

SNS Securities Small & Mid Cap Seminar

Doorn, 21 September 2006



CSM agenda

- Our starting point
- Immediate actions
- Strategy 2006 – 2008
- Achievements HY1 - 2006



CSM: our starting point

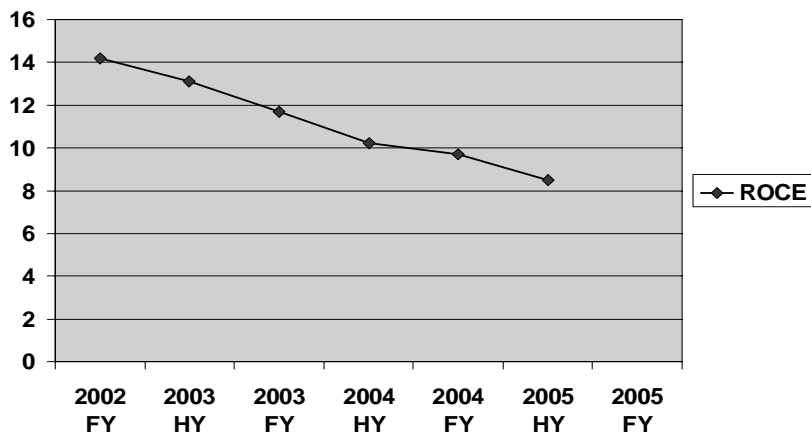
- Bakery Supplies acquired growth without integration & innovation
 - PURAC reacted late to the changes in the lactic acid market
 - Sugar achieved operational excellence
 - ROCE declined due to lower profits
 - CSM was a conglomerate, no synergies between divisions
- ↓
- Need for fundamental review of capital allocation
 - Need to re-invigorate operational management
 - Need for significant restructuring and efficiency improvement
- ↓

**Need to strengthen the platform for the pursuit of
our challenging 2008 targets**



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Group* ROCE: 12 mth rolling trend



- Reduced profitability with increased capital employed



* Continuing operations only and before exceptional expenses.

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Immediate actions “3S”- program

- Strong company
- Sharp team
- Solid performance



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Actions so far: “3S” - Strong Company

Strategic capital allocation reviewed:

- Completion of Sugar Confectionary division sale (€778 Mio)
- Principle agreement to sell Sugar division to Cosun (€245 Mio avg WC)
- Strategic options for PURAC evaluated by external advisor
- €209 Mio (incl. dividends) returned to shareholders in 2005, €250 Mio intended in 2006



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Actions so far: “3S” - Sharp Team

Key personnel strengthened:

- Board of management replaced
 - Gerard Hoetmer appointed CEO May 2005
 - Koos Kramer appointed CFO January 2006
 - Reinoud Plantenberg and Gilles van Nieuwenhuyzen as per January 2006
- Operational management team drastically changed
 - Bakery Supplies Europe: 50% of top-managers replaced
 - PURAC: 60% of top-managers new
 - Professional external managers hired to add depth to management team
- New incentive scheme for senior management
 - Alignment with shareholders, based on cash flow, sales, ROS, EPS growth and TSR
 - LT bonus earned exclusively in shares with privately financed threshold



Actions so far: “3S” - Solid Performance

Restructuring and efficiency improvement commenced:

- Profitability project started; goal savings € 110 Mio
- Current 12 month' run rate:
€35 Mio of which €5 Mio reinvested in the business
- 90 procurement initiatives started
- 12 facilities closed and a further 2 announced
- Workforce reduction of more than 1,300 FTE's announced (approx. 15% of total work force) of which 866 realized



CSM: actions so far

- Strategic capital allocation has been reviewed
- Key personnel have been strengthened
- Restructuring and efficiency improvements have commenced

In the same time investing in growth

- Implementing best in class innovation structure,
- Strengthening our customer intimacy capabilities
- First bolt-on acquisition: *Brill* was “fit to acquire”



From our starting point we have strengthened the platform to pursue our challenging 2008 targets

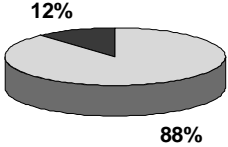


Strategic Agenda For 2006-2008



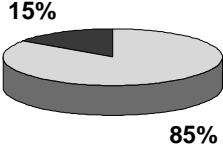
CSM's "conglomerate days" are over

Sales 2005 *



■ Bakery Supplies
■ PURAC

EBIT 2005 *



- We are a leader in the Bakery Supplies and Lactic Acid markets
- Our strategy is focused on successfully exploiting these leadership positions
- We are clearly focused on shareholder value



* excl. Sugar division



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



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Bakery Supplies: summary

- Reducing costs by € 75 Mio of which € 8 Mio achieved in 2005
- Investing part of cost savings in innovation to triple the share of new products to 15% of annual sales
- Rolling out successful local services to our customers in other regions
- Achieving organic growth 1 to 2 % ahead of the market by 2008



In Bakery Supplies ROS to rise from 5.9% in 2005 to 8 -10% in 2008 and ROCE to improve from 8.1% to 11 -13%



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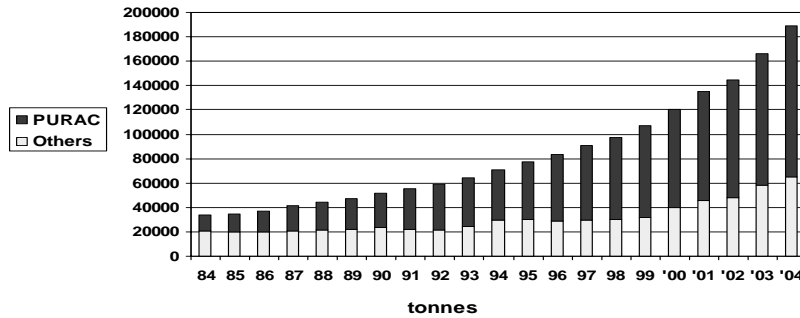
PURAC: strategy

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

- Organic growth: continue to develop added value segment, optimize exposure to mature segment
- Move from functional to customer orientation:
Market-driven re-organisation into Market Units to increase customer focus
- Cost leadership: drive down costs, implement operational excellence program, reduce working capital

Market growth in Lactic Acid

PURAC: organic growth



- Favourable market drivers:
 - biodegradable plastics
 - food safety/ preservation
 - naturalness
- Growth trend expected to continue



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PURAC: develop added value segment

- PURAC has a strong track record of leading added value segment growth for more than 15 years
- Favourable market drivers are being turned into added value products
 - Opti.Form powder for preservation dry meat applications
 - High solubility, low flavour
 - Mineral enrichment
 - Specialty Lactic Acid to improve PLA properties
- Speed-to-market through leading global sales network & market knowledge

Added value segment expected to show good volume growth and robust pricing



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PURAC: optimize exposure to mature segment

- Current industry price vs profitability de-stabilised
- We demonstrate price leadership role
 - Global price increases at 2% at beginning of 2006
 - Potential for further increases to recover cost inflation
- We will actively manage the supply/demand balance using:
 - Our capacity flexibility
 - Our market positions
 - Market growth

PURAC to use leadership to restore industry stability in mature segment



PURAC: summary

- PURAC's strategy to exploit its number 1 position through
 - Implement a customer centric sales organization (replacing the prior general sales structure)
 - Realize price increases in 2006: around 2% achieved thus far this year
 - Realize scale economies and sourcing benefits when Thailand plant comes on stream end 2007
 - Achieve € 20 Mio of cost savings by 2008 from our 3S restructuring program.



Achievements First Half 2006



Key group financials 1st half 2006

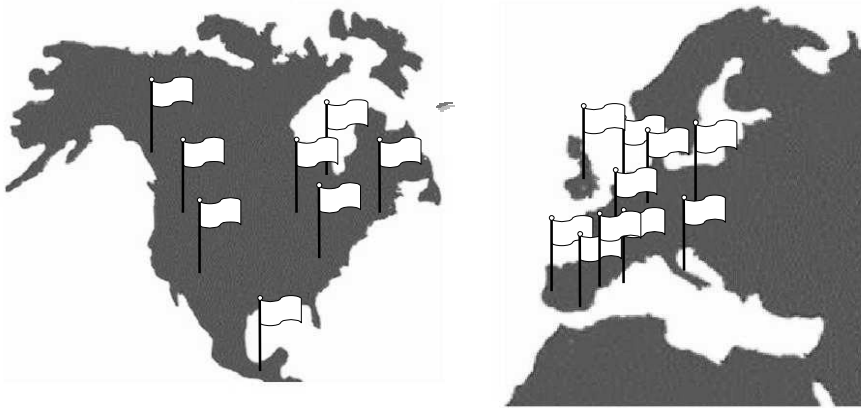
- Sales Growth 2.4%
- EBIT € 66 M; up by over 30%:
 - BSEU + 27%
 - BSNA + 15% net of currency
 - PURAC + 6%
 - Holding cost lower by € 4M partly structural
- Earnings per share more than doubled to € 0.67 from € 0.32
- Negative impact exceptional items € 41 M, of which € 24 M due to asset impairment Délices de la Tour
- Cash flow from operating activities € 56 M
- Realized 3S savings increased by a further € 16 M

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



CSM "Strategy into Action"

- ✓ manufacturing networks
- ✓ regional buying groups
- ✓ organizational efficiencies, FTE reduction realised: 870; reduced H1: 170



Bakery Supplies

exploiting no. 1 positions

- ✓ Cost competitiveness
 - ✓ 3S savings € 19 M 12 month basis
- ✓ Innovation
 - ✓ + 20% sales from new products
 - ✓ Inno-Engine implemented YE 06
- = Customer Intimacy
 - ✓ Program rolled out
- ✓ Organic Growth > 2.4% : well on track

PURAC

exploiting no. 1 positions

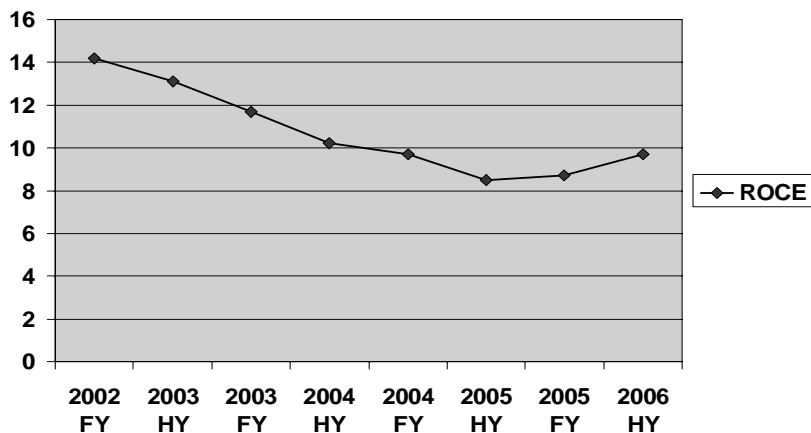
- ✓ Organic growth: price increase YE05 : 2%, vol growth 5.8%
 - Price/volume equation remains dynamic in mature meat market
 - = Implementing price increases where possible
 - ✓ Niches are developing well
- ✓ Cost leadership : savings € 5 M realised
 - ✓ Well on track to realise at least € 20 M
 - ✓ Restructuring NL, Spain finalised: 65 FTE's
 - ✓ Thailand plant : on track
- ✓ Innovation : Inno Engine fully operational

- ✓ Customer intimacy : new market driven organisation implemented



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Group* ROCE: 12 mth rolling trend



* Including Sugar, before exceptional expenses.



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CSM Summary

- From our starting point mid 2005, we are clearly delivering on strategic actions and value
- All companies are involved, no one is “untouched”
- We are optimising our capital allocation
- We are building a new CSM
- We have a team, fully committed, with rolled up sleeves to deliver what we said: a promise is a commitment

Our strategy will realise our targets of at least 8.5% ROS and 12% ROCE by 2008

