

CORN PRODUCTS INTERNATIONAL INC  
Form 10-Q  
August 05, 2011

**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 June 30, 2011**

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.

(Check one):

Large accelerated filer ☒

Accelerated filer ☐

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

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

CLASS
Common Stock, \$.01 par value

OUTSTANDING AT July 29, 2011
76,734,251 shares

# 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 June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net sales before shipping and handling costs	\$ 1,667.3	\$ 1,065.6	\$ 3,202.9	\$ 2,060.6
Less: shipping and handling costs	82.7	62.6	158.9	120.3
Net sales	1,584.6	1,003.0	3,044.0	1,940.3
Cost of sales	1,312.8	839.2	2,474.0	1,633.6
Gross profit	271.8	163.8	570.0	306.7
Operating expenses	137.3	73.2	268.5	143.0
Other (income), net	(2.9)	(4.0)	(63.3)	(5.4)
Restructuring / impairment charges	2.5	18.1	2.5	20.8
Operating income	134.9	76.5	362.3	148.3
Financing costs, net	19.0	6.8	45.6	11.5
Income before income taxes	115.9	69.7	316.7	136.8
Provision for income taxes	34.9	30.9	80.2	53.0
Net income	81.0	38.8	236.5	83.8
Less: Net income attributable to non-controlling interests	1.7	2.0	3.6	3.5
Net income attributable to CPI	\$ 79.3	\$ 36.8	\$ 232.9	\$ 80.3
Weighted average common shares outstanding:				
Basic	76.8	75.5	76.6	75.4
Diluted	78.6	76.6	78.4	76.5
Earnings per common share of CPI:				
Basic	\$ 1.03	\$ 0.49	\$ 3.04	\$ 1.06

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Diluted	\$	1.01	\$	0.48	\$	2.97	\$	1.05
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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)	June 30, 2011 (Unaudited)	December 31, 2010
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 273	\$ 302
Accounts receivable net	801	735
Inventories	861	678
Prepaid expenses	24	20
Deferred income taxes	17	18
Total current assets	1,976	1,753
Property, plant and equipment net	2,158	2,123
Goodwill net	623	635
Other intangible assets net	361	364
Deferred income taxes	64	71
Investments	10	12
Other assets	122	113
<b>Total assets</b>	<b>\$ 5,314</b>	<b>\$ 5,071</b>
<b>Liabilities and equity</b>		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 115	\$ 88
Deferred income taxes	10	12
Accounts payable and accrued liabilities	723	791
Total current liabilities	848	891
Non-current liabilities	250	240
Long-term debt	1,653	1,681
Deferred income taxes	249	249
Share-based payments subject to redemption	8	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 76,732,016 and 76,034,780 shares issued at June 30, 2011 and December 31, 2010, respectively	1	1
Additional paid-in capital	1,143	1,120
Less: Treasury stock (common stock; 79,702 and 11,529 shares at June 30, 2011 and December 31, 2010, respectively) at cost	(4)	(1)
Accumulated other comprehensive loss	(117)	(190)
Retained earnings	1,256	1,046
Total CPI stockholders' equity	2,279	1,976

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Non-controlling interests		27		26
Total equity		2,306		2,002
<b>Total liabilities and equity</b>	<b>\$</b>	<b>5,314</b>	<b>\$</b>	<b>5,071</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 June 30,				Six Months Ended June 30,			
	2011		2010		2011		2010	
Net income	\$	81	\$	39	\$	237	\$	84
Other comprehensive income:								
Gains (losses) on cash flow hedges, net of income tax effect of \$7, \$2, \$31 and \$28, respectively		11		3		51		(50)
Reclassification adjustment for (gains) losses on cash flow hedges included in net income, net of income tax effect of \$17, \$12, \$29, and \$28, respectively		(28)		21		(48)		43
Currency translation adjustment		45		(24)		70		(17)
Comprehensive income		109		39		310		60
Comprehensive income attributable to non-controlling interests		(2)		(2)		(4)		(4)
Comprehensive income attributable to CPI	\$	107	\$	37	\$	306	\$	56

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)

	Total Equity							Share-based Payments Subject to Redemption
(in millions)	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non- controlling Interests		
<b>Balance, December 31, 2010</b>	<b>\$ 1</b>	<b>\$ 1,120</b>	<b>\$ (1)</b>	<b>\$ (190)</b>	<b>\$ 1,046</b>	<b>\$ 26</b>	<b>\$ 8</b>	
Net income attributable to CPI					233			
Net income attributable to non-controlling interests						4		
Dividends declared					(23)	(3)		
Gains on cash flow hedges, net of income tax effect of \$31				51				
Amount of gains on cash flow hedges reclassified to earnings, net of income tax effect of \$29				(48)				
Repurchases of common stock			(3)					
Share-based compensation		23						
Currency translation adjustment								