

Press release

CSM updates on the trading environment

date Diemen, the Netherlands, 5 July 2011

Our indication to the financial markets at the time of our full year results reflected:

- optimism about improving our EBITA in 2011
- increased raw material costs of at least € 200 million
- an unavoidable time-lag in adjusting selling prices to compensate for raw material cost increases in the earlier part of the year.

Our Q1 sales and EBITA before one-off costs were broadly as expected and showed only a limited lagging effect as a result of our prices being increased by 6 % year on year.

In Q2 raw material costs increased even further than expected and are now trending towards an increase of € 240 million for the full year. We have stepped up the level of price increases to compensate. However we have not yet been able to fully compensate the increased raw material cost in the quarter and also we have had some loss of volume as the market adjusted to higher prices. The EBITA trend was further exacerbated by the weaker US dollar.

Whilst we expect sales for the 1st half to be higher, EBITA before one-off costs will be below last year and around € 80 million.

Going forward, with most of our price increases implemented, we expect that our pricing will progressively balance the increase in our raw material costs. We expect a gradual recovery of volumes during the second half year. There is no indication that our competitive position has weakened in either Bakery Supplies or Purac.

Our businesses remain very much focused on delivering volume growth, cost reductions and realizing integration savings of Best Brands in the second half of 2011.

Based on all measures taken and our planned initiatives, we expect EBITA before one-off costs and at constant currencies in the second half of 2011 to be broadly in line with the second half of 2010.

Our cash position remains strong in support of our growth strategy. We remain well within our financial covenants.

Although our profitability in the latter part of the first half has been negatively impacted by the operating environment, we continue with our strategic focus of growing our Bakery Supplies activities, exploiting growth opportunities in today's Purac business as well as unlocking the considerable potential in bio-plastics. This strategy will create significant sustainable growth and allows us to deliver on our financial targets.

CSM will publish its first half results on the 10th August 2011.



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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 € 3 billion and has a workforce of around 9,700 employees in 28 countries. CSM is listed on NYSE Euronext Amsterdam.

For more information www.csmglobal.com