

UBS European Midcap conference

London, May 15, 2007

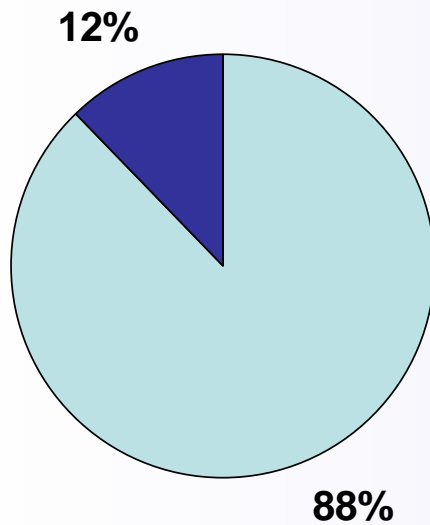


CSM's Corporate Structure

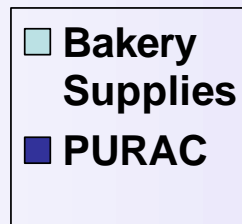
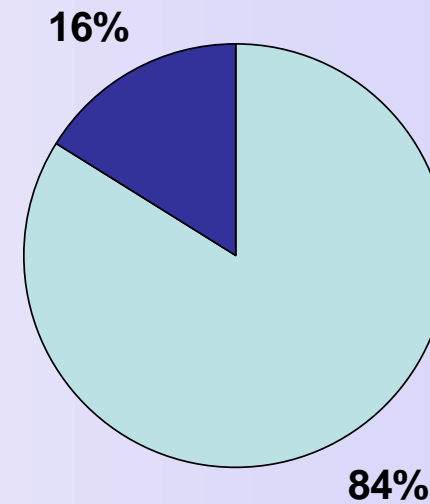


CSM – 2006

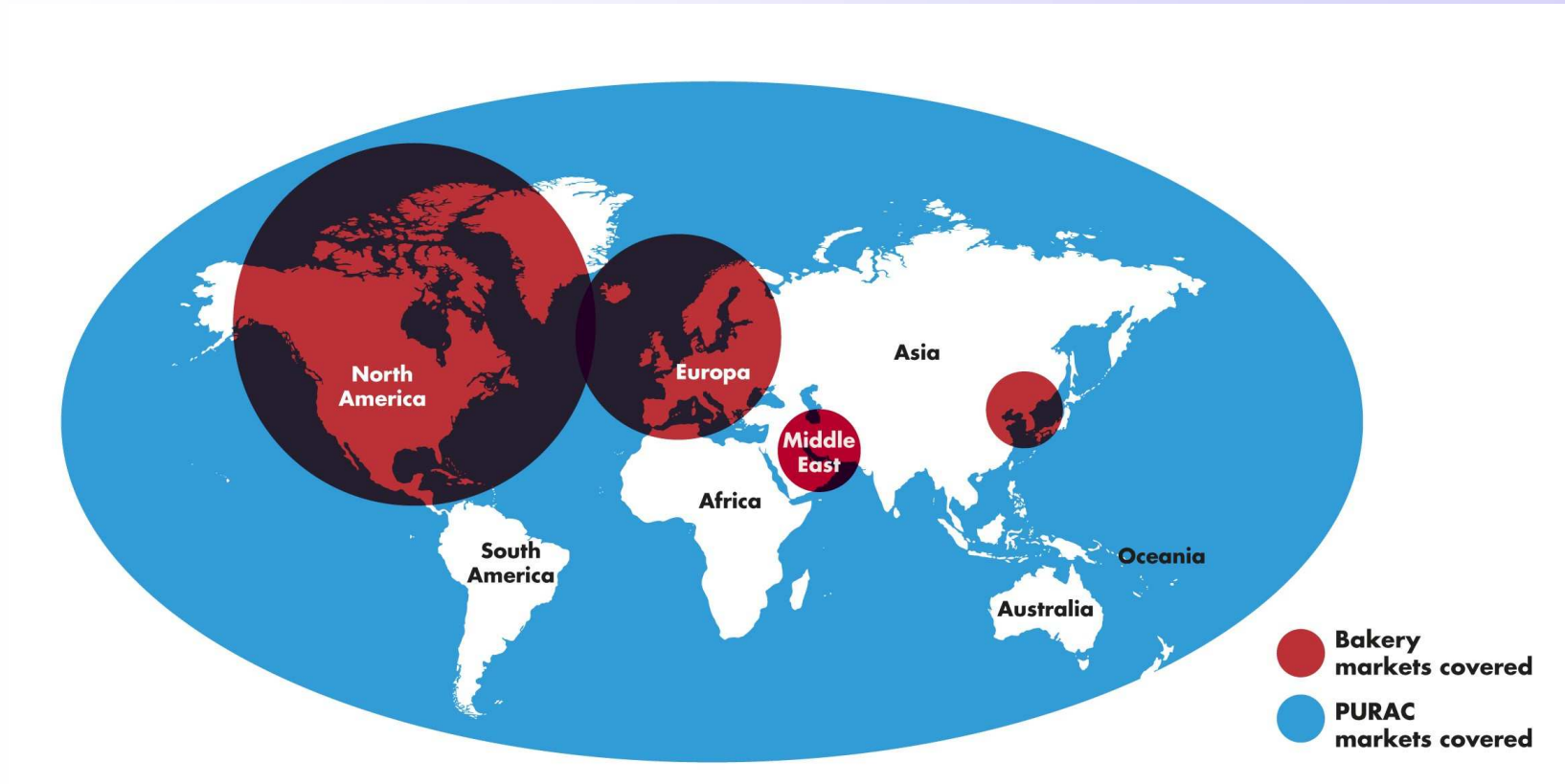
Sales 2006



Ebita 2006

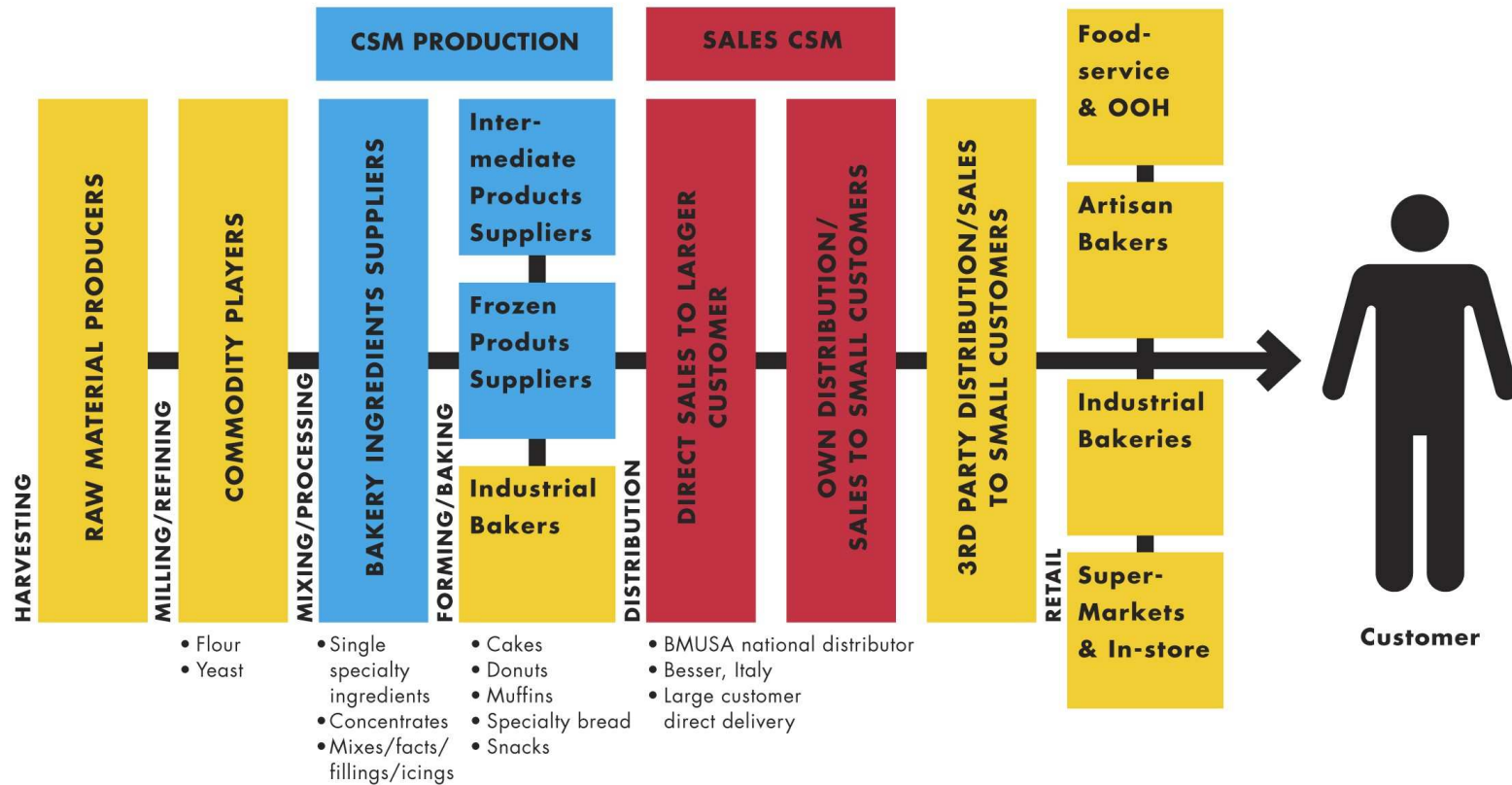


Bakery Supplies and Lactic Acid – markets



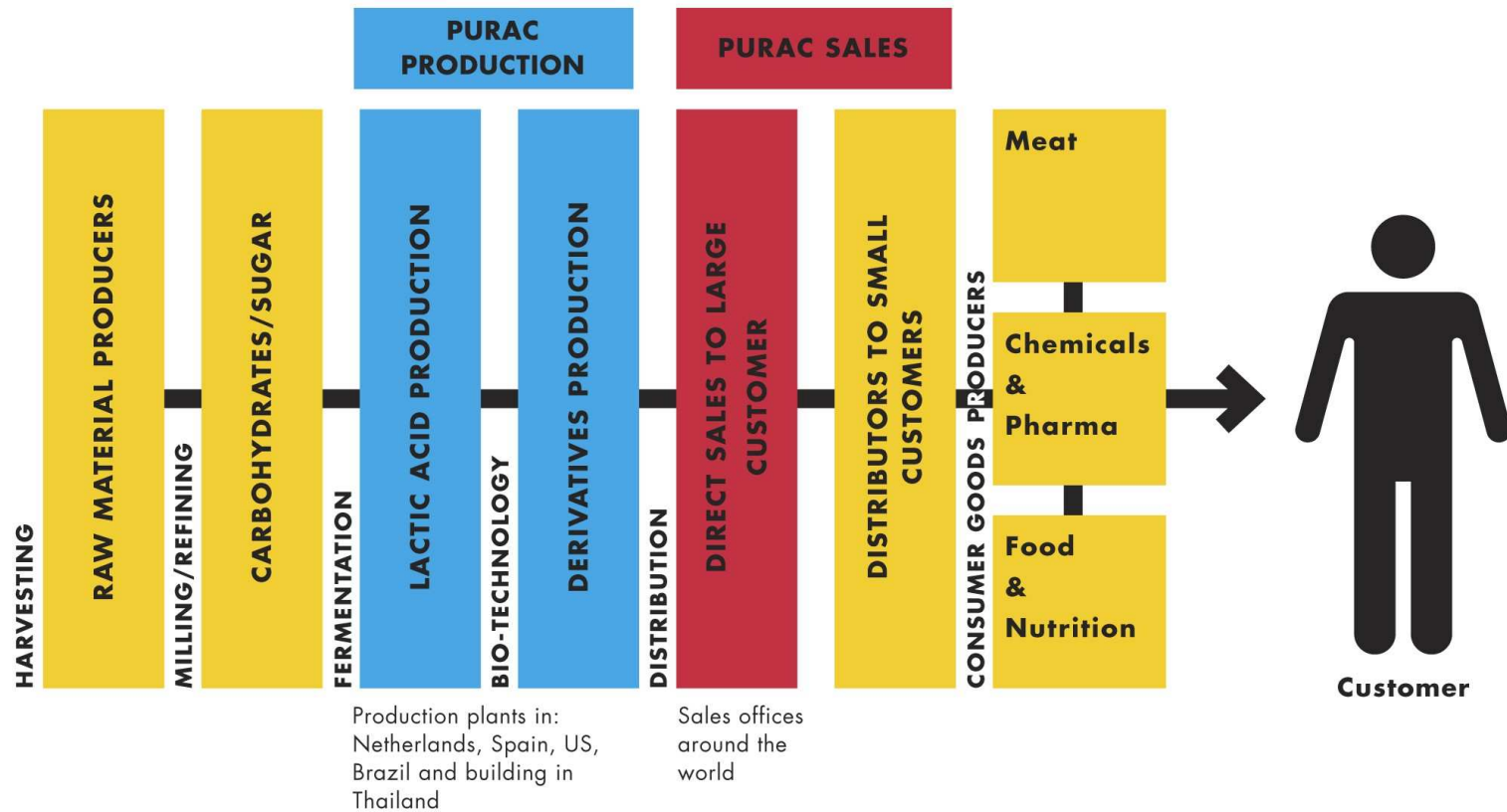
The Bakery Value Chain

BAKERY VALUE CHAIN



The Lactic Acid Value Chain

LACTIC ACID VALUE CHAIN



CSM

The # 1 player in
Bakery Supplies & Lactic Acid



Bakery Supplies: strategy

Exploiting the opportunities of being # 1 in the industry

- **Cost leadership:** streamline our organization to leverage our scale and drive down costs
- **Innovation:** use our innovation leadership and market knowledge in Europe and the US to triple sales from new products to 15%
- **Services:** roll out successful local services to our customers in other regions
- **Organic growth:** focus on growing segments to achieve top line growth 1-2% above market growth
- **Acquisitions:** consolidation strategy in Europe and the US and selective entry into new growth markets in due course
- **Capital:** we will restrict capex to no more than depreciation and improve our working capital / sales ratio

PURAC: strategy

Exploiting the benefits of being the #1 in lactic acid and derivatives

- Cost leadership: Drive down costs, implement operational excellence program, reduce working capital
- Technology leadership: Continue to introduce new products and more efficient production technology.
- Move from functional to customer orientation:
Market-driven re-organisation into Market Units to increase customer focus
- Organic growth: Continue to develop added value segment, optimize exposure to mature segment

Plans and targets until 2008

Improve results considerably

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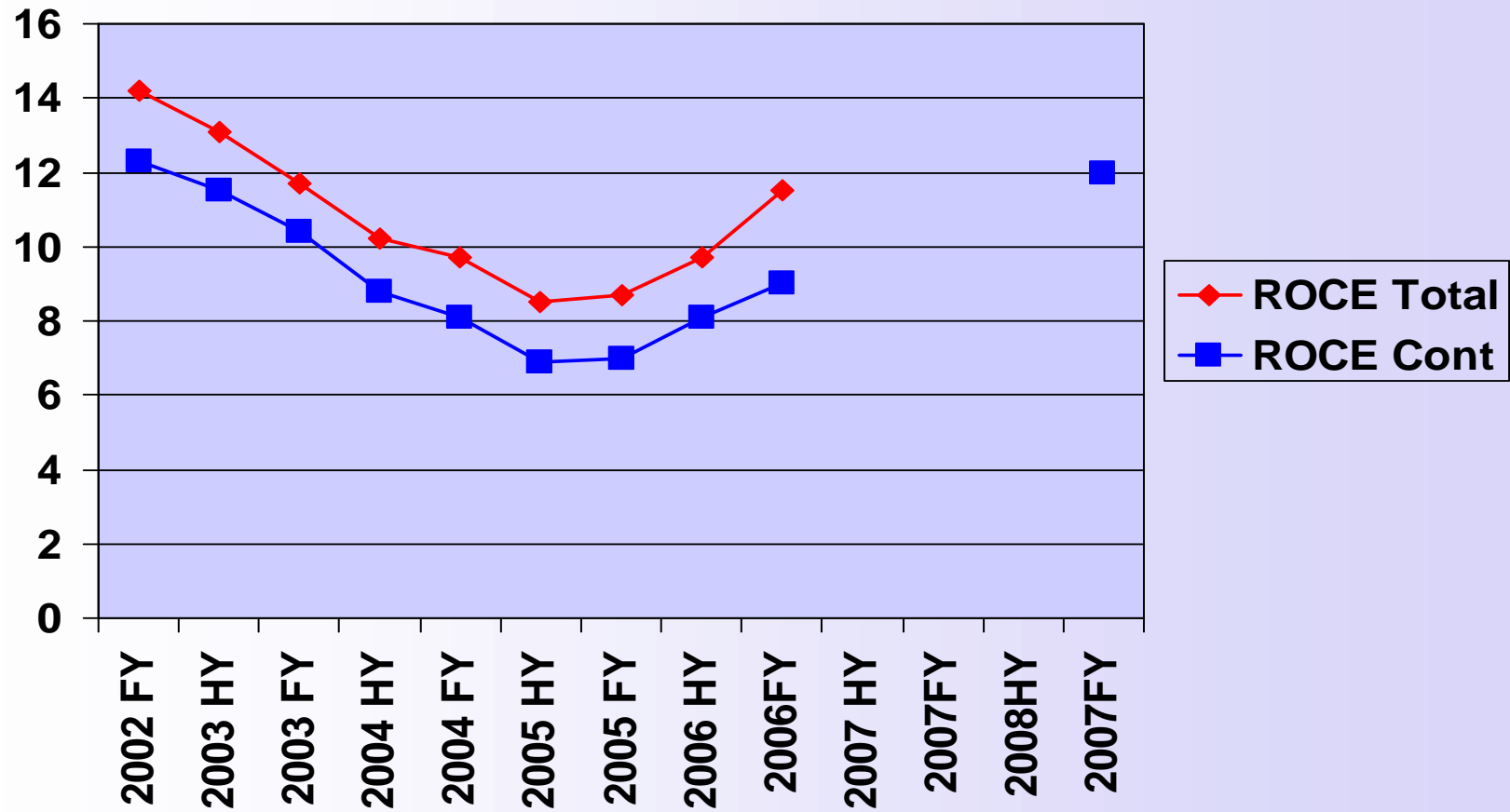
Position the company for growth



Targets 2008

	ROS			ROCE		
	2008	2005	2006	2008	2005	2006
Bakery Supplies	8-10%	5.9%	6.7%	11-13%	8.1%	10.1%
Purac	15-20%	8.0%	9.2%	15-20%	7.8%	8.7%
Total CSM continued	8.5%	5.4%	6.4%	12%	7.0%	9.0%
Total CSM	8.5%	6.5%	7.8%	12%	8.7%	11.5%

Target : Improve Group ROCE *



* before exceptional expenses, 12 months rolling.

Actions to get there

- 1 – Create an effective & efficient organization
- 2 – Organize for Autonomous growth
- 3 – Invest in and divest parts of the company to optimize our market position.

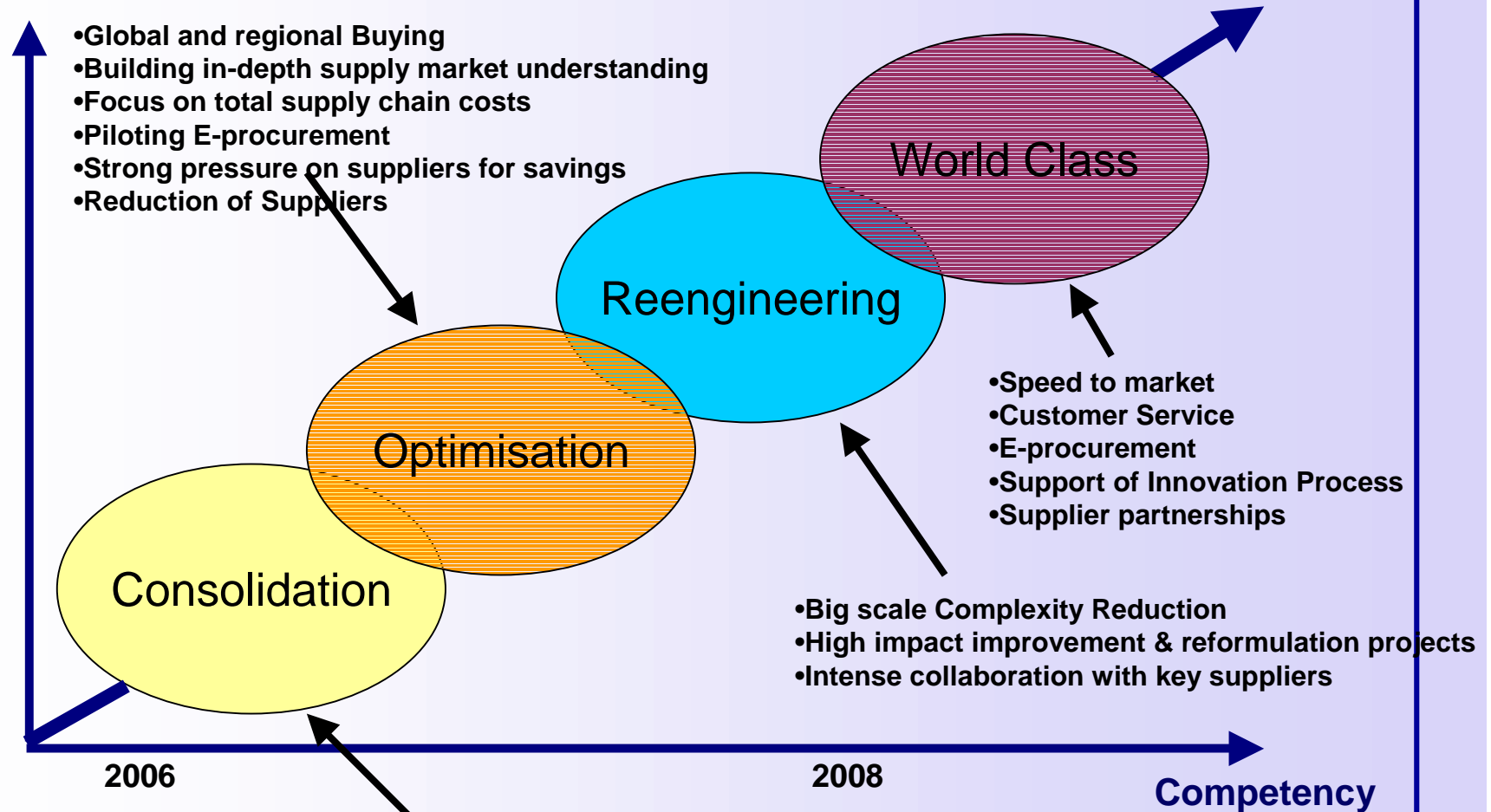
€110 million 3-S program

	plan				Plan 2008	
	2005	2006	2007	2008		
Savings	15	55	85	110	110	
Restructuring expenses	60	40	20		120	

	2005		2006		Plan 2008	Project to date
	1st half	2nd half	1st half	2nd half		
<u>Savings per:</u>						
BSEU	2	2	10	17		27
BSNA	<u>0</u>	<u>4</u>	<u>3</u>	<u>8</u>		<u>11</u>
Total Bakery Supplies	2	6	13	25	75	38
Purac	0	0	5	7	20	12
Sugar	5	6	5	6	12	11
Corporate	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>1</u>
Total	7	12	23	39	110	62
<u>Split in:</u>						
Restructuring projects	7	12	17	29	65	46
Purchasing			6	10	45	16
Restructuring expenses		58	17	7	120	82
Cash out		25	19	7	80	51
FTE reduction		696	170	80		946

Procurement savings target of 45 Mio

Organisational Focus



Actions to get there

- 1 – Create an effective & efficient organization
- 2 – Organize for Autonomous growth
- 3 – Invest in and divest in parts of the company to optimize our market position.

2 - Organize for Autonomous growth

Growth at both Bakery & Purac will be driven by:

- Innovations, sales from new products has to increase from 7% (2006) to 15% (2008)
- Being close to our customers and support them with value added services
- Focus the organization on growth segments

Organizing Bakery for autonomous growth

- Innovation:
 - Appointed one R&D Director for Bakery
 - Development of Innovation Centers in EU and US
 - Invest substantial in improving skills and knowledge
 - Close relationship with suppliers to build upon their knowledge

- Being close to the customer & focus on growth segments:
 - Organizational change into three market units, US done, EU 2007:
 - Artisan/Small customers (focus on Ingredients)
 - Industrial Bakers (focus on Ingredients)
 - In-Store and Out of Home (focus on Frozen products)

Innovation Opportunities

Consumer trends in the bakery market

- Health/ Wellness – Obesity
- Snacking/ Consumption on the Move
- Time Pressure
- Indulgence
- Individualization
- New Traditionalism
- All natural (bio)

➔ Inspiration for consumer driven Innovations!



Innovation Opportunities

Customer trends in the bakery market

- Shift between channels (differs per country)
- Changes in point of baking (more bundling) and point of sales (availability)
- Lack of baking skills and shift to convenience products
- Consolidation & concentration

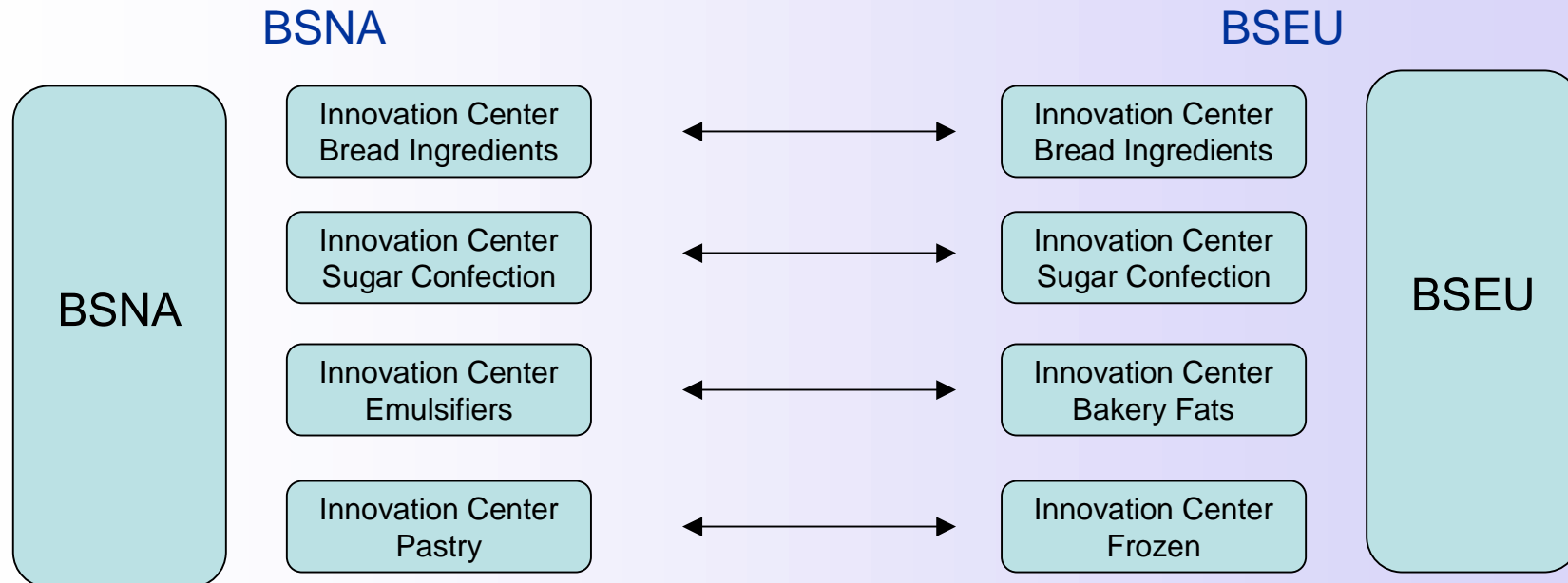
➔ Inspiration for customer driven Innovations & Services !

Innovations

sales from new products from 5% (2005) to 15% (2008)

New R&D / Innovations structure being build for Bakery

Leveraging our Technology World-Wide



Organizing Purac for autonomous growth

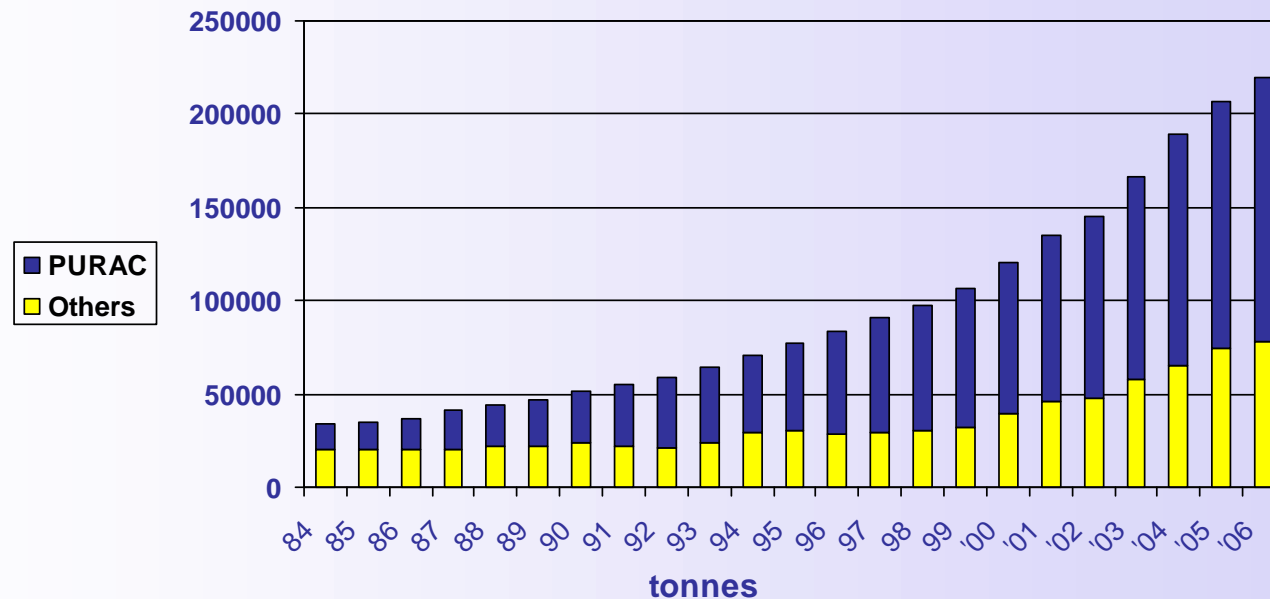
- Being close to the customer & focus on growth segments:
 - Organizational change into three market units:
 - Meat (with a focus on preservation)
 - Other Food (with a focus on fortification)
 - Chemicals & Pharma (with a focus on PLA)
- Innovation:
 - Short term Innovations organized by market Unit
 - Fundamental research central
 - Approximately 10% of total FTE in R&D
- New very efficient Thailand plant to open end of 2007

Strong drivers for Purac market growth

- Food (chain) safety
- Health
- Safe and environmentally friendly chemicals
- Substitution opportunities
 - Higher (mainly oil driven) prices substitutes
- PLA development (biodegradable polymers)
 - Small polymer volume already significant for LA

Organizing for Autonomous growth - Targets

- Autonomous growth in Bakery: 1-2% above market growth after 2008 when restructuring has been completed, focus is on the growing segments and supported by innovations and unique services.
- Autonomous growth at Purac, CAGR past 20 years has been around 10%, we expect this to continue on average until 2010.



Actions to get there

- 1 – Create an effective & efficient organization
- 2 – Organize for Autonomous growth
- 3 – Invest in and divest parts of the company to optimize our market position.

Value enhancing acquisitions

Impact of acquisitions on 2007: Sales € 72 M, EBITA € 9 M

CGI

- Combination Brill & CGI has no.1 position in premium frozen dessert cakes
- Impact on 2006 financials in line with expectations communicated

Specialty Ingredients ADM

- Perfect fit for Caravan Ingredients to increase utilization of capacity
- Increases clear no.1 position in various bakery ingredients

Wilke, “distributor of LA & derivatives”

- Tactical move of PURAC to improve position and to get closer to customers
- Enhances no.1 position

2006 Results and 2007 Operating & Financial Outlook



Key group financials 2006

- Organic Sales Growth 2.3%
- EBIT € 155 M; up by over 20%:
 - BSEU + 20%
 - BSNA + 10% net of currency
 - PURAC + 21%
 - Holding cost lower by € 5.7 M, partly structural
- Negative impact exceptional items € 33 M, of which € 24 M due to restructuring cost associated with 3S projects.
- Earnings per share increased to € 1.23 from € 0.78
- Cash flow from operating activities € 158 M (2005 € 133M)
- Realized 3S savings increased by a further € 43 M to € 62 M, € 7 M ahead of plan.
- Share-buy back & convertible redemption of in total € 190 M realized
- Dividend proposal of € 0.80

EBIT and Earnings per share from continued activities and before exceptional items

2007 Operating outlook

All divisions will continue to grow in order to meet their 2008 ROS and ROCE targets.

- BSEU, limited salesgrowth still a lot of focus on restructuring, EBITA will benefit from 3-S savings.
- BSNA, continues salesgrowth trend, helped by CGI and ADM specialty ingredients acquisitions. ROS will grow as a result of 3-S savings and recovering from sugar price hike in 2006
- Purac, sales volume growth around 10%, price increases necessary to compensate for increased Raw Materials and energy prices. 3-S cost savings will offset increased cost a.o. due to erecting new Thailand plant and negative currency effects (US\$ at \$1.30 = <2> M). Wilke to contribute 1M.
- 3-S, approx. € 30 M of additional savings of which half should contribute to improved EBIT
- Sugar divestment expected at the end of Q1 2007

2007 Financial outlook

- Limited free cash flow in 2007 due to restructuring and capital expenditures higher than depreciation due to Thai investment
- Working capital will decrease slightly as a % of sales
- ADM specialty ingredients and Wilke cash payment of € 45M paid in Q1
- Dividend proposal € 0.80, pay-out ratio 54.7%

