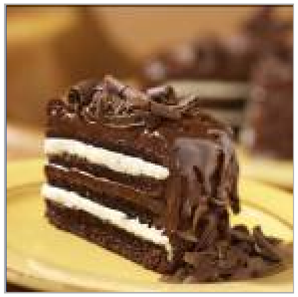
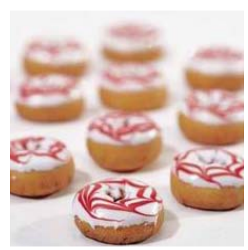
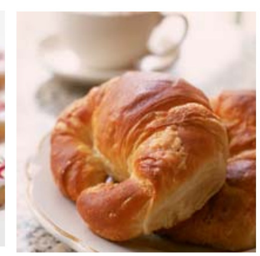
  

# Q3 Trading Update

# Introduction & strategic actions first nine months 2008

# Key financials first nine months 2008

- Autonomous Sales Growth 9.5%,
- Pricing growth of 11.5% with a volume decline of 2%
- Currency movements, especially US dollar and GBP,  and divestments had a negative impact of 6.5% on sales.
- EBITA € 95.7 M; down from € 104.8 M in 2007 (€ 103.9 M at constant currency)
- We expect 2008 EBITA, pre exceptional items, to be 10-15% below the € 153.7 million delivered in 2007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# Key issues first nine months 2008

- Deteriorating economic climate, leading to pressure on volumes. Volume decline total CSM 2% for the first 9 months.
- Down trading and downscaling affecting Bakery Supplies volumes, European volumes fell by 6% in the third quarter taking into account discontinued products.
- Unprecedented volatility of Raw Material Pricing; substantial price increases were followed by sharply declining prices. Continuously challenging our margin development.
- Increased selling prices for the first 9 months successfully compensated the increased raw material cost. Total price and cost increase € 130 million.
- A strike at Canadian potassium mines disrupted the production at PURAC of Potassium Lactate, one of our major product lines. Q3 impact limited, impact for Q4 on EBITA expected between € 2-3 million.

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# Deteriorating economic climate

- Recessionary pressures and customer response to price increases are impacting demand.
- Our markets are impacted by price increases resulting in down-trading to less premium or convenient products and down-scaling in usage of ingredients. This is resulting in falling demand.
- Our reaction is:
  - **Using our innovation centers to fast forward the development of products required by customers and consumers in these recessionary times e.g. lower cost recipes, smaller sizes and new formats**
  - **Continue to drive efficiency improvements, above the actions already put in place which lead to a FTE reduction of 200 at year end 2008**
- We will continue to improve our business model in areas like R&D, customer intimacy and customer and consumer insights.

We are reacting quickly whilst maintaining our commitment towards true market leadership

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# Consumer reaction to increasing prices

**Consumers reaction to the increasing price rises is either**

**I will not change my spend!**

***Or…***

**I need to reduce spend!**

- **Buy less categories**
- **Change Retailer**
- **Reduce price paid**
  - **Buy on Offer**
  - **Trade down price tiers**

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# Consumer reaction to increasing prices

- 84% of UK shoppers say their habits have changed since being hit by the credit crunch
- When shoppers were asked what concerned them most about their purchase:
  - 54% answered price
  - 21% healthy eating
  - 7% local sourcing
  - 3% ethical
  - 3% organic

Source – Harrison International Sept 08

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# Succesfully increased selling prices to compensate raw materials cost increase

| | YTD Q2 | Q3 | YTD Q3 |
|---|---|---|---|
| Selling prices | 84 | 46 | 130 |
| Raw material prices | 82 | 48 | 130 |
| Net effect | 2 | -2 | 0 |

# Key Strategic developments first nine months 2008

- Successful continuation of our bioplastics strategy for PURAC, first batches of D- and Lactides delivered to various interested parties. First contract signed with Symbra.
- Technology Joint venture signed with Sulzer for the development of Polymerization units.
- Continued investments in Innovation Centers for bakery, additional spend first 9 months € 0.9 Mio.
- Development of Bakery foodservice strategy successful despite economic climate.




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# Operating & Financial Review
# First nine months 2009

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# Nine months sales and EBITA

| In Euro mio | YTD ACTUAL SEP 2008 | YTD ACTUAL SEP 2007 | QTD ACTUAL Q3 2008 | QTD ACTUAL Q3 2007 |
|---|---|---|---|---|
| **Net Turnover** | | | | |
| Bakery Supplies North America | 840,5 | 828,5 | 287,2 | 284,6 |
| Bakery Supplies Europe | 801,2 | 770,5 | 269,9 | 265,4 |
| PURAC | 245,0 | 234,6 | 82,4 | 77,2 |
| **Total net turnover** | **1.886,7** | **1.833,6** | **639,5** | **627,2** |
| | | | | |
| **EBITA** | | | | |
| Bakery Supplies North America | 47,1 | 56,5 | 15,3 | 16,6 |
| Bakery Supplies Europe | 37,7 | 44,5 | 10,1 | 18,3 |
| PURAC | 23,2 | 15,0 | 5,9 | 4,1 |
| Holding companies | (12,3) | (11,3) | (4,3) | (4,0) |
| **EBITA** | **95,7** | **104,8** | **27,0** | **35,0** |

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# BSEU: market developments and results

| *€ x 1 Mio* | 2007 | 2008 |
|---|---|---|
| Net sales | 770.5 | **801.2** |
| EBITA | 44.5 | **37.7** |
| ROS % | 5.8 | **4.7** |

*All results pre-exceptionals*

| | |
|---|---|
| Sales | ▪ Autonomous growth of 4% for the nine months. Effect of selling price increases approx. 10%. Volume decline decline of 6% influenced by planned discontinuation of unprofitable business and reclassification of co-packing sales.<br>▪ Acquisitions added 2.3% to turnover, currency impact -2.4%<br>▪ All three business units; Artisan, Industry and Frozen faced a decline in volume. |
| EBITA | ▪ Volume pressure impacting profitability<br>▪ Selling price increases succesfully compensated increased raw material costs<br>▪ EBITA in Germany -€7 million in the nine months vs 2007<br>▪ Recessionary environment and negative £ translation impacts results<br>▪ We expect EBITA for the year to be substantially below last year |

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# BSNA: market developments and results

| *US $ x 1 Mio* | 2007 | 2008 |
|---|---|---|
| Net sales | 828.5 | **840.5** |
| EBITA | 75.9 | **71.7** |
| ROS % | 9.1 | **8.5** |

*All results pre-exceptionals; including goodwill*

**Sales**

- Organic sales for the nine months was 14.4%. Pricing growth was 15.4% and volumes declined by 1%.
- Economic downturn and increased pricing lead to lower demands and downgrading
- Currency movements and divestments had a negative impact of 12.6% and 0.3% respectively

**EBITA**

- Q3 EBITA was $23.1 million, a slight improvement from the $22.9 million achieved in 2007
- Corrective action at Brill is taking effect, Q3 in line with 2007
- Other companies develop well given the challenging environment

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# PURAC: market developments and results

| *€ x 1 Mio* | 2007 | 2008 |
|---|---|---|
| Net sales | 234.6 | **245** |
| EBITA | 15.0 | **23.2** |
| ROS % | 6.4 | **9.5** |

*All results pre-exceptionals*

| | |
|---|---|
| Sales | ▪ Organic sales growth for the nine months from continuing businesses was 11.6%<br>▪ Volume growth 6% and pricing growth of 5.6%<br>▪ Currency movements and divestments had a negative impact of 4.7% and 0.8% respectively. |

| | |
|---|---|
| EBITA | ▪ Q3 EBITA was €5.9 million (€4.1 million 2007)<br>▪ As indicated at H1 stage, results for H2 will show a less spectacular improvement due to lagging effect of passing on raw material cost increases<br>▪ Negative impact from a strike at a potassium supplier, esp. in Q4 with an effect of € 2-3 million on EBITA.<br>▪ PURAC to make substantial progress with its full year results |

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PURAC

# Key Financing developments first nine months 2008

- Capital expenditures are trending in line with depreciation
- Working capital improved as expected in days outstanding compared with Half-Year results.
- Due to CSM’s policy to finance its debt in US$ to have a natural hedge against it US$ assets and to limit the impact on net results, total debt increased due to the strengthening of the US$.
- Financing is comfortable as a result of the two syndicated loans closed in June 2007 and May 2008. The loan amounts and tenure are respectively € 700 million for 5 years and US$ 365 million for 3 years.
- Stability of cash flows allows us to continue to commit to our dividend policy of stable or increasing dividend.

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# Operating & Financial Outlook 2008

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# 2008 Financial outlook

***As specified in the Trading Update***

- EBITA for the year 10% - 15% below EBITA of 2007 (€ 153.7) of the decline approximately half can be explained by negative currency effects.
- The 4th quarter of 2008 is expected to be lower than 2008 due to the following assumptions:
  - Accelerating declining economic climate, putting pressure on our volumes sold.
  - Declining raw material prices will put pressure on Bakery margins, in order to defend market positions we will have to lower selling prices despite having raw material positions at high prices
  - The strike in the potassium mine will continue till the end of the year, thereby impacting our result by € 2-3 million negative at PURAC

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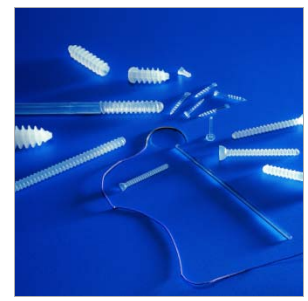

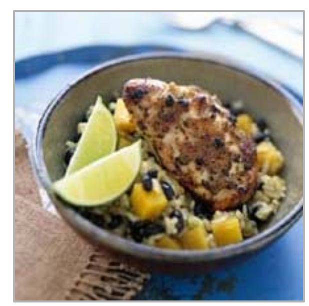

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