



Dear Fellow Shareholders

Our Strategic Blueprint continues to guide our transformation from an ingredient manufacturer to a collaborative provider of on-trend ingredient solutions. From clean labels and simple ingredients to added fiber and non-GMO ingredients, evolving trends are fueling rapid change in the consumer products industries. We are well positioned to help customers navigate and adapt to this rapid, ongoing change and develop innovative products that win in the marketplace.

I am pleased to report that 2016 was another excellent year for Ingredion as we once again delivered outstanding shareholder value. We ended the year with record EPS and operating income while generating record operating cash flow. And, return on capital employed was more than 12 percent, exceeding our stated, long-term objective of 10 percent.

Our success can be attributed largely to our relentless focus on executing our Strategic Blueprint for growth. When we developed it more than seven years ago, we knew the world was changing at an unprecedented pace and that we, too, had to change to remain competitive. We also knew that to create long-term value we needed a solid approach that would guide us for a decade or more. Our Strategic Blueprint has proven to be extremely effective over the years.

Operating excellence, which enhances our productivity and efficiency, is the foundation of our strategy. Ongoing continuous improvement programs that reduce waste, improve efficiencies or augment capacity significantly contributed to margin expansion. A number of quality upgrades in our facilities improved our competitive advantage. We exceeded synergy cost targets on

the Penford integration, improved our manufacturing network in North America and were ahead of schedule on our network optimization plan in Brazil.

Organic growth is the first pillar of our strategy. Volumes were flat in 2016 as we faced considerable economic headwinds in parts of South America. However, we realigned the portfolio, which contributed to an improved price mix in both our specialty and core ingredients, and a six percent increase in net sales.

We continued to grow sales of higher-value specialty ingredients, accounting for 26 percent of 2016 revenue. And, we strategically

Our Strategic Blueprint



invested to expand specialty capacity, accommodating growing customer demand. The acquisition of the Shandong Huanong corn facility in China gave us more control of the supply chain while capital investments in our manufacturing facilities in the United States, Thailand and Mexico supported local demand for core as well as specialty products.

Addressing the second strategic pillar, we continued to broaden our portfolio of ingredient solutions in alignment with changing consumer trends, including preferences for clean labels and healthy products made with simple ingredients and innovative textures. The acquisition of TIC Gums in December expands our higher-value specialty portfolio with even more texture offerings, including non-starch hydrocolloids, primarily gums. Additionally, TIC's expertise customizing advanced texture systems (combinations of several types of synergistic texturizers) gives us a competitive edge and expands our customer base into the small to medium-sized companies that are driving innovation in the food and beverage industry.

We continued our advancements in sweetness ingredient offerings with a superior-tasting variety of stevia through a distribution agreement with SweeGen. The addition of SweeGen's products gives us even more sweetener solutions to meet customer needs for taste, performance and value. Plus, we see synergy opportunities with other sweeteners in our current portfolio.

Our geographic scope, the third pillar of our strategy, sets us apart in a couple of ways. First, as a global company with local management and expertise, we are uniquely positioned to quickly adapt to local trends and accommodate the needs of local customers. Second, our geographic diversity helps shield us against macroeconomic risks. In 2016, economic headwinds from a strong U.S. dollar and weak economies in Argentina and Brazil were partially offset by stronger performance in other geographies.

In South America, we maintained a tight focus on cost and network optimization. Over the longer term, the underlying demographics should favor our business, and we are well positioned to take advantage of an economic recovery when it materializes.

Ultimately, our Strategic Blueprint continues to deliver superior shareholder value, significantly outpacing major indices, such as the S&P 500. Our record cash flow allowed us to increase the dividend by 11 percent in 2016, and we will continue to explore value-enhancing acquisitions in an increasingly competitive environment.

Ingredion was again recognized for our achievements by various third parties. In 2016, as in years past, we were named to the Ethisphere Institute's list of the World's Most Ethical Companies,

Long-term investment value

We are rapidly progressing in our strategy to build upon our position as a global specialty ingredient leader. This is the value we aim to deliver to our shareholders: strong and sustained growth in total and specialty ingredient sales, margin expansions, return on capital and positive earnings. We are on track to achieve our objectives:



* Represents real gross margin absolute dollar growth versus 2014; actual margins vary due to pass-through of changes in raw material costs.

and FORTUNE's World's Most Admired Companies. And, *Forbes* magazine identified us as one of the Best Midsize Employers.

Our success would not be possible without the talent and dedication of our employees and directors; I appreciate their loyalty and hard work. A special thanks to Jack Fortnum, who will be retiring in the coming months. As CFO, Jack's leadership has been critical to our transformation and success. While he will be missed, after 33 years of dedicated service we wish him all the best in his retirement.

Finally, I appreciate the confidence that you, our shareholders, have in Ingredion. We will continue to manage your assets wisely and responsibly, with the goal of creating superior value and return.

Sincerely,



Ilene S. Gordon

Chairman, President and Chief Executive Officer

April 4, 2017