

Half-year results 2007

CSM makes further progress



Agenda

- Key Developments
- Operating & Financial Review
- Operating & Financial Outlook

Key Developments

By Gerard Hoetmer, CEO



Key group financials 1st half 2007

- Autonomous Sales Growth 1.9%
- EBITA € 70 M; up by 4.3% (net of currency 10%):
 - BSEU + 8%
 - BSNA + 14% (net of currency 23%)
 - PURAC - 19%
 - Holding cost higher by € 1.6M (2006 incidentals)
- Earnings per share from continuing activities more than doubled to € 0.50 from € 0.23
- Impact exceptional items € <9> M, of which € 6 M due to restructuring under the 3-S plan
- Cash flow from operating activities € 45 M
- Realized 3-S savings increased by a further € 17 M

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

Developments Bakery Supplies

- Organizational changes:
 - NA structure finalized with merger AIC & Caravan
 - European Business Unit structure being implemented
 - 6 innovation centers being build, 3 operational
- Raw materials:
 - Impact NA: Positive sugar pricing absorbed fully by other raw materials
 - Impact EU: <5.2> M
 - Strong centralized procurement departments reduced impact
- Out of home strategy is gaining momentum with acquisition of:
 - Titteringtons, June 2007
 - Kate's Cakes, August 2007
- ROS increased by 0.7% to 6.3%, 2008 targets on track
- ROCE increased by 0.6% to 8.8%, 2008 targets on track

Developments PURAC

- New Managing Director: Fabrizio Rampinelli
- Autonomous sales growth 7.7%
- Raw materials impact € <3.8> M
- Currency impact € <2.4> M
- Insufficient momentum yet to increase prices
- Financial 2008 targets postponed to 2009 due to headwinds on currency and raw material pricing
- Innovations, PLA patents & increasing customer interest
- Thailand on track, investment amount limited around € 93, versus € 100 planned
- Management Team PURAC is working on plans to get back to target profitability

Progress on strategic ambitions

- ✓ Bakery Supplies
 - ✓ Exploit #1 position
 - ✓ US and EU Procurement Operations in operation
 - ✓ Central R&D organization founded
 - ✓ Business Unit structure implemented
 - ✓ Cost Competitiveness, 3-S savings 67% realized : €51 M
 - ✓ Enhance market position via consolidation. Acquired ADM specialty bakery ingredients
 - ✓ Focus on Growth Markets.
 - ✓ Premium dessert cake market: CGI acquired
 - ✓ Out-of-home market: Titterington's and Kate's Cakes acquired

Progress on strategic ambitions

- ✓ Bakery Supplies
- ✓ PURAC
 - ✓ Customer Focus, new sales organization structure implemented
 - Behave as # 1, set pricing as market leader
 - ✓ Grow through Innovation, inno-engine implemented. Breakthrough PLA innovations as a result. Autonomous growth 1st half 2007 7.7%
 - ✓ Cost Competitiveness, 3-S savings 75% realized

Progress on strategic ambitions

- ✓ Bakery Supplies
- ✓ PURAC
- ✓ 3-S, save € 110 M
 - ✓ Reorganizations nearly completed at 90%
 - ✓ Procurement savings at 50%

Progress on strategic ambitions

- ✓ Bakery Supplies
- ✓ PURAC
- ✓ 3-S, save € 110 M
- ✓ Divest non-core activities
 - ✓ Sugar division sold, proceeds € 228 M
 - ✓ Jantje de Goede sold, proceeds € 4 M
 - ✓ DLT sold, proceeds € 25 M
 - ✓ Janesville activities sold € 2 M

Progress on strategic ambitions

- ✓ Bakery Supplies
- ✓ PURAC
- ✓ 3-S, save € 110 M
- ✓ Divest non-core assets
- ✓ Reorganize Finance Structure
 - ✓ Share buy back of € 190 M executed in 2006 (2005 € 143 M)
 - ✓ Convertible Loan of € 6 M redeemed
 - ✓ Private Placement of US\$ 220 M redeemed
 - ✓ Cumpref shares made IFRS proof
 - ✓ Refinanced 5 years Credit Facility of € 700 M

Progress on strategic ambitions

- ✓ Bakery Supplies
- ✓ PURAC
- ✓ 3-S, save € 110 M
- ✓ Divest non-core assets
- ✓ Reorganize Finance Structure
- ✓ Change Culture
 - ✓ New Executive Board
 - ✓ Top management for approx. 75% changed
 - ✓ New incentive programs
 - ✓ More pro-active and transparent

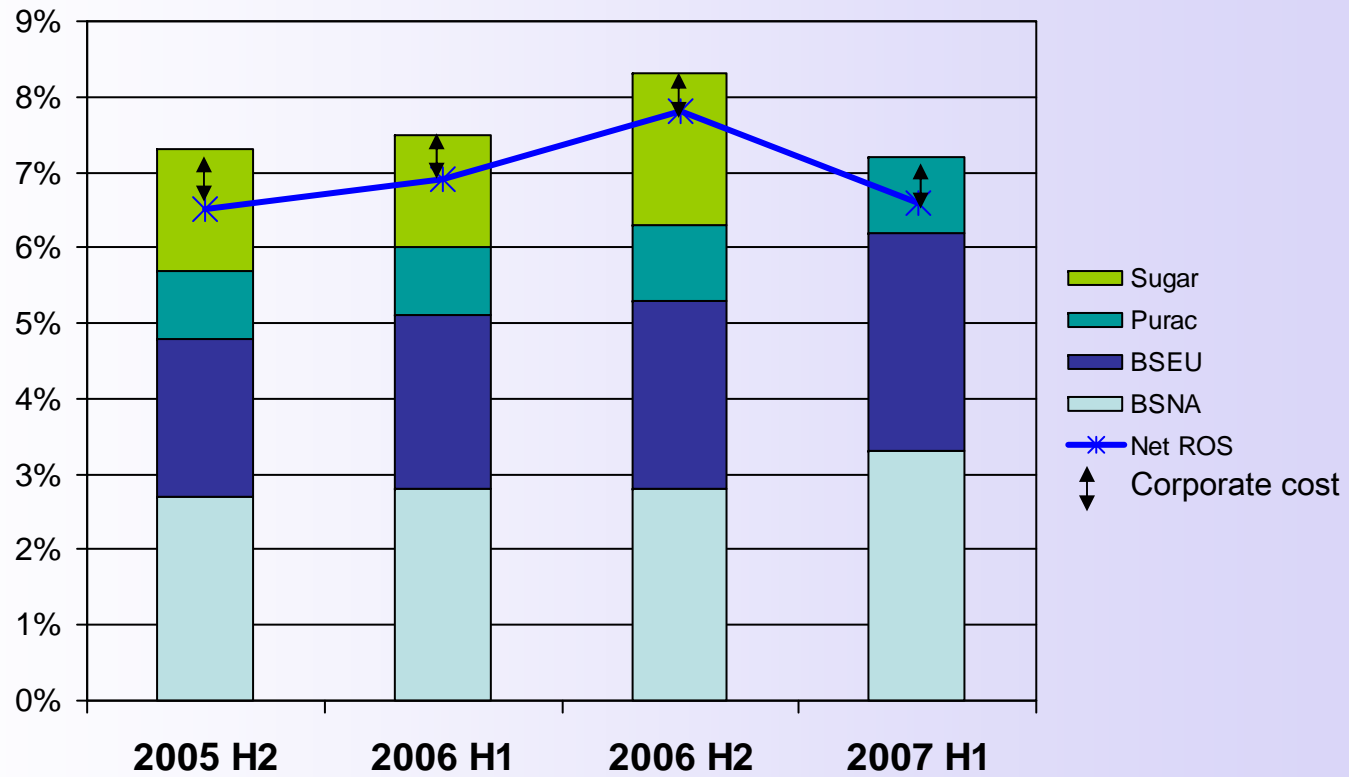
Progress on strategic ambitions

- ✓ Bakery Supplies
- ✓ PURAC
- ✓ 3-S, save €110 M
- ✓ Divest non-core assets
- ✓ Reorganize Finance Structure
- ✓ Change Culture
- ✓ Substantially improve profitability, ambitious targets:

	<u>2008 ROS</u>	<u>2005</u>	<u>2008 ROCE</u>	<u>2005</u>
✓ Bakery Supplies	8-10 %	5.9%	11-13%	8.1%
○ PURAC	15-20%	8.0%	15-20%	7.8%
✓ Sugar	12-16%	18.0%	25-35%	36.1%

ROS composition by division

(12 months running total)



Progress on strategic ambitions

- ✓ Bakery Supplies
- ✓ PURAC
- ✓ 3-S, save € 110 M
- ✓ Divest non-core assets
- ✓ Reorganize Finance Structure
- ✓ Change Culture
- ✓ Substantially improve profitability

Despite headwinds we continue to create shareholder value through building a stronger business

Operating & Financial Review 1st half 2007

By Koos Kramer, CFO



Profit & loss statement

in million €

	<u>HY 2007</u>	<u>HY 2006</u>
Net sales from continuing operations	1,206.5	1,204.1
EBITA before exceptionals	69.7	66.8
Exceptional items	<u><8.7></u>	<u><41.4></u>
EBITA	61.0	25.0
Interest	<12.0>	<4.7>
Tax	<13.8>	<3.8>
Discontinued operations	<u>141.9</u>	<u>22.3</u>
Net income	174.9	38.8
EPS	2.65	0.54
EPS excl. discontinued	0.50	0.23
EPS excl. discontinued & exceptionals	0.62	0.67

BSNA: market developments and results

	Net turnover		EBITA		ROS %		ROCE %*	
In M	HY07	HY06	HY07	HY06	HY07	HY06	HY07	HY06
\$	723	663	53.2	43.1	7.4	6.5	11.3	10.9

All results before exceptionals

* including goodwill

Market developments

- Stable market, Out-of-home showing largest growth
- Strong increase in cost of edible oils, dairy, flour, eggs.
- Selling price increases difficult but on track

Results

- Sales growth driven by successful new acquisitions CGI/ADM specialty bakery. Autonomous growth 2.1%, price/mix driven
- Sales of new products backed by innovations, US\$ 26 M
- Lower sugar prices fully absorbed by other raw material increases
- 3S Savings in 1st half year € 10 M, increase of € 7 M

BSEU: market developments and results

	Net turnover		EBITA		ROS %		ROCE %*	
In M	HY07	HY06	HY07	HY06	HY07	HY06	HY07	HY06
€	505	515	26.3	24.3	5.2	4.7	6.6	6.4

All results before exceptionals

* including goodwill

Market developments

- Slow decline in # of artisan bakeries in most of our markets
- Continued growth in Out-of-home
- Price increases difficult but progressing
- Raw materials increase mainly in edible oils, cereals and dairy products

results

- Divestment Délices de la Tour sales impact € <10> M, autonomous growth flat volume slightly down, compensated by positive price/mix effect
- Sales of new products; € 55 M
- 3-S savings € 16 M bring additional € 6 M
- Net effect of increased raw material prices and selling prices € <3> M

PURAC: market developments and results

	Net turnover		EBITA		ROS %		ROCE %*	
In M	HY07	HY06	HY07	HY06	HY07	HY06	HY07	HY06
€	157	150	10.9	13.4	6.9	8.9	6.2	8.6

All results before exceptionals

* including goodwill

Market Developments

- Meat preservation market grew behind expectations
- Other markets grew in line with expectations
- Energy, sugar and lactose costs increased significantly

Results

- Autonomous sales growth 7.7%; all volume related as average price increases were minimized due to 3 large sales contracts closed 2nd H 06
- Increased raw material and energy costs affected EBIT by € <4.7> M
- US\$ and Yen development hit EBITA by € <2.4> M
- EBITA impact of investment in Thailand was € <1.8> M, € <0.6> M in addition compared with H¹ 2006
- 3-S savings € 8 M in first half 2007, increase versus first half 2006 € 3 M

PURAC Result details

EBITA Half 1 2007	10.9, at 2006 currency rates	11.6
EBITA Half 1 2006		<u>13.4</u>
Decrease		<1.8>

Factors contributing to the 1.8 M decrease:

▪ Transaction currency effects	<1.7>
▪ Sales increase	5.1
▪ Price increase	0.1
▪ Wilke acquisition	0.5
▪ 3-S savings	3.0
▪ Raw materials cost effect	<3.8>
▪ Energy cost effect	<0.9>
▪ Other cost increases	<2.5>
▪ 3-S maintenance cost	<1.0>
▪ Expense related to Thailand plant	<0.6>
Total	<u><1.8></u>

€10 million 3-S program

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

	2006		2007		Plan 2008	Last 12 months
	1st half	2nd half	1st half	2nd half		
<u>Savings per:</u>						
BSEU	10	17	16			33
BSNA	<u>3</u>	<u>8</u>	<u>10</u>			<u>18</u>
Total Bakery Supplies	13	25	26		75	51
Purac	5	7	8		20	15
Sugar	5	6	5		12	11
Corporate	<u>0</u>	<u>1</u>	<u>1</u>		<u>3</u>	<u>2</u>
Total	23	39	40		110	79
<u>Split in:</u>						
Restructuring projects	17	29	28		65	57
Purchasing	6	10	11		45	21
						Project to date
Restructuring expenses	17	7	6		120	88
Cash out	19	7	7		80	58
FTE reduction	170	80	72			1018

Exceptional expenses

in million €

	<u>HY 2007</u>
BSEU Business unit structure	<1.3>
BSNA H.C. Brill, closure of Lancaster production facility	<2.9>
BSNA Caravan / AIC, merger costs	<u><1.2></u>
Total 3-S related expenses	<5.4>
BSEU reversal fixed asset impairment, BMIF	1.6
BSEU Divestment Délices de la Tour	<1.0>
Changes in pension arrangements	4.7
PURAC Divestment Janesville	<7.2>
Management severance	<1.4>

Total Exceptional expenses	<8.7>

Interest

in million €

Ordinary interest expenses

HY 2007

HY 2006

<12.3>

<14.3>

Fair value changes

<0.4>

9.3

Currency impact

0.7

0.3

Interest expense in P&L

<12.0>

<4.7>

Cash flow

in million €

	<u>HY 2007</u>	HY 2006
Result from continued operations	33.0	16.5
Non-cash income & expenses	39.2	61.2
	-----	-----
Net cash income	72.2	77.7
Cash from discontinued operations	223.2	53.5
Investments working capital (non-financial)	<27.1>	<22.2>
Investments in fixed assets	<54.4>	<50.0>
Acquisitions/Divestments	<47.1>	<4.8>
	-----	-----
Net cash generated	166.8	54.2
Debt reduction	113.4	18.0
Dividend paid	52.8	57.8
Ordinary share transactions	0.6	<21.6>
	-----	-----
Net cash used	166.8	54.2



Net cash used
CSM

Capital management

<i>in million euro</i>	<u>2007</u>	<u>2006</u>
Net debt	406.2	592.2
Net debt / EBITDA *)	1.5	2.0
Interest coverage *)	6.8	5.6

Net debt impacted by reclassification CumPrefs of € 70 M

	<u>2007</u>	<u>2006</u>	<u>Incr/Decr</u>	<u>Acq/Div Impact</u>	<u>Currency Impact</u>	<u>Nominal</u>
Inventory	257	246	11	<1>	<1>	13
A/R	353	330	23	11	<2>	14
A/P	<412>	<398>	<14>	<u>3</u>	<u>1</u>	<18>
Working Capital	198	178	20	19	<2>	3

ADM working capital build up, increased raw material prices and increased tax payables are main developments.

*) EBITDA, EBITA and interest expenses before exceptional items

€M

Major investments in fixed assets

BSEU	Donut line Germany	8.6
BSNA	Frozen lines	2.5
PURAC	New factory Thailand	22.7
BSEU	Other investments	6.1
BSNA	Other investments	8.4
PURAC	Other investments	6.8
Holding		0.3
	Total	----- 55.4
	Depreciation 1 st half 2007	35.6

Total CSM: developments and results

In M	Net turnover		EBITA		ROS %		ROCE %*	
	HY07	HY06	HY07	HY06	HY07	HY06	HY07	HY06
€	1.207	1.204	69.7	66.8	5.8	5.5	7.6	7.6

All results before exceptionals

* including goodwill

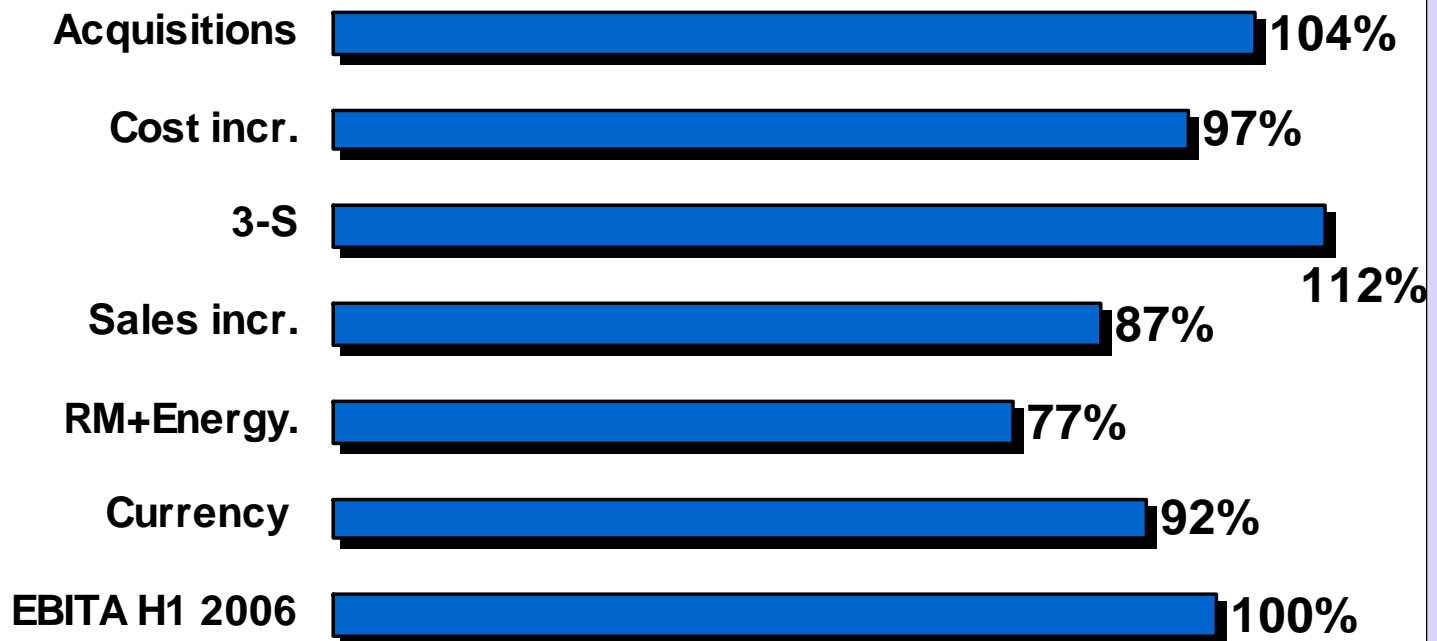
Organizational developments

- Organization is shaping into the desired format
- With a view to the volatile and increasing raw material prices, timely increasing selling prices is a key success factor that needs to be improved
- Growth in Bakery Supplies as expected, LT targets are higher, PURAC improving.

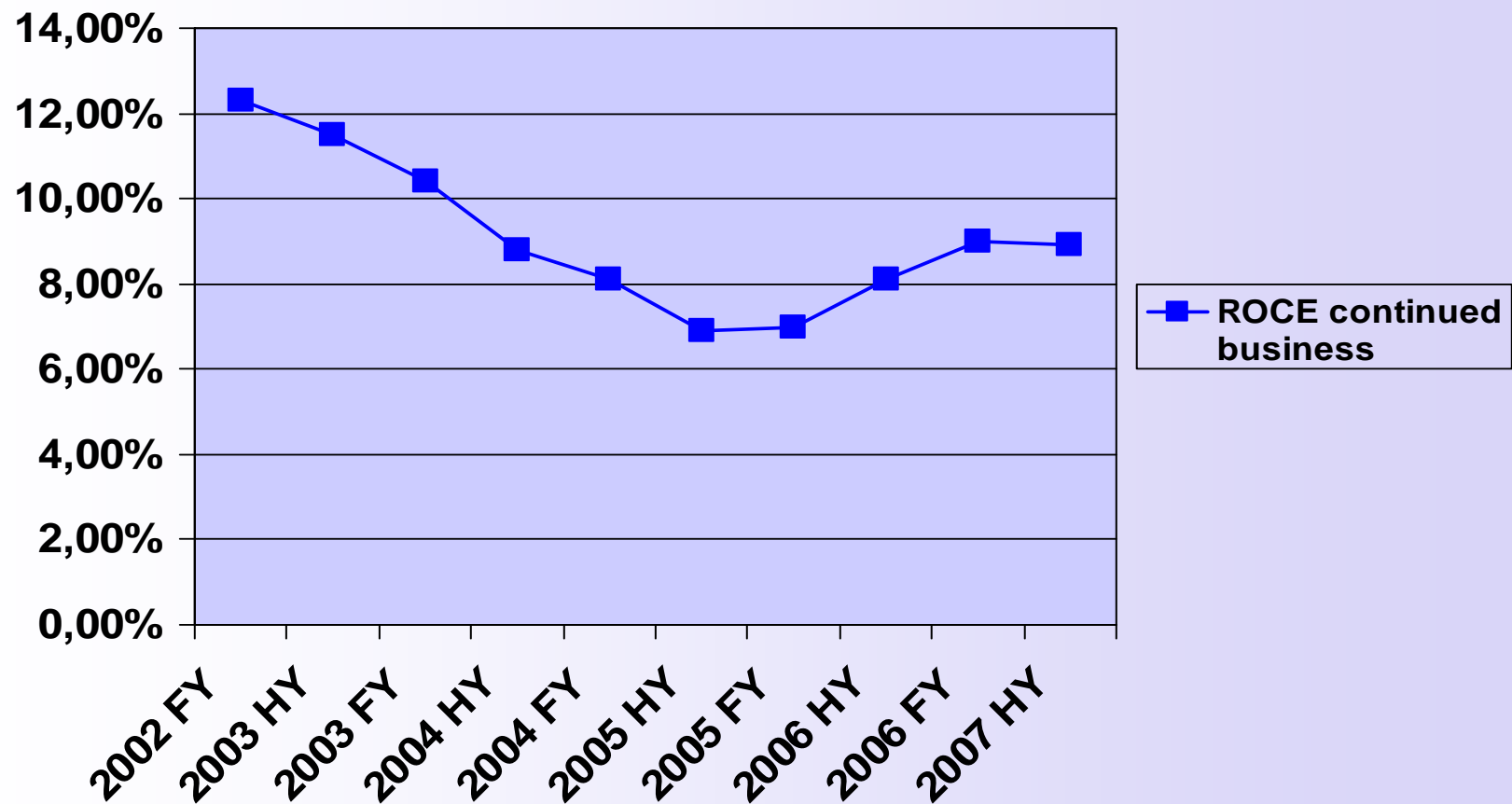
results

- Autonomous growth 2%, positively impacted by pricing, negatively by continuous refocus on profitable customers and products
- Bakery sales of new products at 7%, impact of focused R&D to be seen as of 2008
- 3-S savings according to plan bring additional € 17 M
- ROS slightly up and ROCE stable, impacted by PURAC

Indexed EBITA bridge from H1 2006



Group* ROCE: 12 mth rolling trend



* before exceptional expenses.

2007 Operating & Financial Outlook

By Koos Kramer, CFO



2007 Operating outlook issued at presentation 2006 results

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

- BSEU, limited sales growth still a lot of focus on restructuring, EBITA will benefit from 3-S savings
- BSNA, continues sales growth 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 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 EBITA
- Sugar divestment expected at the end of Q1 2007



Current 2007 Operating outlook

Changes in the 2nd half:

- Titteringtons and Kate's Cakes will contribute approximately €25 M to sales, €3 M to EBITA and €2 M to financial expenses
- Pressure on margin from raw material prices and currencies will continue
- Increased selling prices will not fully cover raw material price increases
- PURAC will show a second half of 2007 in line with the first half, resulting in insufficient progress towards their 2008 targets
- New financing arrangement requires capitalized expenses old arrangement to be charged to P&L, effect €0.8 M

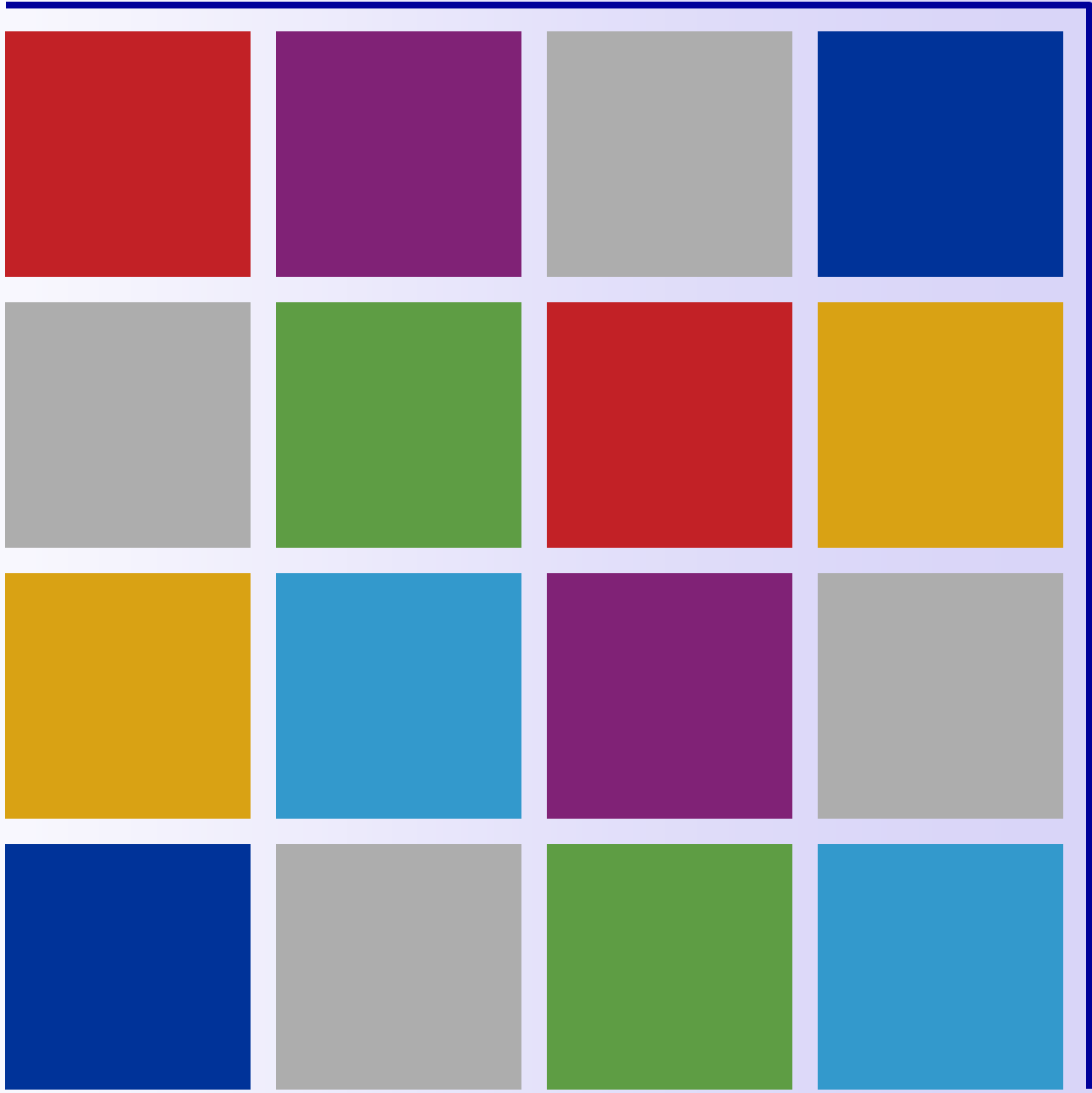


2007 Financial outlook issued at presentation 2006 results

We confirm the financial outlook from the 2006 results presentation

- 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





CSM

Appendices



results per business segment

before exceptional items

	net turnover € x 1M		EBITA € x 1M		ROS %		capital* € x 1M		ROCE* %	
	HY07	HY06	HY07	HY06	HY07	HY06	HY07	HY06	HY07	HY06
BSEU	505.1	514.6	26.3	24.3	5.2	4.7	790.0	758.2	6.6	6.4
BSNA	544.0	539.1	39.9	34.9	7.4	6.5	704.4	682.6	11.4	10.2
Total BS	1,049.1	1,053.7	66.2	59.2	6.3	5.6	1,494.4	1,440.8	8.8	8.2
PURAC	157.4	150.4	10.9	13.4	6.9	8.9	349.9	310.8	6.2	8.6
holding costs			-7.4	-5.8			<15.3>	0.9		
CSM total	1,206.5	1,204.1	69.7	66.8	5.8	5.5	1,829.0	1,752.5	7.6	7.6

* including goodwill

Net turnover: growth HY 2007

in millions €

	Total	Acquisitions / disposals	FX	Autonomous
Bakery Supplies Europe	-9.4 -1.8%	-10.3 -2.0%	1.5 0.3%	-0.6 -0.1%
Bakery Supplies NA	4.9 0.9%	36.7 6.8%	-43.2 -8.0%	11.4 2.1%
PURAC	7.0 4.7%	2.2 1.4%	-6.8 -4.5%	11.6 7.7%
Total CSM	2.4 0.2%	28.7 2.4%	-48.7 -4.0%	22.6 1.9%

Profit & Loss account – before exceptionals

<i>In million €</i>	HY07 before exceptionals	HY07total	HY06 before exceptionals	HY06 total
Net turnover	1,206.5	1,206.5	1,204.1	1,204.1
Gross profit	258.0	253.6	256.3	220.6
Operating result	67.5	58.8	66.4	25.0
Financial income & expenses	<12.0>	<12.0>	<4.7>	<4.7>
Result bef. tax from continuing operations	55.5	46.8	61.7	20.3
Taxes	<14.4>	<13.8>	<13.5>	<3.8>
Result after taxes from continuing operations	41.4	33.0	48.2	16.5

Balance sheet

<i>In million €</i>	30.06.2007	31.12.2006	30.06.2006
Assets			
Total fixed assets	1,420.3	1,355.6	1,229.0
Total current assets	648.0	869.5	765.0
Total	2,068.3	2,225.1	1,994.0
Liabilities			
Shareholders' equity	1,046.4	844.9	940.8
Non-current liabilities	574.0	835.1	638.7
Current liabilities	447.9	545.1	414.5
Total	2,068.3	2,225.1	1,994.0

Cash flow statement

<i>In million €</i>	HY2007	HY2006
Cash flow from operating activities	100.4	85.0
Movement in provisions	<11.1>	<5.8>
Movement in working capital	<27.1>	<22.2>
Cash flow from business operations	62.2	57.0
Net interest and tax payments	<17.1>	<1.5>
Cash flow from operating activities	45.1	55.5
Cash flow from discontinued activities	<4.1>	53.5
Cash flow from investment activities	125.8	<54.8>
Cash flow from financing activities	<209.2>	<74.6>
Net cash flow	<42.4>	<20.4>

