

Press release

CSM TO BUILD LACTIDE PLANT IN THAILAND

- A strong commitment to reduce CO₂ by investing in bioplastics -

Diemen, the Netherlands, December 18 2009

CSM announces that its subsidiary Purac will start with the construction of a Lactide plant in Thailand to produce components for bioplastics. This investment is driven by CSM's commitment to play a leading role in the development of the market for lactic acid based bioplastics (PLA). This market is highly attractive as PLA contributes, with commercially viable products, to a significantly lower carbon dioxide (CO₂) footprint than the traditional oil based plastics. The investment decision is supported by the commitment of our three commercial partners and an increasing number of partners who have signed development agreements, as well as by governmental and consumer drive for sustainable, green products. The investment for this new plant will be EUR 45 million. The new plant will be ready for start up in the second half of 2011 to meet our current level of demand and to accelerate market development.

Gerard Hoetmer, CEO of CSM comments: *"This investment will take us to the next step in our bioplastics program, where our proprietary technology gives us a considerable opportunity together with our partners, to grow the PLA market. Even a 1% share of the 250 million ton plastics market represents a huge opportunity for our products and our company."*

The products are aimed for a broad segment of today's plastics market and enables Purac's partners to produce bioplastic products with a high heat resistance up to 180 degrees Celsius/266 degrees Fahrenheit.

Gerard Hoetmer continues: *"We have made good progress in co-developing commercial applications for this next generation of PLA, such as in the packaging, foam and fiber industries. This is supported by the drive to reduce CO₂ emission with commercially attractive products. Both from a market and technology perspective, PLA will continue to gain attractiveness compared to traditional oil-based plastics through further investments in future generations of products."*

The new plant will be located at the existing Purac site in Thailand. The capacity of the Lactides plant will be 75,000 tons. It is designed to produce both L-Lactides and D-Lactides, made out of lactic acid sourced from the existing Purac plants.



For more information, please contact:

Press: Eva Lindner, Communication Director, tel. +31 20 5906320

Analysts: Ian Blackford, Investor Relations Manager, tel. +31 (0)20 5906349 / mobile +44 (0)7767 227506

Background information:

CSM is the largest supplier of bakery products worldwide and is global market leader in lactic acid and lactic acid derivatives. CSM produces and distributes an extensive range of bakery products and ingredients for artisan and industrial bakeries and for in-store as well as out-of-home markets. It also produces a variety of lactic acid applications for the food, chemical and pharmaceutical industries. CSM operates in business-to-business markets throughout Europe, North America, South America, and Asia, generates annual sales of € 2.6 billion and has a workforce of around 8,450 employees in 25 countries. CSM is listed on Euronext Amsterdam. For more information: www.csm.nl.