



## Corn Products International, Inc. Reports First Quarter 2002 Results

April 18, 2002

BEDFORD PARK, Ill., Apr 18, 2002 /PRNewswire-FirstCall via COMTEX/ --Provides 2002 Outlook

Corn Products International, Inc. (NYSE: CPO) today reported fully diluted earnings of \$0.31 per share for the quarter ended March 31, 2002, compared to \$0.36 per share last year. The current period results included nonrecurring earnings of \$0.08 per fully diluted share, consisting of a one-time gain from the sale of assets, partially offset by a restructuring charge.

The Company recorded an \$8 million pretax gain from the February 2002 sale of its US enzyme facility and incurred a net \$3 million pretax restructuring charge associated with further workforce reductions in North America. Excluding the net special items, earnings for the quarter were \$0.23 per fully diluted share.

Total net sales for the first quarter of 2002 were \$432 million, down from \$454 million in the same three months last year, or a 5-percent decline, but were up 1 percent excluding the impact of weaker currencies. The Company also reported gross profit of \$58.8 million for the January through March 2002 quarter, down 22 percent from \$75.0 million for the same 2001 period.

For the first quarter of 2002, compared with the same period last year, operating income declined 20 percent to \$31.5 million, down from \$39.6 million. Excluding the net special items, first quarter 2002 operating income declined 32 percent to \$26.9 million. Net income was \$11.2 million, down from \$12.7 million, or 12 percent. Excluding the net special items, net income for the same period was \$8.2 million.

Financing costs of \$9.6 million for the quarter decreased from \$15.5 million a year earlier, reflecting lower interest rates and reduced debt. The tax rate was increased by 1 percent to 36 percent, following the change in the composition of domestic versus international earnings.

"Our ongoing priority is to improve North American profitability," said Sam Scott, chairman, president and chief executive officer. "During the first quarter, we reduced our North American workforce by an additional 200 people. We expect an immediate payback from these actions."

The quarter's results reflect a significant impact from Mexico's imposition of a confiscatory tax on soft drinks using high fructose corn syrup (HFCS), as earlier forecast in the Company's January 24, 2002, press release. On March 5, 2002, the Mexican government temporarily suspended the tax until September 30, 2002.

"Although we are selling HFCS today to the beverage industry, we are operating our Mexican HFCS channel at a reduced rate," Scott said. "We are disappointed in the level of orders that we have received following the temporary suspension of the tax. While we are hopeful for a permanent solution ahead of the fall deadline, it is likely that more time will be needed for our Mexican customers to return to more normal purchasing levels."

The Company also said that the situation in Argentina remains unstable. On January 6, 2002, the Argentine government dramatically devalued its currency by 40 percent. Since then, the peso's value has deteriorated significantly further. "However," Scott said, "I am pleased with our progress to date, adjusting to the economic situation. Volume has held up reasonably well considering the extent of the difficulties and by quarter's end, dollar results began to improve, reflecting the real economic value of our products."

### Business Breakdown By Region

In North America, net sales of \$276 million for the first quarter 2002 were down 2 percent from \$280 million in 2001. This was primarily due to the sale of the Company's US enzyme operation. US/Canadian net sales were up 8 percent, reflecting price increases in sweeteners, starches and corn oil. For the quarter, US/Canadian volume was flat. In Mexico, volume was off by 17 percent, due to the HFCS tax problem. Operating income for the region was \$6.7 million in the first quarter of 2002, down 55 percent from \$15.0 million last year.

In South America, net sales were \$98 million in the first quarter of 2002, down 16 percent from \$117 million in the same period in 2001, primarily due to the Argentine devaluation and economic situation. Net sales in Brazil were off about 15 percent, reflecting the weaker currency versus last year and soft demand early in the quarter. Operating income for the region reached \$13.7 million in the quarter, down 28 percent from the \$18.9 million earned during the same quarter last year.

In Asia/Africa, net sales increased slightly to \$58 million in the first quarter of 2002, from \$57 million in the comparable prior year period. Operating income for the region reached \$11.9 million in the quarter, up 13 percent from the \$10.5 million reported during the same quarter last year.

### 2002 OUTLOOK

Looking ahead, Scott said, "With what we know today, we expect our 2002 earnings per share to exceed last year's performance. Our North American cost reduction efforts and our projections for stronger performance in our US and Canadian businesses are contributing to this earnings growth. Furthermore, we believe that underlying economic conditions are improving for our important businesses in Brazil and Korea. In Mexico, our operating-income run rate has improved with the partial restart of HFCS sales to the soft drink industry; however, we will continue our efforts to resolve our Mexican problem permanently."

Scott concluded, "Even under these challenging conditions, our business continues to produce significant cash flow. During the past 12 months, we have reduced our debt by \$83 million, \$35 million of which was in the first quarter. By year-end, we expect our debt to be reduced by an additional \$70 million as a result of increased earnings, our global working capital initiative and restrained capital expenditures. In sum, we intend to continue to improve our financial flexibility."

A real-time web cast, available on the Corn Products International web site, <http://www.cornproducts.com>, will follow this release today at 10 a.m. CDT.

About Corn Products International, Inc.

The Company is 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 Company is the No. 1 worldwide producer of dextrose and a leading regional producer of starch, high fructose corn syrup and glucose. In 2001, the Company recorded sales of \$1.9 billion with operations in 19 countries at 42 plants, including wholly owned businesses, affiliates and alliances. Headquartered in Bedford Park, Ill., it was founded in 1906. The Company is listed on the New York Stock Exchange under the symbol CPO. Additional information can be found on the World Wide Web at [www.cornproducts.com](http://www.cornproducts.com).

This press release contains or may contain certain forward-looking statements concerning the Company's financial position, business and future earnings and prospects, in addition to other statements using words such as "anticipate," "believe," "plan," "estimate," "expect," "intend" and other similar expressions. These statements contain certain inherent risks and uncertainties. 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 conveyed in these statements, based on factors such as the following: fluctuations in worldwide commodities markets and the associated risks of hedging against such fluctuations; fluctuations in aggregate industry supply and market demand; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we manufacture and sell our products, including fluctuations in the value of local currencies, energy costs and availability and changes in regulatory controls regarding quotas, tariffs, taxes and biotechnology issues; and increased competitive and/or customer pressure in the corn refining industry. 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. 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 risk factors, see the Company's most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q or 8-K.

CORN PRODUCTS INTERNATIONAL, INC.  
Condensed Consolidated Statements of Income  
(Unaudited)

(All figures are in millions, except per share amounts)

	Three Months Ended		Change %
	March 31,		
	2002	2001	
Net sales before shipping and handling costs	\$457.7	\$498.7	-8 %
Less: Shipping and handling costs	25.8	44.1	-41 %
Net sales	431.9	454.6	-5 %
Cost of sales	373.1	379.6	-2 %
Gross profit	58.8	75.0	-22 %
Operating expense	36.9	39.8	-7 %
Income from non-consolidated affiliates and other income	9.6	4.4	118 %
Operating income	31.5	39.6	-20 %
Financing costs	9.6	15.5	-38 %
Income before taxes	21.9	24.1	-9 %
Provision for income taxes	7.9	8.4	
	14.0	15.7	-11 %
Minority stockholders' interest	2.8	3.0	-7 %
Net income	\$11.2	\$12.7	-12 %
Weighted average common shares outstanding:			
Basic	35.5	35.3	
Diluted	35.6	35.5	

Earnings per common share:			
Basic	\$0.31	\$0.36	-14 %
Diluted	\$0.31	\$0.36	-14 %

CORN PRODUCTS INTERNATIONAL, INC.  
Condensed Consolidated Balance Sheets

(In millions, except share amounts)	March 31, 2002	December 31, 2001
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$41	\$65
Accounts receivable - net	252	279
Inventories	190	201
Prepaid expenses	13	10
Total current assets	496	555
Property, plant and equipment - net	1,220	1,293
Goodwill, net of accumulated amortization	264	283
Deferred tax asset	20	20
Investments	41	41
Other assets	34	35
Total assets	\$2,075	\$2,227
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Short-term borrowings and current portion of long-term debt	419	444
Accounts payable and accrued liabilities	203	231
Total current liabilities	622	675
Non-current liabilities	51	50
Long-term debt	302	312
Deferred income taxes	193	186
Minority interest in subsidiaries	97	147
<b>Stockholders' equity</b>		
Preferred stock - authorized 25,000,000 shares- \$0.01 par value, none issued	-	-
Common stock - authorized 200,000,000 shares- \$0.01 par value - 37,659,887 issued at March 31, 2002 and December 31, 2001	1	1
Additional paid in capital	1,073	1,073
Less: Treasury stock (common stock; 2,133,277 and 2,253,578 shares on March 31, 2002 and December 31, 2001, respectively) at cost	(53)	(56)
Deferred compensation - restricted stock	(3)	(3)
Accumulated other comprehensive loss	(390)	(333)
Retained earnings	182	175
Total stockholders' equity	810	857
Total liabilities and stockholders' equity	\$2,075	\$2,227

CORN PRODUCTS INTERNATIONAL, INC.  
Condensed Consolidated Statements of Cash Flows

(In millions)	For The Three Months Ended March 31,	
	2002	2001
Cash provided by (used for) operating activities:		
Net income	\$11	\$13
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	26	33
Gain on sale of business	(8)	-
Increase in trade working capital	(6)	(46)
Other	4	(4)
Cash provided by operating activities	27	(4)
Cash provided by (used for) investing activities:		
Capital expenditures, net of proceeds on disposal	(13)	(13)
Proceeds from sale of business	35	-
Payments for acquisitions, net of cash acquired	(42)	(75)
Cash used for investing activities	(20)	(88)
Cash provided by (used for) financing activities:		
Proceeds from borrowings	27	106
Payments on debt	(52)	(14)
Dividends paid	(4)	(4)
Cash (used for) provided by financing activities	(29)	88
Effect of foreign exchange rate changes on cash	(2)	-
Decrease in cash and cash equivalents	(24)	(4)
Cash and cash equivalents, beginning of period	65	41
Cash and cash equivalents, end of period	\$41	\$37

CORN PRODUCTS INTERNATIONAL, INC.  
Supplemental Financial Information  
(Unaudited)

(Dollars in millions, except  
per share amounts)

I. Geographic Information of Net Sales and Operating Income

	Three Months Ended March 31,		Change
	2002	2001*	%
Net sales			
North America	\$275.8	\$280.1	-2 %
South America	98.2	117.4	-16 %
Asia/Africa	57.9	57.1	1 %
Total	\$431.9	\$454.6	-5 %
Operating income			
North America	\$6.7	\$15.0	-55 %
South America	13.7	18.9	-28 %
Asia/Africa	11.9	10.5	13 %
Corporate	(5.4)	(4.8)	13 %
Non-recurring items, net	4.6	-	
Total	\$31.5	\$39.6	-20 %

\*Certain prior year amounts have been reclassified in order to conform with current year presentation.

II. Estimated Source of Earnings Per Share for the Three Months Ended  
March 31

The following is a list of the major items that impacted first quarter results. The amounts are calculated on a net after-tax basis and attempt to estimate total business effects.

	Earnings Per Share
	Three
	Months
Earnings Per Share - March 31, 2001	\$0.36
Change	
Volumes	(0.11)
Operating margin	(0.06)
Goodwill amortization	0.05
Foreign currency translation	(0.11)
Financing costs	0.11
Tax rate	(0.01)
Non-recurring items, net	0.08
Net Change	(0.05)
Earnings Per Share - March 31, 2002	\$0.31

III. Capital expenditures

Capital expenditures were \$13 million for each of the quarters ended March 31, 2002 and 2001.

Capital expenditures for the full year will be at least 10% less than last year. We are currently reviewing our alternatives considering the events in Mexico and Argentina.

SOURCE

Corn Products International, Inc.

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