non-US Plans: | | | | |
| Equity Index: | | | | |
| US (a) | \$ | \$ | 18 | \$ 18 |
| Canada (g) | | | 23 | 23 |
| International (b) | | | 18 | 18 |
| Fixed Income Index: | | | | |
| Long Bond (h) | | | 54 | 54 |
| Cash (f) | | 3 | | 3 |
| Total Non-US Plans | \$ | 3 | \$ 113 | \$ 116 |

(a) This category consists of a passively managed equity index fund that tracks the return of large capitalization US equities.

(b) This category consists of a passively managed equity index fund that tracks an index of returns on international developed market stocks.

(c) This category consists of a passively managed equity index fund that tracks a US real estate equity securities index that includes stocks of real estate investment trusts and real estate operating companies.

(d) This category consists of a passively managed fixed income index fund that tracks the return of intermediate duration US government and investment grade corporate bonds.

(e) This category consists of a passively managed fixed income fund that tracks the return of long duration US government and investment grade corporate bonds.

(f) This category represents cash or cash-like instruments.

(g) This category consists of a passively managed equity index fund that tracks the return of large and mid-sized capitalization equities traded on the Toronto Stock Exchange.

The Company's pension plan weighted average asset allocation for US plans and non-US plans is as follows:

(h) *This category consists of a passively managed fixed income index fund that tracks the return of the universe of Canada government and investment grade corporate bonds.*

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

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In 2009, the Company made cash contributions of \$7 million and \$5 million to its US and non-US pension plans, respectively. The Company anticipates that it will make cash contributions of \$8 million to its non-US pension plans in 2010. The Company has not yet determined the amount, if any, that it will contribute to its US pension plans in 2010. 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 | |
|-------------------|----------|----|--------------|----|
| 2010 | \$ | 4 | \$ | 7 |
| 2011 | | 4 | | 7 |
| 2012 | | 6 | | 7 |
| 2013 | | 4 | | 7 |
| 2014 | | 5 | | 9 |
| Years 2015 - 2019 | | 33 | | 49 |

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, \$6 million and \$5 million in 2009, 2008 and 2007, 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 2009 and 2008, and the amounts recognized in the Company's Consolidated Balance Sheets at December 31, 2009 and 2008, were as follows:

| (in millions) | 2009 | | 2008 | |
|---|------|-----|------|-----|
| Accumulated postretirement benefit obligation | | | | |
| At January 1 | \$ | 59 | \$ | 56 |
| Service cost | | 2 | | 2 |
| Interest cost | | 4 | | 4 |
| Plan amendment | | (1) | | 2 |
| Actuarial loss | | 3 | | |
| Benefits paid | | (2) | | (3) |
| Foreign currency translation | | 1 | | (2) |
| Benefit obligation at December 31 | \$ | 66 | \$ | 59 |
| Fair value of plan assets | | | | |
| Funded Status | \$ | 66 | \$ | 59 |

Amounts recognized in the Consolidated Balance Sheet consist of:

| (in millions) | 2009 | | 2008 | |
|-------------------------|------|----|------|----|
| Current liabilities | \$ | 2 | \$ | 3 |
| Non current liabilities | | 64 | | 56 |
| Net amount recognized | \$ | 66 | \$ | 59 |

Amounts recognized in Accumulated Other Comprehensive Loss consist of:

The Company's pension plan weighted average asset allocation for US plans and non-US plans is as follows:

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| (in millions) | 2009 | | 2008 | |
|-----------------------|------|----|------|----|
| Net actuarial loss | \$ | 13 | \$ | 11 |
| Prior service cost | | 1 | | 2 |
| Net amount recognized | \$ | 14 | \$ | 13 |

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Components of net periodic benefit cost and other amounts recognized in other comprehensive income consisted of the following:

| (in millions) | 2009 | 2008 | 2007 |
|------------------------------------|------|------|------|
| Service cost | \$ 2 | \$ 2 | \$ 1 |
| Interest cost | 4 | 3 | 3 |
| Amortization of actuarial loss | 1 | 1 | |
| Amortization of prior service cost | | | |
| Net periodic benefit cost | \$ 7 | \$ 6 | \$ 4 |

The Company estimates that postretirement benefit expense for 2010 will include approximately \$0.8 million relating to the amortization of its accumulated actuarial loss and \$0.2 million relating to the amortization of its prior service credit included in accumulated other comprehensive loss at December 31, 2009.

Changes in amounts recorded in other comprehensive income for 2009 are as follows:

| (in millions) | |
|--|------|
| Net actuarial loss | \$ 3 |
| Amortization of actuarial (loss) | (1) |
| Plan amendment | (1) |
| Total recorded in other comprehensive income | 1 |
| Net periodic benefit cost | 7 |
| 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:

| | 2009 | 2008 |
|---------------|-------|-------|
| Discount rate | 6.22% | 6.45% |

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

| | 2009 | 2008 | 2007 |
|---------------|-------|-------|-------|
| Discount rate | 6.66% | 6.58% | 5.80% |

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.

The Company's pension plan weighted average asset allocation for US plans and non-US plans is as follows:

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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 2010, declining ratably to 5.0 percent by the year 2018 and remaining at that level thereafter. The US Salaried OPEB Plan post-65 trend rate is assumed to be 3.5 percent per year. For Canada, the Company assumed an increase in the per capita cost of healthcare benefits of 8.0 percent in 2010, 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. 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 10.0 percent in 2010,

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declining ratably to 5.5 percent by the year 2019 and remaining at that level thereafter. An increase in the assumed healthcare cost trend rate by 1 percentage point would increase the accumulated postretirement benefit obligation at December 31, 2009 by \$11 million, while a decrease in the rate of 1 percentage point would decrease the obligation by \$9 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 \$0.8 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) | |
| 2010 | \$ 2 |
| 2011 | 2 |
| 2012 | 3 |
| 2013 | 3 |
| 2014 | 3 |
| Years 2015 - 2019 | 20 |

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 certain retirees. The impact of the Medicare Part D subsidy is immaterial for benefit payment cash flows.

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Balance Sheets Supplementary information is set forth below:

| (in millions) | 2009 | 2008 |
|---|--------|--------|
| Accounts receivable net: | | |
| Accounts receivable trade | \$ 387 | \$ 359 |
| Accounts receivable other | 65 | 278 |
| Allowance for doubtful accounts | (12) | (10) |
| Total accounts receivable net | \$ 440 | \$ 627 |
| Inventories: | | |
| Finished and in process | \$ 176 | \$ 192 |
| Raw materials | 150 | 207 |
| Manufacturing supplies | 68 | 55 |
| Total inventories | \$ 394 | \$ 454 |
| Accrued liabilities: | | |
| Compensation expenses | \$ 40 | \$ 58 |
| Dividends payable | 11 | 11 |
| Accrued interest | 4 | 12 |
| Accrued income taxes | | 7 |
| Taxes payable other than income taxes | 20 | 11 |
| Other | 26 | 26 |
| Total accrued liabilities | \$ 101 | \$ 125 |
| Non-current liabilities: | | |
| Employees pension, indemnity, retirement, and other | \$ 116 | \$ 104 |
| Unrealized losses on cash flow hedges | | 24 |
| Other | 26 | 24 |
| Total non-current liabilities | \$ 142 | \$ 152 |

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Statements of Income - Supplementary information is set forth below:

| (in millions) | 2009 | 2008 | 2007 |
|--|-------|---------|-------|
| Other income (expense)-net: | | | |
| Costs of terminated Bunge merger (a) | \$ | \$ (16) | \$ |
| Gain from sale of land | 2 | 5 | |
| Gain on investment | | | 6 |
| Other | 3 | 15 | 4 |
| Other income (expense)-net | \$ 5 | \$ 4 | \$ 10 |
| Financing costs-net: | | | |
| Interest expense, net of amounts capitalized (b) | \$ 33 | \$ 43 | \$ 50 |
| Interest income | (1) | (5) | (12) |
| Foreign currency transaction (gains) losses | 6 | (9) | 4 |
| Financing costs-net | \$ 38 | \$ 29 | \$ 42 |

(a) 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.

(b) Interest capitalized amounted to \$7 million, \$8 million and \$4 million in 2009, 2008 and 2007, respectively.

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

| (in millions) | 2009 | 2008 | 2007 |
|--|-------|-------|-------|
| Interest paid | \$ 47 | \$ 46 | \$ 47 |
| Income taxes paid | 82 | 108 | 93 |
| Noncash investing and financing activities: | | | |
| Change in fair value and number of shares of redeemable common stock | | (5) | (25) |

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 \$236 million based on current exchange rates as of December 31, 2009 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 \$18 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, 2009, 2008 and 2007 was approximately \$21 million, \$22 million and \$20 million, respectively.

NOTE 11 Redeemable Common Stock

The Company had an agreement with certain common stockholders (collectively the holder), relating to 500,000 shares of the Company's common stock, that provided 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 exercised the put option. This put option was exercisable at any time, until January 2010, when it expired. The holder could have also elected to sell the common shares on the open market, subject to certain restrictions. The common shares that were subject to the put option are classified as redeemable common stock in the Company's Consolidated Balance Sheets. As a result of the expiration of the agreement, the Company will discontinue reporting the shares as redeemable common stock in its Consolidated Balance Sheet in 2010 and reclassify the amount to additional paid-in capital.

During the term of the agreement, the Company had the right, but not the obligation, to extend the put option for an additional three years. Additionally, the holder of the put option could not require the Company to repurchase less than 500,000 shares on any single exercise of the option. In the event the holder had exercised the put option requiring the Company to repurchase the shares, the Company would have been required to pay for the shares within 90 calendar days from the exercise date. Any amount due would have accrued interest at the Company's revolving credit facility rate from the date of exercise until the payment date. The put option has not been extended and has expired.

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The carrying value of the redeemable common stock was \$14 million at both December 31, 2009 and December 31, 2008, 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 (\$29.03 per share and \$28.62 per share at December 31, 2009 and 2008, respectively). Adjustments to mark the redeemable common stock to market value are recorded directly to additional paid-in capital in the 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, 2009 and 2008.

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NOTE 12 - Equity

Preferred stock:

The Company has authorized 25 million shares of \$0.01 par value preferred stock, none of which were issued or outstanding as of December 31, 2009 and December 31, 2008.

Treasury Stock:

During 2009, the Company issued, from treasury, 83,700 restricted common shares and 287,150 common shares upon the exercise of stock options under the stock incentive plan and 146,859 common shares under other incentive plans. 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.

The Company reacquired 17,191, 18,527 and 32,040 shares of its common stock during 2009, 2008 and 2007, 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 \$29.76, \$33.96 and \$44.88, or fair value at the date of purchase, during 2009, 2008 and 2007, 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 2009, the Company repurchased 157,508 common shares in open market transactions at a cost of approximately \$3 million. In 2008, the Company repurchased 25,000 common shares in open market transactions at a cost of approximately \$1 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, 2009, the Company had 4,785,392 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. 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.

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Set forth below is a reconciliation of common stock share activity for the years ended December 31, 2007, 2008 and 2009:

| (Shares of common stock, in thousands) | Issued | Held in Treasury | Redeemable Shares | Outstanding |
|---|--------|------------------|----------------------|-------------|
| 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 |
| Issuance of restricted stock as compensation | | (84) | | 84 |
| Issuance under incentive and other plans | | (147) | | 147 |
| Stock options exercised | | (287) | | 287 |
| Purchase/acquisition of treasury stock | | 175 | | (175) |
| Balance at December 31, 2009 | 75,320 | 434 | 500 | 74,386 |

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, 2009, 2.3 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 2009 was \$6 million, net of income tax effect of \$4 million. Total share-based compensation expense for 2008 was \$9 million, net of income tax effect of \$4 million.

The Company granted nonqualified options to purchase 898,700, 812,800 and 777,600 shares of the Company's common stock during 2009, 2008 and 2007, respectively. The options are exercisable upon vesting, which occurs for grants issued in 2009, 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, 2009, 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:

2009

2008

2007

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| | | | |
|--------------------------|-------|-------|-------|
| Expected life (in years) | 5.3 | 5.3 | 5.3 |
| Risk-free interest rate | 2.0% | 2.9% | 4.8% |
| Expected volatility | 31.2% | 27.0% | 26.8% |
| Expected dividend yield | 2.1% | 1.2% | 1.0% |

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 2009, 2008 and 2007 was estimated to be \$6.36, \$9.06 and \$10.33, respectively.

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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 per Share Exercise Price for Stock Options | Shares of Restricted Stock |
|----------------------------------|---------------------|--------------------------|------------|---|----------------------------|
| 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 | 4,370 | 11.37 | to 40.71 | 24.76 | 179 |
| Granted | 899 | 18.31 | to 25.74 | 25.53 | 84 |
| Exercised / vested | (287) | 11.37 | to 25.83 | 14.82 | (14) |
| Cancelled | (140) | 25.58 | to 34.36 | 30.81 | (14) |
| Outstanding at December 31, 2009 | 4,842 | 11.37 | to 40.71 | 25.32 | 235 |

The intrinsic values of stock options exercised during 2009, 2008 and 2007 were approximately \$4 million, \$14 million and \$20 million, respectively. For the years ended December 31, 2009, 2008 and 2007, cash received from the exercise of stock options was \$4 million, \$11 million and \$16 million, respectively. The excess income tax benefit realized from share-based compensation was \$1 million, \$5 million and \$6 million in 2009, 2008 and 2007, respectively. As of December 31, 2009, the unrecognized compensation cost related to non-vested stock options totaled \$6 million, which will be amortized over the weighted-average period of approximately 1 year.

The following table summarizes information about stock options outstanding at December 31, 2009:

| (shares in thousands) Range of Exercise Prices | Options Outstanding | Weighted Average Exercise Price per Share | Average Remaining Contractual Life (Years) | Options Exercisable | Weighted Average Exercise Price per Share |
|---|---------------------|---|--|---------------------|---|
| \$11.37 to 12.21 | 85 | \$ 11.37 | 0.8 | 85 | \$ 11.37 |
| \$12.22 to 16.28 | 669 | 14.33 | 2.2 | 669 | 14.33 |
| \$16.29 to 20.35 | 489 | 16.93 | 3.8 | 481 | 16.90 |
| \$20.36 to 24.43 | 4 | 21.23 | 5.3 | 4 | 21.23 |
| \$24.44 to 28.50 | 2,188 | 25.45 | 6.9 | 1,345 | 25.36 |
| \$28.51 to 32.57 | 20 | 29.80 | 6.3 | 20 | 29.80 |
| \$32.58 to 36.64 | 1,370 | 34.07 | 7.5 | 757 | 33.97 |
| \$36.65 to 40.71 | 17 | 40.43 | 7.5 | 11 | 40.56 |
| | 4,842 | \$ 25.32 | 6.0 | 3,372 | \$ 23.62 |

The number of options exercisable at December 31, 2009 was 3.4 million.

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Stock options outstanding at December 31, 2009 had an aggregate intrinsic value of approximately \$26 million and an average remaining contractual life of 6.0 years. Stock options exercisable at December 31, 2009 had an aggregate intrinsic value of approximately \$23 million and an average remaining contractual life of 4.9 years. 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.

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

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and the quoted market price of the Company's common stock at the date of the grant. Compensation expense pertaining to these awards was \$2 million in 2009 and \$1 million in both 2008 and 2007.

The following table summarizes restricted share activity for the year ended December 31, 2009:

| (shares in thousands) | Number of Restricted Shares | Weighted Average Fair Value per Share |
|---------------------------------|-----------------------------------|--|
| Non-vested at December 31, 2008 | 179 | \$ 31.02 |
| Granted. | 84 | 25.85 |
| Vested | (14) | 23.77 |
| Cancelled | (14) | 30.63 |
| Non-vested at December 31, 2009 | 235 | 29.60 |

The weighted-average fair value of restricted stock granted in 2009, 2008 and 2007 was \$25.85, \$34.36 and \$34.43, respectively. The total fair value of restricted stock that vested in 2009, 2008 and 2007 was \$.3 million, \$1 million and \$1 million, respectively.

As of December 31, 2009, 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 1.9 years. The recognized compensation cost related to restricted stock totaling \$4 million at December 31, 2009 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 2009, 2008 and 2007 was not material. At December 31, 2009, there were approximately 227,000 share units outstanding under this plan at a carrying value of approximately \$7 million.

The Company has a long term incentive plan for officers under which awards thereunder are classified as equity. 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 2009, 2008 and 2007 was \$.5 million, \$5 million and \$5 million, respectively. As of December 31, 2009, the unrecognized compensation cost relating to these plans was \$3 million, which will be amortized over the remaining requisite service periods of 1 to 2 years. This amount will vary each reporting period based on changes in the probability of attaining the goal. The recognized compensation cost related to these awards totaling \$4

million at December 31, 2009 is included in share-based payments subject to redemption in the Consolidated Balance Sheet.

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Accumulated Other Comprehensive Loss:

A summary of accumulated other comprehensive income (loss) for the years ended December 31, 2007, 2008 and 2009 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, 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 | | | 6 | | 6 |
| Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax | | | 2 | | 2 |
| Unrealized gain on investment, net of income tax | | | | 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) |
| Losses on cash flow hedges, net of income tax effect of \$28 | | (45) | | | (45) |
| Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of \$117 | | 199 | | | 199 |
| Actuarial loss on pension and other postretirement obligations, settlements and plan amendments, net of income tax | | | (5) | | (5) |
| Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax | | | 2 | | 2 |
| Currency translation adjustment | 135 | | | | 135 |
| Balance, December 31, 2009 | \$ (228) | \$ (33) | \$ (45) | \$ (2) | \$ (308) |

NOTE 13 Mexican Tax on Beverages Sweetened with HFCS

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

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

In an award rendered August 18, 2009, the Tribunal awarded damages to CPIIngredientes in the amount of \$58.4 million, representing lost profits in Mexico as a result of the tax and certain out-of-pocket expenses incurred by CPIIngredientes,

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together with accrued interest. On October 1, 2009, the Company submitted to the Tribunal a request for correction of the Award to avoid effective double taxation on the amount of the Award in Mexico. On November 16, 2009, the Company preserved its appeal rights by entering a Notice of Application in the Superior Court of Justice of Ontario, Canada pending the outcome of the request for correction or interpretation. The damages awarded by the Tribunal have not been recorded in the Company's consolidated financial statements.

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) | 2009 | 2008 | 2007 |
|--|----------|----------|----------|
| Net sales to unaffiliated customers (a): | | | |
| North America | \$ 2,268 | \$ 2,370 | \$ 2,052 |
| South America | 1,012 | 1,120 | 925 |
| Asia/Africa | 392 | 454 | 414 |
| Total | \$ 3,672 | \$ 3,944 | \$ 3,391 |
| Operating income: | | | |
| North America | \$ 177 | \$ 313 | \$ 234 |
| South America | 138 | 151 | 115 |
| Asia/Africa | 17 | 38 | 45 |
| Corporate | (54) | (52) | (47) |
| Impairment/restructuring charges (b): | (125) | | |
| Costs of terminated merger | | (16) | |
| Total | \$ 153 | \$ 434 | \$ 347 |
| Total assets: | | | |
| North America | \$ 1,651 | \$ 1,987 | \$ 1,716 |
| South America | 999 | 808 | 902 |
| Asia/Africa | 302 | 412 | 485 |
| Total | \$ 2,952 | \$ 3,207 | \$ 3,103 |
| Depreciation and amortization: | | | |
| North America | \$ 83 | \$ 81 | \$ 83 |
| South America | 36 | 35 | 30 |
| Asia/Africa | 11 | 12 | 12 |
| Total | \$ 130 | \$ 128 | \$ 125 |
| Capital expenditures: | | | |
| North America | \$ 75 | \$ 117 | \$ 90 |
| South America | 54 | 92 | 77 |
| Asia/Africa | 17 | 19 | 10 |
| Total | \$ 146 | \$ 228 | \$ 177 |

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

(b) Includes a \$119 million write-off of goodwill pertaining to the Company's operations in South Korea, a \$5 million write-off of impaired assets in North America and a \$1 million charge for employee severance and related benefit costs primarily attributable to the termination of employees in our Asia/Africa region.

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

| (in millions) | 2009 | | Net Sales 2008 | | 2007 | |
|---------------|------|-------|-------------------|-------|------|-------|
| United States | \$ | 1,124 | \$ | 1,221 | \$ | 1,021 |
| Mexico | | 756 | | 750 | | 668 |
| Brazil | | 522 | | 594 | | 498 |
| Canada | | 388 | | 399 | | 363 |
| Argentina | | 186 | | 200 | | 160 |
| Korea | | 159 | | 187 | | 195 |
| Others | | 537 | | 593 | | 486 |
| Total | \$ | 3,672 | \$ | 3,944 | \$ | 3,391 |

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

| (in millions) | 2009 | | Long-lived Assets 2008 | | 2007 | |
|---------------|------|-------|---------------------------|-------|------|-------|
| United States | \$ | 500 | \$ | 527 | \$ | 506 |
| Mexico | | 398 | | 397 | | 370 |
| Brazil | | 350 | | 261 | | 320 |
| Canada | | 187 | | 165 | | 188 |
| Argentina | | 151 | | 149 | | 137 |
| Korea | | 85 | | 201 | | 276 |
| Others | | 233 | | 206 | | 216 |
| Total | \$ | 1,904 | \$ | 1,906 | \$ | 2,013 |

Table of Contents**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 |
|---|---------|-----------|----------|----------|
| 2009 | | | | |
| Net sales before shipping and handling costs | \$ 881 | \$ 966 | \$ 1,027 | \$ 1,016 |
| Less: shipping and handling costs | 50 | 54 | 56 | 57 |
| Net sales | \$ 831 | \$ 912 | \$ 971 | \$ 959 |
| Gross profit | 93 | 112 | 153 | 163 |
| Net income (loss) attributable to CPI | 17 | (85) | 53 | 56 |
| Basic earnings (loss) per common share of CPI | \$ 0.22 | \$ (1.13) | \$ 0.70 | \$ 0.75 |
| Diluted earnings (loss) per common share of CPI | \$ 0.22 | \$ (1.13) | \$ 0.70 | \$ 0.74 |

| (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 attributable to CPI | 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 |

*Includes a charge of \$125 million (\$110 million after-tax, or \$1.47 per diluted common share) for impaired assets and restructuring costs that was recorded in the second quarter of 2009. See Note 4 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K for additional information.

**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.

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

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and our Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2009. 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, 2009 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, 2009. The effectiveness of our internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their attestation report included herein.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained under the headings Proposal 1. Election of Directors, The Board and Committees and Section 16(a) Beneficial Ownership Reporting Compliance in the Company's definitive proxy statement for the Company's 2010 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 I 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, 2009 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

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The information contained under the heading "2009 and 2008 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 41 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.

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Item 15(a)(3) Exhibits

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

| Exhibit No. | Description |
|-------------|--|
| 3.1* | Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Registration Statement on Form 10, File No. 1-13397 |
| 3.2* | Certificate of 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. 1-13397 |
| 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. 1-13397 |
| 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. 1-13397 |
| 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 |
| 10.1 * *** | Stock Incentive Plan as effective January 28, 2009 filed on February 27, 2009 as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-13397 |

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| | |
|------------|--|
| 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. 1-13397 |
| 10.8** *** | Executive Life Insurance Plan |
| 10.9 * *** | Deferred Compensation Plan, as amended by Amendment No. 1 filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001, File No. 1-13397 |
| 10.10* *** | Annual Incentive Plan as effective 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 filed on February 27, 2009 as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-13397 |
| 10.12** | Tax Sharing Agreement dated December 1, 1997 between the Company and Bestfoods |
| 10.13* *** | Employee Benefits Agreement dated December 1, 1997 between the Company and Bestfoods, filed as Exhibit 4.E to the Company's Registration Statement on Form S-8, File No. 333-43525 |
| 10.14* *** | Executive Life Insurance Plan, Compensation Committee Summary, filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397 |
| 10.15* *** | Form of Executive Life Insurance Plan Participation Agreement and Collateral Assignment entered into by the Named Executive Officers with the exception of Jorge Fiamenghi, filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-13397 |
| 10.16* *** | Form of Performance Share Award Agreement, 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 |
| 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 |

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Company's Current Report on Form 8-K dated January 29, 2007, 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 |
| 10.21* *** | Letter of Agreement dated as of April 2, 2009 between the Company and Ilene S. Gordon, filed on August 6, 2009 as Exhibit 10.21 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2009, file No. 1-13397 |
| 10.22* *** | Consulting Agreement dated as of April 27, 2009 between the Company and Samuel C. Scott III, filed on August 6, 2009 as Exhibit 10.22 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2009, File No. 1-13397 |
| 10.23*** | Form of Notice of Restricted Stock Unit Award Agreement |
| 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.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 26th day of February, 2010.

CORN PRODUCTS INTERNATIONAL, INC.

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant, in the capacities indicated and on the 26th day of February, 2010.

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

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|---|----------|
| *Barbara A. Klein Barbara A. Klein | Director |
| *William S. Norman William S. Norman | Director |
| *James M. Ringler 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.)