

# CRAIN'S LIST CHICAGO'S LARGEST PUBLIC COMPANIES

## Corn Products: How sweet it is

Running a business that turns corn into syrup is not all sweetness. Interest in biofuels has increased demand for corn, doubling its price over the last decade to \$4 a bushel. And some countries have imposed higher taxes on drinks made with high-fructose corn syrup, hurting sales.

Yet Corn Products International Inc., which makes a variety of food ingredients from corn and other starches like cassava, has not only survived for 101 years, but grown. In 2006, sales reached a record \$2.62 billion, up 11% from the year before.

With many competitors producing ethanol instead of high-fructose corn syrup, Corn Products has been able to raise its prices.

"In the U.S. and Canadian markets, you can pass on your corn costs if you have tight utilization rates," Chief Financial Officer Cheryl Beebe says. "They're tight because there's been no expansion in the industry for 10 years."

Corn Products, which was spun off from mayonnaise maker Best Foods in 1998, operates 35 factories in 15 countries. It estimates its plants in South America account for 70% of all corn refining on that continent.

Sixty-six percent of Corn Products' sales come from sweeteners, which are used in drinks, breads and desserts, and from dextrose, an ingredient pharmaceutical companies add to intravenous solutions. Another 22% of sales derive from starches used in baking ingredients and paper production.

While its largest competitor, Archer Daniels Midland Co., is ramping up ethanol production, Corn Products has stuck to food and industrial ingredients. But it's broadening its offerings. In February 2006, it acquired Getec Guanabara Quimica Industrial S.A. in Brazil and SPI Polyols Inc. of Delaware, two producers of polyol, a sugar-free, reduced-calorie sweetener used in chewing gum and oral-care products. In 2004, Corn Products acquired a majority interest in GTC Nutrition, a Golden, Colo., producer of nutritional ingredients like oat bran concentrate added to dietary supplements.

"Acquisitions like these are where additional growth will come from," says Joseph Agnese, an equity analyst with Standard & Poor's in New York. "The specialty product category has wider margins."

*Samantha  
Stainburn*



December 31, 2007

\*\*\*\*\*  
Corn Products  
is public  
company  
**#49**  
See Page 39  
\*\*\*\*\*