



North American perspectives



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VP Business
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Personal Introduction

Wheaton College

BA in Business and Economics

University of Virginia

MBA in General Management

Accenture

Senior Consultant

The Boston Consulting Group

Principal

CSM - Bakery Supplies North America

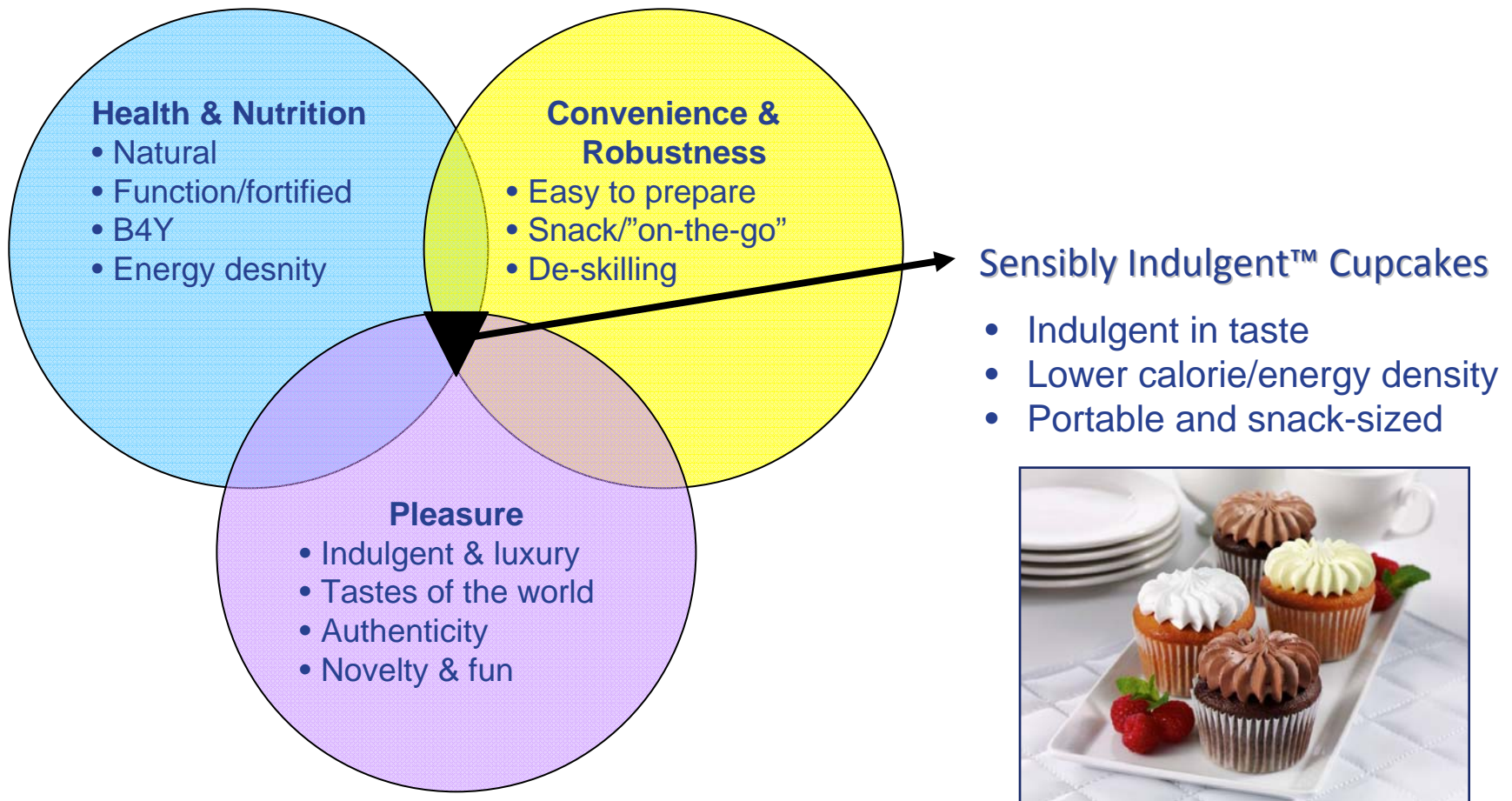


Chad Rynbrandt

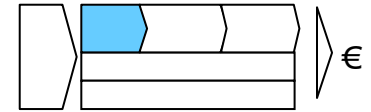
Vice President Business Dev., BSNA



An Example from the Intersection of Consumer Trends



Innovate Based on Consumer Insight and Market Research

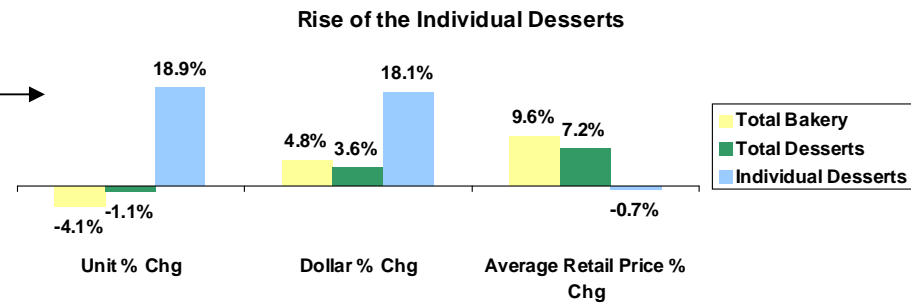


Better for You (B4Y) need

- 34% of U.S. adults over age 20 are obese (BMI of 30+); 16% of children
- Retailers expanding and increasing visibility of B4Y offerings
- 81% of fresh cake buyers would consider purchase of B4Y cake

Format of Product

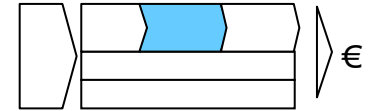
- Rise of the individual dessert →
- Low calorie pack proliferation



Consumer stated needs

- “I want to give myself a ‘treat’ but when I do I feel so guilty...”
- “Most low calorie food tastes ‘low calorie’....”

Product Developed With Continued Market Input



Original Concept

Size

5" individual cake

Flavors

- Yellow cake/vanilla icing
- Choc cake/choc icing
- Yellow cake/lemon icing
- Yellow cake/choc icing
- Choc cake/praline icing

Key attributes

- Fat content
- Taste

Product to be Launched

45g cupcake

- Yellow cake/vanilla icing
- Choc cake/choc icing
- Yellow cake/lemon icing
- Choc cake/mocha icing

- Taste
- Calories
- Fat content
- Volume/size

Which would you choose?



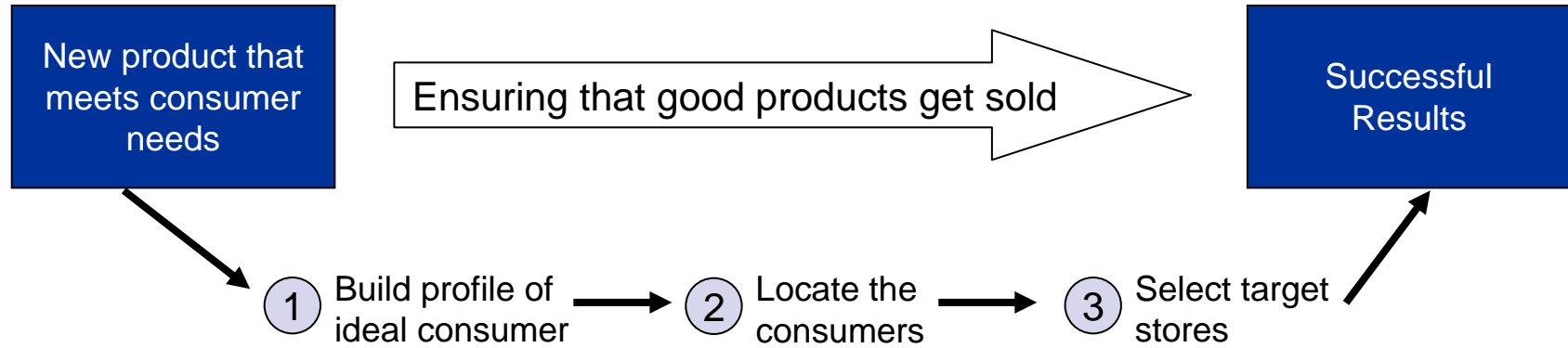
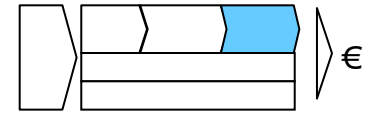
Reduced Fat

Not Reduced Fat

Sensibly Indulgent™
Cupcake

Bite Sized
Cupcake

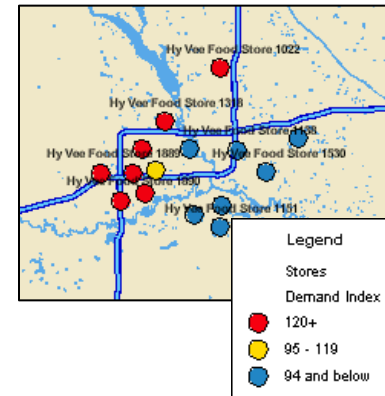
Delivery: Putting it Where the Consumers Will Be



Demographic	Nation %	Pct	Index
Number of Persons			
1 Person	26.2	19.2	73
2 Persons	32.6	41.1	126
3 Persons	16.9	17.8	106
4 Persons	13.8	14.4	104
5+ Persons	10.5	7.5	71
Household Income			
Under \$10,000	8.2	3.0	36
\$10,000 - \$19,999	10.3	4.0	39
\$20,000 - \$29,999	11.1	5.9	53
\$30,000 - \$39,999	11.1	6.7	60
\$40,000 - \$49,999	10.0	8.8	88
\$50,000 - \$74,999	19.5	18.2	93
\$75,000 - \$99,999	11.8	16.9	142
\$100,000+	17.8	36.7	206
Householder Age			
18 - 24	5.2	6.3	122
25 - 34	16.2	11.6	71
35 - 44	19.9	15.6	78
45 - 54	21.3	23.1	109
55 - 64	16.5	20.6	124
65+	20.9	22.7	109

BehaviorStage	Cosmopolitan Centers	Affluent Suburban Spreads
Start-Up Families	78	146
HHs with Young Children Only <6		
Small Scale Families	124	215
Small HHs with Older Children 6+		
Younger Bustling Families	120	100
Large HHs with Children (6+), HOH <40		
Older Bustling Families	121	231
Large HHs with Children (6+), HOH 40+		
Young Transitionals	84	113
Any size HHs, No Children, <35		
Independent Singles	100	125
1 person HHs, No Children, 35-64		
Senior Singles	115	167
1 person HHs, No Children, 65+		
Established Couples	196	196
2+ person HHs, No Children, 35-54		
Empty Nest Couples	130	236
2+ person HHs, No Children, 55-64		
Senior Couples	153	232
2+ person HHs, No Children, 65+		
Total	121	186

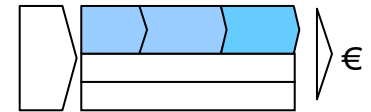
Source: Spectra BehaviorScope™ 60-Microsegment Framework/EnLighten2007
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Results to-date are exceeding expectations



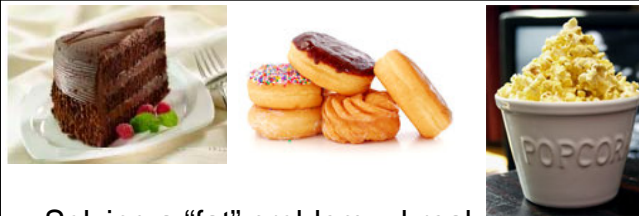
Many Other Innovation Initiatives in NA



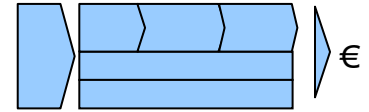
- Baked muffins
- Baked cookies
- Baked brownies
- Hispanic products
- “Better-4-You” products
- Sensibly Indulgent™ icing
- Transcendim™
- Frozen cookie dough
- Laminated dough
- Next generation of baking



- Fastest growing demographic in the US
- Deliver authentic taste on staple products such as conchas, empanadas, billios
- Add hispanic flavors into current lines - tres leches, guava,
- Also brand development – Trigal Dorado



- Solving a “fat” problem – break the trans fat/saturated fat compromise
- Value-added ingredient which leverages current technology
- Pursuing applications in shortening, donut frying oil, popcorn oil



Conclusions

Robust Portfolio

- Many other North American and European strategic innovation projects
- Continually researching globally for new insights and opportunities

Investments Have Created a Foundation for Success

- People
- Innovation Centers

Rigorous Process

- Make sure insights turn into cash – innovation rate improved from 5.0% of sales to 10.8%