

CORN PRODUCTS INTERNATIONAL INC  
Form 10-Q  
November 05, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 10-Q**

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(Mark One)

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

**FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010**

**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 Number)

**5 WESTBROOK CORPORATE CENTER,  
WESTCHESTER, ILLINOIS**

(Address of principal executive offices)

**60154**

(Zip Code)

**(708) 551-2600**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark 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  No

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 smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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

Smaller reporting company

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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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

<b>CLASS</b>	<b>OUTSTANDING AT November 1, 2010</b>
Common Stock, \$.01 par value	75,615,987 shares

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## PART I FINANCIAL INFORMATION

## ITEM 1

## FINANCIAL STATEMENTS

## CORN PRODUCTS INTERNATIONAL, INC. ( CPI )

## Condensed Consolidated Statements of Income

(Unaudited)

(In millions, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net sales before shipping and handling costs	\$ 1,083.4	\$ 1,027.2	\$ 3,144.0	\$ 2,873.7
Less: shipping and handling costs	63.9	56.6	184.2	160.3
Net sales	1,019.5	970.6	2,959.8	2,713.4
Cost of sales	847.9	817.3	2,481.6	2,355.6
Gross profit	171.6	153.3	478.2	357.8
Operating expenses	81.6	65.9	224.5	181.6
Other (income), net	(1.8)	(.4)	(7.2)	(2.5)
Impairment / restructuring charges	3.2		24.0	125.0
Operating income	88.6	87.8	236.9	53.7
Financing costs, net	30.2	9.3	41.7	31.4
Income before income taxes	58.4	78.5	195.2	22.3
Provision for income taxes	19.6	24.5	72.6	33.0
Net income (loss)	38.8	54.0	122.6	(10.7)
Less: Net income attributable to non-controlling interests	1.9	1.2	5.4	4.5
Net income (loss) attributable to CPI	\$ 36.9	\$ 52.8	\$ 117.2	\$ (15.2)
Weighted average common shares outstanding:				
Basic	75.6	74.9	75.5	74.9
Diluted	76.7	75.7	76.6	74.9
Earnings (loss) per common share of CPI:				
Basic	\$ 0.49	\$ .70	\$ 1.55	\$ (0.20)
Diluted	\$ 0.48	\$ .70	\$ 1.53	\$ (0.20)

See Notes to Condensed Consolidated Financial Statements



## PART I FINANCIAL INFORMATION

## ITEM I - FINANCIAL STATEMENTS

## CORN PRODUCTS INTERNATIONAL, INC. ( CPI )

## Condensed Consolidated Balance Sheets

(In millions, except share and per share amounts)	September 30, 2010 (Unaudited)	December 31, 2009
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,587	\$ 175
Accounts receivable - net	478	440
Inventories	419	394
Prepaid expenses	19	13
Deferred income taxes	13	23
<b>Total current assets</b>	<b>2,516</b>	<b>1,045</b>
Property, plant and equipment - net	1,551	1,564
Goodwill and other intangible assets	246	245
Deferred income taxes	2	3
Investments	11	10
Other assets	99	85
<b>Total assets</b>	<b>\$ 4,425</b>	<b>\$ 2,952</b>
<b>Liabilities and equity</b>		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 70	\$ 136
Deferred income taxes		9
Accounts payable and accrued liabilities	500	420
<b>Total current liabilities</b>	<b>570</b>	<b>565</b>
Non-current liabilities	140	142
Long-term debt	1,705	408
Deferred income taxes	120	111
Redeemable common stock (500,000 shares issued and outstanding at December 31, 2009) stated at redemption value		14
Share-based payments subject to redemption	6	8
Equity		
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 - 75,498,270 and 74,819,774 shares issued at September 30, 2010 and December 31, 2009, respectively	1	1
Additional paid-in capital	1,103	1,082
Less: Treasury stock (common stock; 8,429 and 433,596 shares at September 30, 2010 and December 31, 2009, respectively) at cost		(13)
Accumulated other comprehensive loss	(249)	(308)
Retained earnings	1,005	919

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Total CPI stockholders' equity	1,860	1,681
Non-controlling interests	24	23
Total equity	1,884	1,704
<b>Total liabilities and equity</b>	<b>\$ 4,425</b>	<b>\$ 2,952</b>

See Notes to Condensed Consolidated Financial Statements

## PART I FINANCIAL INFORMATION

## ITEM 1

## FINANCIAL STATEMENTS

## CORN PRODUCTS INTERNATIONAL, INC. ( CPI )

## Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net income (loss)	\$ 39	\$ 54	\$ 123	\$ (11)
Other comprehensive income:				
Gains (losses) on cash flow hedges, net of income tax effect of \$10, \$6, \$18 and \$45, respectively	17	(11)	(33)	(75)
Reclassification adjustment for losses on cash flow hedges included in net income (loss), net of income tax effect of \$8, \$30, \$36, and \$94, respectively	14	50	57	157
Unrealized (loss) gain on investment, net of income tax effect	(1)		(1)	1
Currency translation adjustment	53	66	36	126
Comprehensive income	122	159	182	198
Comprehensive income attributable to non-controlling interests	(2)	(1)	(5)	(4)
Comprehensive income attributable to CPI	\$ 120	\$ 158	\$ 177	\$ 194

See Notes to Condensed Consolidated Financial Statements



## PART I FINANCIAL INFORMATION

## ITEM 1

## FINANCIAL STATEMENTS

## CORN PRODUCTS INTERNATIONAL, INC. ( CPI )

## Condensed Consolidated Statements of Equity and Redeemable Equity

(Unaudited)

(in millions)	Common Stock	Additional Paid-In Capital	Treasury Stock	Equity Accumulated Comprehensive Income (Loss)	Other Retained Earnings	Non- controlling Interests	Redeemable Common Stock	Share-based Payments Subject to Redemption
<b>Balance, December 31, 2009</b>	\$ 1	\$ 1,082	\$ (13)	\$ (308)	\$ 919	\$ 23	\$ 14	\$ 8
Net income attributable to CPI					117			
Net income attributable to non-controlling interests						5		
Dividends declared					(31)	(3)		
Losses on cash flow hedges, net of income tax effect of \$18				(33)				
Amount of losses on cash flow hedges reclassified to earnings, net of income tax effect of \$36				57				