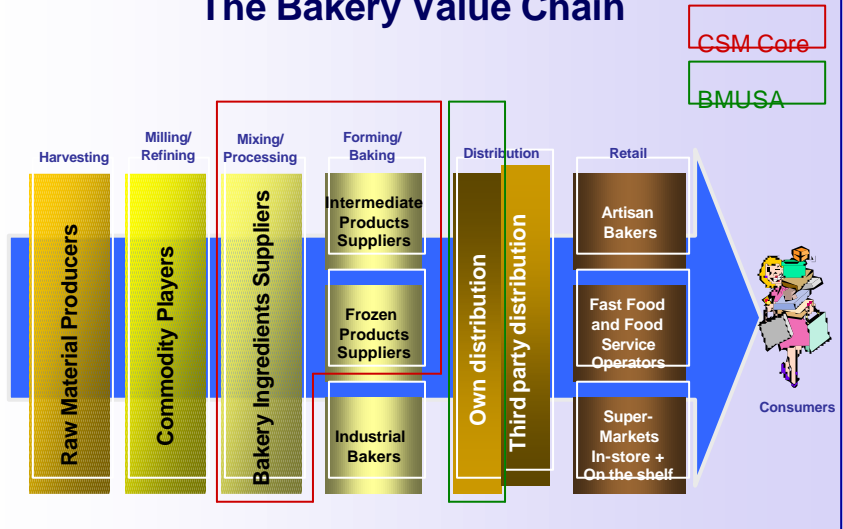


November 2006



## The Bakery Value Chain



- Single specialty ingredients
- concentrates
- mixes/fats/fillings/icings
- BMUSA national distributor
- Besser, Italy



## CSM Market Positions

MARKET SIZE (excl. commodities)	BSEU (€) 9.0 bln.		BSNA (\$) 20.1 bln.	
<b>Strong Market Positions</b>	<b>12%</b>		<b>6%</b>	
Artisan	19%	flat	25%	flat
Industry	13%	slight growth	3%	slight growth
In-Store	7%	growth	10%	growth
FoodService	5%	growth	1%	growth
<b>Bread Ingredients</b>	<b>19%</b>	<b>growth</b>	<b>12%</b>	<b>growth</b>
<b>Pastry Ingredients</b>	<b>16%</b>	<b>growth</b>		<b>growth</b>
<b>Icings / Fillings</b>		<b>flat</b>	<b>30%</b>	<b>growth</b>
<b>Fats</b>	<b>22%</b>	<b>flat</b>	<b>0%</b>	<b>n/a</b>
<b>Frozen Bread</b>	<b>3%</b>	<b>growth</b>	<b>0%</b>	<b>n/a</b>
<b>Frozen Pastry</b>	<b>10%</b>	<b>growth</b>	<b>2%</b>	<b>growth</b>

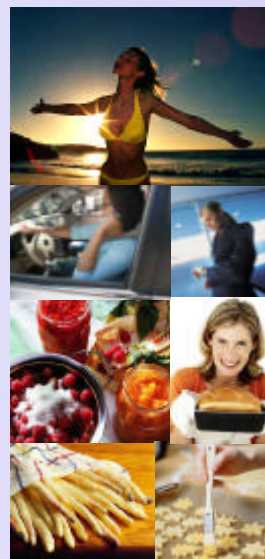


3

## Key Consumer Trends

- Consumer Mega-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!



## Key Customer Trends

- 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 !



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## Strategic choices for future growth

- Lead Artisanal channel, retail (US) channel
  - Dedicated sales and services
  - Broad product portfolio; incl. frozen convenience products
  - Gain marketshare
  - In US, strong position through BakeMark USA distribution network (bundling)
- Ingredients champion to industrial bakers
  - Focus on innovative products
  - Swift response to tailored product needs
  - Low cost position ? renew supply chain
- Selective Frozen Product leadership to Artisanal, In-Store & FS
  - American pastry ; muffins, donuts, cookies
  - Pastry Snacks
  - Dessert Cakes (CGI)
  - Freezer to Oven product line for Foodservice (US)
- Leader in Customer Intimacy
  - Partner for Artisanal baker in convenience, assortment , technical training, sales support
  - Partner for Industry in solving technical problems. Tailor made.
  - Partner for In-store in solving skill issues, quality and category management
  - Partner on Foodservice – assortment/menu item arrangement



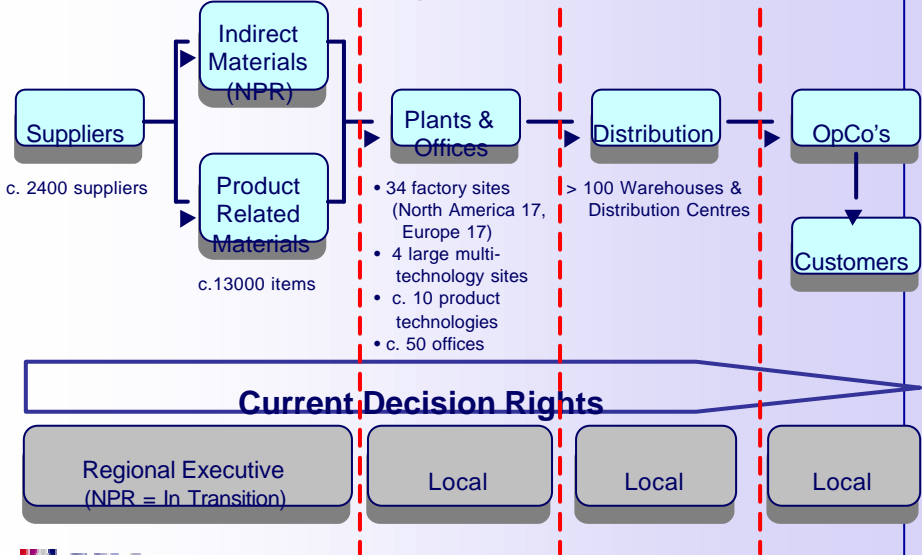
6

## Market Position- CSM Opportunities

- Strong profitable positions in Artisan (Europe) and In-Store (U.S.)
- Product leadership in many product areas
  - Fats (Unipro, BakeMark)
  - Mixes (Ulmer Spatz, Caravan)
  - Specialty ingredients (AIC)
  - Icings / Fillings (Brill, Carels)
  - Frozen selected product group (donuts UK, Germany; cakes U.S.; cookies U.S.)
- CSM under-represented in Food Service and Frozen
- Fragmented Market ? consolidation opportunity



## The 2006 Supply Chain landscape



## Complexity reduction presents a huge savings opportunity.....

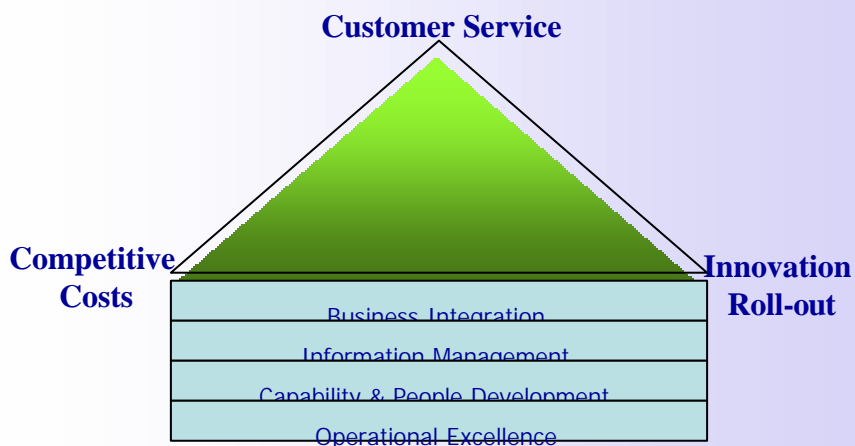
	Spend (EUR mln)	# Items	# Suppliers
Ingredients	720	7000	1600
Copack	160	1300	230
Packaging	70	4700	450
Non Product Related	330	NA	NA

(excl. distributor business North America)

**1300 items and 300 suppliers removed since Nov 2005**



## Supply Chain Vision Deliverables & key enablers

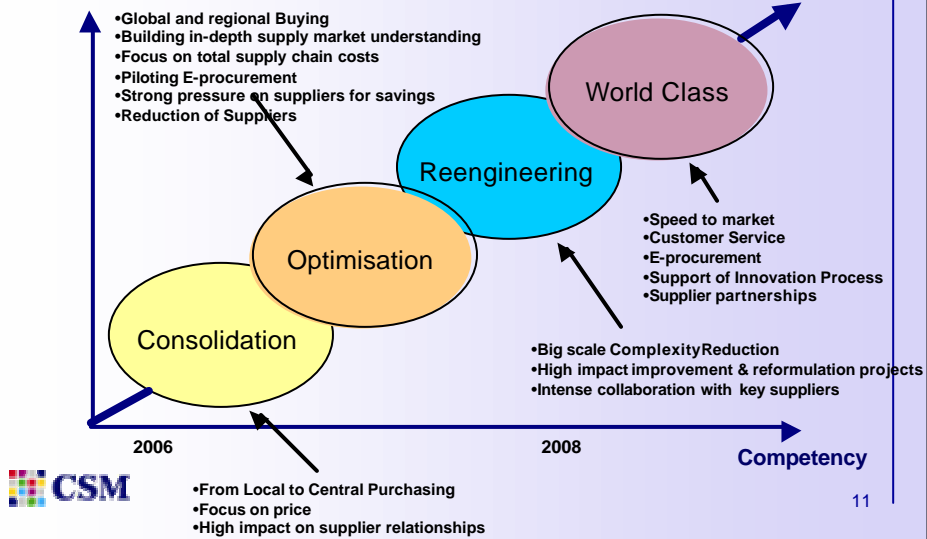


Prerequisites: Organisational Change to build functional excellence  
 Support Systems

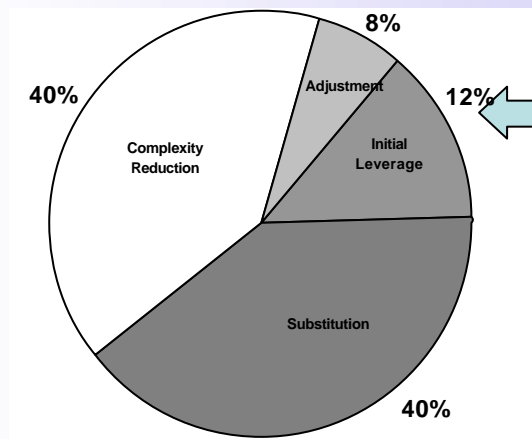


## Managing phased implementation of the procurement process

### Organisational Focus



## Origin of procurement savings – a typical example for a food company



CSM:  
we are just  
scratching the  
surface

## Bakery Inno-Engine

- The Bakery Inno-Engine program should significantly improve the innovative ability of CSM Bakery Supplies
  
- Target:
  - Innovation underpinning sustainable organic growth
  - Increase sales from innovative products from 5% (2005) to 15% (2008)
  - Build the right teams, infrastructure, processes and culture for delivering against this target



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## Some key consumer trends we meet with innovative products:

- Health
  - Holistic health & well-being
  - Health with,....
    - Vitamins, fibres, essential oils,...
  - Health without or less of:
    - Trans Fats
    - Sugar
- Indulgence, experience & convenience
  - Chef style pastry
  - American Pastry
  - International tastes



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## Key group financials 1<sup>st</sup> 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*



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## Sale of Sugar Division

*conglomerate days are over*

- intention announced: Feb 16 – 06
- principle agreement Cosun: July 21 – 06
  - Value including average W.C.: €245 M
  - Property Breda remains with CSM
- Completion expected Q4 - 2006



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## Sugar pricing Impact

- Sugar is an important commodity
- Sugar was partially hedged between supply Sugar division and demand by Bakery Supplies and PURAC

- 2006 : increasing world market prices

	Sugar division	PURAC/BSNA
1H 06	+ 2 M	(3.7) M
2H 06	no exports	(7.5) M

- Actions to improve risk management
  - BSNA
    - new hedging policies
    - innovations to use sweeteners
  - PURAC
    - Thailand allows for alternative raw materials



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## Délices de la Tour

### *no room for underperformers*

After reorganisation in 2005, DLT now consists of two activities:

- Le Mans
  - Viennoiserie products
  - Sales € 30 M
  - Loss making
  - Structural solution required
- Maubeuge
  - Stone Oven bread
  - Substantial Investments made in 2005
  - Growing business €20 M sales
  - Strategic solution required within European business model

Asset impairment taken as no acceptable returns are expected over the medium term.



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## CGI

### *road to exploiting No.1 market position*

#### **US decorated & gourmet frozen cakes**

- Market: In-store US\$ 900 M and Foodservice US\$ 700 M
- Growth : 5 – 6% p.a.
- Highly fragmented: top 10 < 40%
- In-store segment is strength of CGI, Brill is strong in both the In-store and Foodservice segment

#### **Brill / CGI**

- innovative, pro-active market leader with low costs
- no. 1 in-store player at Wal-Mart / Albertsons / Safeway
- no. 3 / 4 foodservice player

#### **Impact on 2006 financials with consolidation as of September 1:**

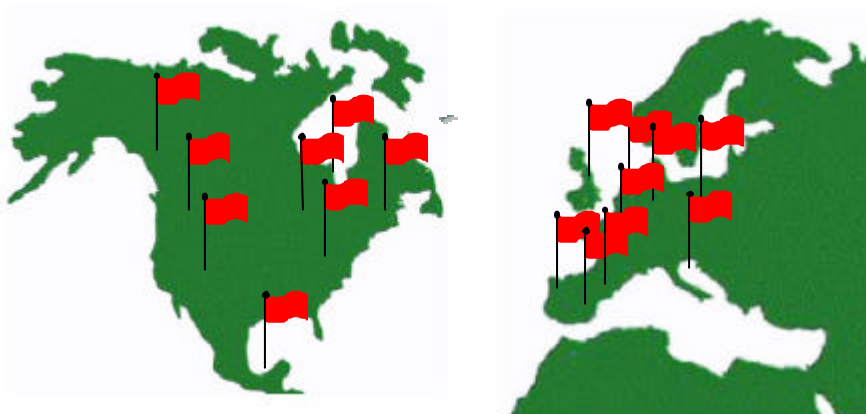
- Cash out US\$ 70 M
- Assumption of Debt US\$ 5 M
- Sales Increase approx. US\$ 25 M
- EBITA increase approx. US\$ 2.5 M
- Interest expense increase US\$ 1.5 M



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## 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



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## BSEU: market developments and results

Net turnover		EBIT		ROS		ROCE	
€x1M		€x1M		%		%	
HY06	HY05	HY06	HY05	HY06	HY05	HY06	HY05
515	541	24.0	18.9	4.7	3.5	6.3	4.3

*All results pre-exceptionals*

### Market developments

- Continued slow decline in number of artisanal bakeries
- Strongest growth in Foodservice / Out-of-home
- Price pressure in In-store market

### results

- Organic growth flat if product rationalization and termination of non-core activities such as white bread in France is taken into account
- Sales of new products, backed by innovations, €31 M
- ROS and ROCE up by more than 30%
- 3S savings €10 M bring additional €8 M
- Good recovery in Germany and UK; asset impairment in France



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## BSNA: market developments and results

In M	Net turnover		EBIT		ROS		ROCE*	
	HY06	HY05	HY06	HY05	HY06	HY05	HY06	HY05
\$	663	636	43.1	37.5	6.5	5.9	10.8	8.6

All results pre-exceptionals  
\* including goodwill

### Market developments

- Stable market, growth particularly in premium segment
- Share of Hispanic products increasing
- Strong increase in cost of sugar

### Results

- Reported sales negatively affected by US\$ 22 M from divestments and closure; organic growth 7.2%
- Excluding currency movements and exceptionals EBIT rose by 15%
- Sales of new products backed by innovations, US\$ 19 M
- Cost of sugar increased effect US\$ 4 M
- 3S Savings in 1<sup>st</sup> halfyear € 3 M



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## 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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## PURAC: market developments and results

Net turnover		EBIT		ROS		ROCE*	
Ex 1M		Ex 1M		%		%	
HY06	HY05	HY06	HY05	HY06	HY05	HY06	HY05
150	140	13.3	12.5	8.8	8.9	8.6	9.0

All results pre-exceptionals

\* including goodwill

### Market Developments

- Meat preservation market is showing good growth in Europe, modest growth in the US
- Food preservation market in emerging markets growing
- Feed market showing strong growth
- Energy and sugar costs increased

### Results

- Organic sales growth 3.7%; sale volumes rose 5.8%; slight price increase of 0,5% vs 1<sup>st</sup> half 2005, mix differences account for the balance
- Increased sugar and energy costs affected EBIT negatively by € 2.5 M
- EBIT impact of investment in Thailand was - € 1.2 M
- 3S savings € 5 M in first half 2006



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## Purac breaking declining trend

First time in three years that earnings grow

	2003	2004	2005	2006
1 <sup>st</sup> half	25.9	24.0	12.5	13.3
2 <sup>nd</sup> half	24.2	20.1	10.0	

Factors contributing to the 0,8 M improvement:

3S savings	5.0
Sales increase/Inventory decrease	2.5
Price increase effect vs. price level mid 2005	0.6
Sugar cost effect	<0.7>
Energy cost effect	<1.8>
Other cost increases	<2.3>
Additional depreciation	<1.3>
Expense related to Thailand plant	<1.2>

Total 0.8



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## €10 million 3S program

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

	2005		2006		Plan 2008	Last 12 months
	1st half	2nd half	1st half	2nd half		
Savings per:						
BSEU	2	2	10			12
BSNA	0	4	3			7
Total Bakery Supplies	2	6	13		75	19
Purac	0	0	5		20	5
Sugar	5	6	5		12	11
Corporate	0	0	0		3	0
Total	7	12	23		110	35
<b>Split in:</b>						
Restructuring projects	7	12	17		65	29
Purchasing			6		45	6
Restructuring expenses		58	17		120	75
Cash out		25	19		80	44
FTE reduction		696	170			866



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## Capital management

in million €

HY 2006 HY 2005

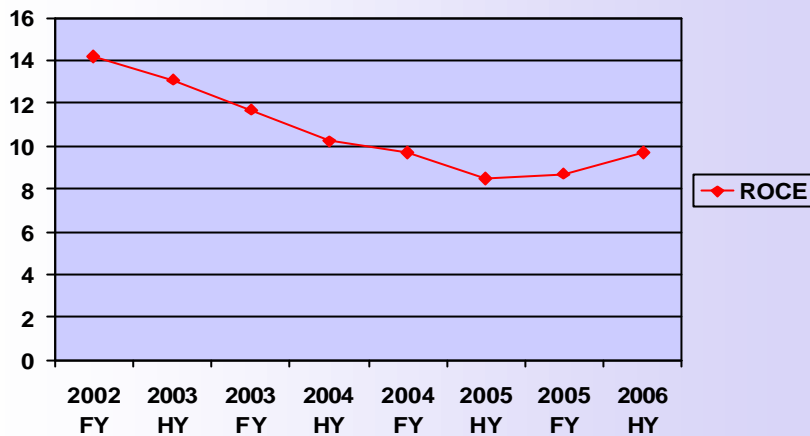
Net debt	384.5	410.4			
Net debt / EBITDA 1)	2.0	2.4			
Interest coverage 1)	6.0	1.4			
	<u>Mid</u>	<u>End</u>		<u>Currency</u>	
	<u>2006</u>	<u>2005</u>	<u>Incr/Decr</u>	<u>Impact</u>	<u>Nominal</u>
Receivables	300	322	<22>	<7>	<15>
Inventory	242	247	<5>	<10>	5
Creditors	<299>	<347>	48	16	32
<b>Total Working Capital continued</b>	<b>243</b>	<b>222</b>	<b>21</b>	<b>1</b>	<b>22</b>
<b>Discontinued</b>	<b>45</b>	<b>91</b>	<b>&lt;46&gt;</b>	<b>0</b>	<b>&lt;46&gt;</b>
<b>Total Working Capital</b>	<b>288</b>	<b>313</b>	<b>&lt;25&gt;</b>	<b>1</b>	<b>&lt;24&gt;</b>

1) EBITDA, EBITA and interest expenses before exceptional items



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## Group\* ROCE: 12 mth rolling trend



\* Including Sugar, before exceptional expenses.



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## Share buy back 2<sup>nd</sup> half 2006

### Status

- Amendment Private Placement not feasible, as a consequence we will repay this loan.
- Tax issues have been solved, execution will take place 2nd half.

### Effects 2nd half 2006:

- Cash out of maximum €192 M on share buy back and approximately €9 M on repayment Private Placement.
- Interest expenses to increase depending on cash out and timing of share buy-back.
- One-off expenses due to repayment Private Placement approx. €30 M, of which €21 M non cash and non equity effect.
- Lower interest cost due to repayment Private Placement annually approximately €6 M.



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## Impact redemption Private Placement as per 1/10/06

€ / US\$ exchange rate: 1,25

Amounts/€M

### Exceptional financial expenses re Redemption US PP 225

Release capitalized interest cost	<21,0>
Make whole costs (\$ 12 M)	<9.4>
	-----
Total Exceptional	<30.4>
Annual Financial expense saving	6
Cash out 2006	
Make whole costs (\$ 12 M)	<9.4>
Interest savings (as of 1/10/06)	1,4
	-----
Total cash out	<8.0>



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## 2006 Operating outlook

### We reiterate our outlook as presented in March 2006:

- BSEU, limited salesgrowth, benefits from 3S projects
- BSNA, continues salesgrowth trend, improving results
- Purac, sales volume increase close to historical rates, price increase and aggressive cost cutting.
- 3S, approx. € 40 M of additional savings of which half should contribute to improved EBIT

### Additionally for the 2nd half:

- CGI will contribute app. US\$ 2.5 M to EBIT and US\$ 1.5 M to financial expenses
- Sugar cost increase will have a larger impact in 2nd half than in 1st half of 2006
- Financial expenses impacted by share buy back and a € 30 M charge due to the repayment of the Private placement, of which € 21 M non-cash
- Sugar divestment expected at the end of Q4



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## 2006 Financial outlook

### We reiterate our outlook as presented in March 2006:

- Limited free cash flow in 2006 and 2007 due to restructuring and capital expenditures
- Committed to returning up to € 250 M to shareholders consisting of dividends and share buy backs

### Additionally for the 2nd half:

- CGI payment US\$ 75 M at September 1
- Proceeds Sugar expected at the end of Q4



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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***



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## results per business segment

before exceptional items

	net turnover € x 1M		EBIT € x 1M		ROS %		capital* € x 1M		ROCE* %	
	HY06	HY05	HY06	HY05	HY06	HY05	HY06	HY05	HY06	HY05
BSEU	514.6	540.8	24.0	18.9	4.7	3.5	758.2	872.7	6.3	4.3
BSNA	539.1	495.5	34.9	29.3	6.5	5.9	682.6	719.6	10.2	8.1
<b>Total BS</b>	<b>1,053.7</b>	<b>1,036.3</b>	<b>58.9</b>	<b>48.2</b>	<b>5.6</b>	<b>4.7</b>	<b>1,440.8</b>	<b>1,592.3</b>	<b>8.2</b>	<b>6.1</b>
PURAC	150.4	139.9	13.3	12.5	8.8	8.9	310.8	277.7	8.6	9.0
Sugar	124.6	102.5	21.2	20.7	17.0	20.2	117.6	123.3	36.1	33.6
holding costs			-5.8	-9.9			0.9	1.5		
<b>CSM total</b>	<b>1,328.7</b>	<b>1,278.7</b>	<b>87.6</b>	<b>71.5</b>	<b>6.6</b>	<b>5.6</b>	<b>1,870.1</b>	<b>1,994.8</b>	<b>9.4</b>	<b>7.2</b>



\* including goodwill

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## results per business segment

before exceptional items

	Capital Employed* € x 1M		ROCE* %	
	HY06	HY05	HY06	HY05
BSEU	823.3	872.7	5.8	4.3
BSNA	682.2	719.6	10.2	8.1
<b>Total BS</b>	<b>1,505.5</b>	<b>1,592.3</b>	<b>7.8</b>	<b>6.1</b>
PURAC	310.0	277.7	8.6	9.0
holding	0.9	1.5		
<b>CSM Continued</b>	<b>1,816.4</b>	<b>1,871.5</b>	<b>7.6</b>	<b>5.4</b>
<b>CSM Incl. Sugar</b>	<b>1,934.0</b>	<b>1,994.8</b>	<b>9.1</b>	<b>7.2</b>



\* including goodwill

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## Net turnover: growth HY 2006

	Total	Acquisitions / disposals	FX	Organic
<i>in millions €</i>				
Bakery Supplies Europe	-26.2 -4.9%	-14.6 -2.7%	-0.4 -0.1%	-11.2 -2.1%
Bakery Supplies NA	43.7 8.8%	-16.7 -3.4%	24.7 5.0%	35.6 7.2%
PURAC	10.5 7.5%	0.0 0%	5.3 3.8%	5.2 3.7%
<b>Total CSM continuing</b>	<b>27.9</b> 2.4%	<b>-31.3</b> -2.7%	<b>29.7</b> 2.5%	<b>29.5</b> 2.5%
Sugar	22.1 21.6%	0.0 0%	0.0 0%	22.1 21.6%
<b>Total CSM</b>	<b>50.0</b> 3.9%	<b>-31.3</b> -2.4%	<b>29.7</b> 2.3%	<b>51.6</b> 4.0%



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## Discontinued Operations

*in million €*

	<u>HY 2006</u>	<u>HY 2005</u>
Sugar Division	22.3	0.1
Sugar Confectionary Division	-	355.2
	-----	-----
<b>Total Discontinued Operations</b>	<b>22.3</b>	<b>355.3</b>

- Net increase in sales caused by growing exports
- Selling prices deteriorated in anticipation of the amended sugar regime
- Exceptional income among other by selling real estate
- Principal agreement to sell CSM Sugar to Cosun, pending NMA (Dutch competition authority) approval



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## Profit & loss statement

<i>in million €</i>	<u>HY 2006</u>	<u>HY 2005</u>	<u>% variance</u>
Net sales from continuing operations	1,204.1	1,176.2	2.4
EBIT before exceptionals	66.4	50.8	30.7
Exceptional items	<u>&lt;41.4&gt;</u>	<u>&lt;13.6&gt;</u>	
EBIT	25.0	37.2	<32.8>
Interest	<4.7>	<29.3>	<84.0>
Tax	<3.8>	1.8	
Discontinued operations	<u>22.3</u>	<u>355.3</u>	<93.7>
Net income	38.8	365.0	<89.4>
EPS	0.54	4.85	<88.9>
EPS excl. discontinued & exceptionals	0.67	0.32	109.4



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## Profit & Loss account – before exceptionals

<i>In million €</i>	<u>HY06 before exceptionals</u>	<u>HY06 total</u>	<u>HY05 before exceptionals</u>	<u>HY05 total</u>
Net turnover	1,204.1	1,204.1	1,176.2	1,176.2
Gross profit	256.3	220.6	250.5	226.7
Operating result	66.4	25.0	50.8	37.2
Financial income & expenses	<4.7>	<4.7>	<29.3>	<29.3>
Result bef. tax from continuing operations	61.7	20.3	21.5	7.9
Taxes	<13.5>	<3.8>	2.3	1.8
Result after taxes from continuing operations	48.2	16.5	23.8	9.7



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## Balance sheet

<i>In million €</i>	30.06.2006	31.12.2005	30.06.2005
<b>Assets</b>			
Total fixed assets	1,229.0	1,270.7	1,257.9
Total current assets	765.0	912.6	964.9
<b>Total</b>	<b>1,994.0</b>	<b>2,183.3</b>	<b>2,222.8</b>
<b>Liabilities</b>			
Shareholders' equity	940.8	946.4	907.6
Non-current liabilities	638.7	696.4	816.4
Current liabilities	414.5	540.5	498.8
<b>Total</b>	<b>1,994.0</b>	<b>2,183.3</b>	<b>2,222.8</b>



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## Cash flow statement

<i>In million €</i>	HY2006	HY2005
Cash flow from operating activities	85.0	68.3
Movement in provisions	<5.8>	10.0
Movement in working capital	<22.2>	<66.5>
<b>Cash flow from business operations</b>	<b>57.0</b>	<b>11.8</b>
Net interest and tax payments	<1.5>	<28.0>
<b>Cash flow from operating activities</b>	<b>55.5</b>	<b>&lt;16.2&gt;</b>
Cash flow from investment activities	<1.3>	793.4
Cash flow from financing activities	<74.6>	<648.3>
<b>Net cash flow</b>	<b>&lt;20.4&gt;</b>	<b>128.9</b>



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## Cash flow

*in million €*

	<u>HY 2006</u>	HY 2005
Result from continued operations	16.5	9.7
Non-cash income & expenses	56.4	53.3
	-----	-----
Net cash income	72.9	63.0
Cash from discontinued operations	53.5	782.4
Investments working capital	<22.2>	<66.5>
Investments in fixed assets	<50.0>	<1.7>
	-----	-----
Net cash generated	54.2	777.2
Debt reduction	18.0	632.7
Dividend paid	57.8	67.1
Ordinary share transactions	<21.6>	77.4
	-----	-----
Net cash used	54.2	777.2



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## Interest

*in million €*

	<u>HY 2006</u>	HY 2005
Ordinary interest expenses	<14.3>	<26.2>
Redemption cum pref shares	-	<4.1>
Redemption private placement	-	-
Bad loan on prior year divestment	-	<3.8>
Fair value changes	9.3	<5.4>
Currency impact	0.3	10.2
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Interest expense in P&L	<4.7>	<29.3>



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## Actions so far: Announced restructuring

### Bakery Supplies Europe

#### # FTEs

- BakeMark U.K                    97 reorganisation/closure Milton Keynes
- BakeMark Germany            reorganisation
- BakeMark Iberica              integration BakeMark Portugal / Express Croex SA
- Pan-European buying         in operation per 1.11.2006
- SKU harmonization            products portfolio analysis in most countries
- Délices de la Tour            140 closure of 3 locations/reorganization
- BakeMark Sweden             sold; closure per May 1, 2005
- Jantje de Goede NL            sold
- BakeMark U.K.                 74 reorganization operations
- BakeMark Deutschland       50 Streamlining of processes



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## Actions so far: Announced restructuring

### Bakery Supplies North America

#### # FTEs

- BakeryMark USA                148 distribution restructuring (4 companies)
- H.C. Brill                        } 50 merger of H.C. Brill with Henry & Henry
- H.C. Brill                        } merger of H.C. Brill with Baker & Baker
- BakeMark USA                 30 closure of 3 production sites
- American Ingredients Co.     sale of 'defoamer' activities
- Caravan / AIC                  30 merger
- H.C. Brill                        146 closure of Elk Grove Village, Illinois

### PURAC:

- PURAC Netherlands         65 restructuring of production and support services
- PURAC Spain                  reorganization
- PURAC Thailand              Thailand investment approved

### Sugar:

- CSM Suiker, Breda            75 closing beet processing operations

