CSM nv
Corporate Communications

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Press release

CSM shows EBITA increase in second quarter 2012

date Diemen, the Netherlands, 8 August 2012

CSM delivered higher sales and EBITA in the second quarter of 2012 both supported by currency translation gains. EBITA excluding one-off costs amounted to € 41.4 million, an increase of 14% compared with the second quarter of 2011. Improving margins and reducing cost remain a key focus for CSM. Although the economic environment remains challenging, the trend of our volumes sold improved throughout the second quarter.

Key facts

- Sales for the second quarter increased by 8.0%. Sales in constant currencies increased by 0.6% as a result of organic growth of -0.2%, due to lower volumes of 2.4% largely offset by price increases of 2.2%, and an acquisition effect of 0.8%.
- Sales for the first half-year increased by 6.6%. Sales in constant currencies increased by 1.5%. Organic sales growth was 0.8%, a combination of lower volumes of 2.9%, offset by a positive price effect of 3.7%. Acquisition effect was 0.7%.
- EBITA excluding one-off costs in the second quarter amounted to € 41.4 million (Q2 2011 € 36.4 million). Currency movements positively impacted EBITA by € 4.0 million in the second quarter.
- EBITA for the first half-year excl. one-off costs amounted to € 73.7 million, a decline of 8.1% compared with 2011. Currency movements positively impacted EBITA by € 5.2 million compared with 2011.
- Net debt at the end of June was € 624.9 million, an increase of € 9.3 million compared with 31 December 2011 (30 June 2011: € 696.6 million), translating into a net debt/EBITDA ratio of 2.8x.
- On 7 May CSM announced its intention to further develop into a bio-based ingredients company, focusing on the Purac and Caravan Ingredients business. The Extraordinary General Meeting of shareholders (EGM), held on 3 July, approved this development.
- CSM is currently undertaking prepatory work to divest the Bakery Supplies businesses.

Quarter 2		x € million	Half-year	
2012	**2011**		**2012**	**2011**
827.0	765.5	Net sales	1,625.7	1,525.3
41.4	36.4	EBITA excluding one-off costs*	73.7	80.2
37.7	36.6	EBITA	66.7	74.5
		Result after taxes	31.1	29.9
		EPS (in €)	0.42	0.40
5.0%	*4.8%*	*EBITA % (excl. one-off costs)***	*4.5%*	*5.3%*
		ROCE in % (excl. one-off costs)	*6.6%*	*7.3%*

*) The one-off costs in 2012 relate to the restructuring program Relevance and to the divestment of the bakery business.
The one-off costs in 2011 relate to the integration of Best Brands and the effects of a fire in our plant in Brazil.

**) EBITA as % of net sales

The figures in this press release have not been audited.

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Commenting on the second quarter results, Gerard Hoetmer, CEO of CSM, said:

"As I mentioned in February, the acceleration in both the increase in raw material costs and the decline in consumer demand in the course of 2011, meant that the comparison between the first half of 2012 and the first half of 2011 would be tough.

I am therefore pleased that despite the ongoing difficult market situation we have been able to improve on our EBITA of the second quarter of 2011. This has been the result of a combination of margin and cost improvements supported by currency effects. Initiatives are being deployed within our organization to grow against the current market trend. So far our efforts have led to a lessening of the negative volume trend of the previous quarters, however, not yet to absolute volume growth.

We were successful in fully compensating higher raw materials costs in the second quarter. As we have covered most of our raw materials for the remainder of 2012, we are confident that this increased margin will also benefit our second half 2012 results.

In the second half of 2011 we announced Relevance, aiming to save € 30 million by 2012, increasing to a total of € 50 million by 2013. At first quarter 2012 we indicated that the savings for 2012 would surpass the € 30 million mark, and I can now confirm that we are well on our way to realizing these targets. The first half-year savings amounted to € 19 million.

Despite lower EBITA for the first half-year we have been able to stabilize our Net Debt/EBITDA ratio due to good capital control, both in working capital and capital expenditures. With a Net Debt/EBITDA ratio of 2.8 we are well within the limit of 3.5 included in the covenants of our lending facilities.

On 7 May we announced a major next step in the evolution of the company: the development of CSM into a bio-based ingredients company and the divestment of our Bakery Supplies businesses. We are working on the necessary preparations for this development and divestment process according to the timetable we set out in May. We continue to expect that we will have made significant progress by early 2013.

I am proud of the way our people are responding to this change, with a continued emphasis on serving our customers and driving results. It is encouraging to see that our Bakery Products and Bakemark businesses have been improving their EBITA over the last two quarters. The BSEU EBITA for the first half 2012 was still lower than in 2011, although the shortfall was much smaller in the second quarter compared to the first quarter. Future CSM, consisting of Purac and Caravan Ingredients, continued to record a satisfactory performance in the light of the current economic climate."

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Prospects for the second Half-Year of 2012

- We do not expect the current trading environment or consumer behavior to improve in the remainder of the year.
- Increased selling prices versus last year and raw materials largely covered for the remainder of the year will support our EBITA.
- Relevance project is on track, and will exceed the estimated € 30M of savings in 2012.
- The process of divesting our Bakery Supplies activities will be a major activity for the company in the second half of 2012. We still expect that we will have made significant progress by early 2013. Costs of the divestment process will be recorded as one-off costs in 2012.
- We expect Interest in the second Half-Year to be in line with the first Half-Year. Tax burden for the full year is expected to be between 25 and 30 percent.
- We expect our net debt to come down for the full year as a result of cash flow generation, proper working capital control and capital expenditures below depreciation.

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Financial commentary

Main developments in the first half-year compared with 2011

Net Sales

Net sales increased by € 100.4 million (6.6%) to € 1,625.7 million (first half 2011: € 1,525.3 million). Net sales were positively impacted by exchange rate effects of € 77.3 million, due to a stronger US dollar and British Pound Sterling. The acquisitions of The Cookie Man Ltd in the UK and Promocook in France had a positive net effect of € 11.0 million. Organic sales growth was € 12.1 million (0.8%) in constant currencies; the lower volumes of 2.9% were more than compensated by higher sales prices (3.7%).

Breakdown of sales growth Q2 2012 compared to Q2 2011:

	Total Growth €	Currency	Total Growth local currency	Acquisitions	Organic	Price/Mix	Volume
BSNA	12.3%	*11.5%*	0.8%	*0.0%*	0.8%	*3.1%*	*-2.3%*
BSEU	4.8%	*1.8%*	3.0%	*2.4%*	0.6%	*2.6%*	*-2.0%*
Purac	-0.6%	*5.2%*	-5.8%	*0.0%*	-5.8%	*-2.6%*	*-3.2%*

Breakdown of sales growth HY 2012 compared to HY 2011:

	Total Growth €	Currency	Total Growth local currency	Acquisitions	Organic	Price/Mix	Volume
BSNA	9.5%	*8.0%*	1.5%	*0.0%*	1.5%	*4.8%*	*-3.3%*
BSEU	3.6%	*1.2%*	2.4%	*2.1%*	0.3%	*3.6%*	*-3.3%*
Purac	3.1%	*3.7%*	-0.6%	*0.0%*	-0.6%	*-0.6%*	*0.0%*

The volume decline in Bakery Supplies reflects current market circumstances. The volume decline in our Bakery Supplies activities was around 3% for the half-year. The decline, however, was smaller during the second quarter. Higher pricing, necessary to compensate for the increased raw material costs, more than compensated the volume decline resulting in a positive organic growth. Purac has seen lower volumes in the second quarter, especially in the food segment, as the challenging economy led to a decline of demand from our customers.

EBITA

EBITA before one-off costs for the second quarter amounted to € 41.4 million, up € 5.0 million versus the same quarter last year. At constant exchange rates EBITA for the second quarter of 2012 would have amounted to € 37.4 million.EBITA before one-off costs in the first half-year amounted to € 73.7 million, down € 6.5 million versus the first half of 2011. At constant exchange rates EBITA for the first half of 2012 would have amounted to € 68.5 million.

EBITA of BSNA in the second quarter increased by € 6.5 million to € 32.3 million, of which € 3.1 million resulted from the stronger US dollar. After a first quarter that was behind compared with the previous year, the second quarter showed a strong performance driven by a recovery of margins especially in frozen products and pastry ingredients. EBITA for the first half-year ended at € 55.3 million, € 3.2 million ahead of last year.

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BSEU, after a disappointing first quarter, was able to achieve in the second quarter a result much closer to last year's performance due to the recovery of margins and strict cost control. EBITA in the second quarter amounted to € 4.6 million, € 1.6 million behind last year.
EBITA for the first half-year was € 9.4 million versus € 18.6 million for the first half of 2011.The volume decline of 3% came mainly in the artisan channel because of lower consumer demand.

Purac's second quarter EBITA of € 11.0 million compares with € 12.2 million for the same period last year. The half-year EBITA amounted to € 21.3 million versus € 24.9 million in 2011. The lower EBITA for the second quarter and the first half-year are attributable to lower volumes sold and increased expenses required for future business development.

EBITA after one-off costs for the first half of 2012 decreased to € 66.7 million versus € 74.5 million in 2011. The one-off costs in 2012 of € 7.0 million relate to the restructuring program Relevance and to the divestment of the Bakery Supplies business. The one-off costs in 2011 of € 5.7 million related to the integration of Best Brands and the effects of a fire in our plant in Brazil.

Net financial income and charges amounted to € 13.0 million negative. The lower interest expenses of € 3.6 million compared with the first half of 2011 were mainly caused by a reduction of our loan and interest rate currency swap results.

The tax charge for the first half-year amounted to € 10.1 million or 24.5% of profit before tax (in 2011 respectively € 12.4 million or 29.3%. The lower amount compared to 2011 was mainly due to a release of a tax provision following a favorable judgment and less costs related to reversals of tax assets.

Balance Sheet
Capital employed including goodwill increased by € 44.3 million to € 2,284.2 million compared with 31 December 2011 (€ 2,239.9 million). The main movements were (x € million):

• Capital expenditure on (in-)tangible fixed assets	43.7
• Depreciation/amortization of (in-)tangible fixed assets	-53.4
• Working capital	35.5
• Acquisition Promocook and The Cookie Man Ltd	5.8
• Tax effects	-20.5
• Other (mainly currency effects)	33.2

Working capital increased to € 290.4 million (31 December 2011: € 254.9 million). The increase in 2012 in working capital was € 35.5 million, mostly because of seasonal effects. Compared to June 2011, working capital has decreased by € 49.7 million mainly due to an increase in creditors.

Shareholders' equity in the first half-year increased by € 27.6 million to € 975.9 million. The main movements were:
- the addition of the net profit for the first half of 2012 amounting to € 31.1 million
- a decrease of € 21.6 million due to dividend payments
- positive currency effects in the translation and hedge reserve of € 17.8 million.

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Cash Flow / Financing
Cash flow from operating activities amounted to € 61.5 million positive. This is the balance of the operational cash flow of € 107.5 million before movements in working capital (2011: € 112.1 million) offset by cash required for working capital, tax and interest and changes in provisions. Working capital increased due to higher inventory of € 2.6 million, higher receivables of € 24.4 million and higher payables of € 10.2 million.

The combined acquisition prices of The Cookie Man Ltd. and Promocook were € 4.7 million. The investments in joint ventures and associates of € 4.9 million refer mainly to the participation of Purac in the Bioprocess Pilot Facility.

Consequently, net debt increased by € 9.3 million to € 624.9 million (end of 2011: € 615.6 million). The 12-month rolling net debt to EBITDA ratio is 2.8x (end of 2011: 2.8x). At the end of June 2011 this was respectively € 696.6 million and 2.6x.

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Business Developments

Bakery Supplies Total

Quarter 2 2012	Quarter 2 2011	x € million	Half-year 2012	Half-year 2011
725.8	663.7	Net sales	1,414.6	1,320.5
36.9	32.0	EBITA excluding one-off costs *	64.7	70.7
34.2	31.2	EBITA	59.1	66.1
5.1%	*4.8%*	*EBITA % (excl.* one-off costs*) ***	*4.6%*	*5.4%*
		ROCE in % (excl. one-off costs)	*6.9%*	*7.9%*

*) The one-off costs in 2012 relate to restructuring program Relevance, for 2011 these relate to the integration of Best Brands.
**) EBITA as % of net sales

- ### Bakery Supplies North America

Quarter 2 2012	Quarter 2 2011	x US$ million	Half-year 2012	Half-year 2011
578.2	575.3	Net sales	1,126.3	1,112.4
41.6	37.0	EBITA excluding one-off costs *	71.7	73.0
41.6	35.8	EBITA	71.7	66.6
7.2%	*6.4%*	*EBITA % (excl.* one-off costs*) ***	*6.4%*	*6.6%*
		ROCE in % (excl. one-off costs)	*10.8%*	*10.6%*

*) The one-off costs in 2012 relate to restructuring program Relevance, for 2011 these relate to the integration of Best Brands.
**) EBITA as % of net sales

Quarter 2 2012	Quarter 2 2011	x € million	Half-year 2012	Half-year 2011
450.3	400.9	Net sales	868.7	793.6
32.3	25.8	EBITA excluding one-off costs *	55.3	52.1
32.3	25.0	EBITA	55.3	47.5
7.2%	*6.4%*	*EBITA % (excl.* one-off costs*) ***	*6.4%*	*6.6%*
		ROCE in % (excl. one-off costs)	*10.9%*	*10.7%*

*) The one-off costs in 2012 relate to restructuring program Relevance, for 2011 these relate to the integration of Best Brands.
**) EBITA as % of net sales

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Main Developments in the First Half-Year

Sales of BSNA increased by US$ 13.9 million to US$ 1,126.3 million in the first half-year. The BSNA sales in euros increased by 9.5%, driven by the stronger US dollar. The positive currency effect on BSNA sales was € 63.4 million in the first half-year of which € 46.3 million related to the second quarter.

The organic growth of 1.5% in the first half-year was due to higher sales prices (price/mix effect 4.8%) partially offset by lower volumes (3.3%).

With a 2% lower volume compared to the second quarter of 2011 our US companies improved on the trend of recent quarters in line with the market. The North American market remains difficult with lower consumer spending in combination with fewer shopping trips. Reduced store visits impact our sales twofold: lower impulse buying levels and decreased staple products purchases due to reduced waste levels. Pricing in the second quarter was approx. 3% ahead of last year, thereby restoring margins back to satisfactory levels. The rate of year-on-year pricing increases is leveling off. Higher prices are contributing slightly to improved margins in absolute terms.

EBITA in the first half-year was down on 2011 by US$ 1.3 million as a net result of lower volumes offset by higher margins and good cost control. The main contributor to the increase in EBITA in the second quarter by US$ 4.6 million versus the second quarter of 2011 came from our frozen products and pastry ingredients business to the In-store channel.

Working capital in the US was US$ 24.9 million lower than at the end of Q2 2011. Working capital improved on average (cash conversion cycle) for the half-year by approx. 2 days.

Capital expenditure in the first half-year amounted to US$ 9.8 million (2011: US$ 13.9 million) versus depreciation of US$ 17.6 million (2011: US$ 17.5 million). The investments related largely to factory optimization.

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- **Bakery Supplies Europe**

Quarter 2		x € million	Half-year	
2012	2011		2012	2011
275.5	262.8	Net sales	545.9	526.9
4.6	6.2	EBITA excluding one-off costs *	9.4	18.6
1.9	6.2	EBITA	3.8	18.6
1.7%	*2.4%*	*EBITA % (excl.* one-off costs*) ** *	*1.7%*	*3.5%*
		ROCE (in %) (excl. one-off costs)	*2.2%*	*4.5%*

*) The one-off costs in 2012 relate to restructuring program Relevance.

**) EBITA as % of net sales

Main Developments in the First Half-Year

Sales in the first half of 2012 were € 545.9 million, or 3.6% ahead of last year. The sales increase comprised a contribution from acquisitions of 2.1% or € 11 million (The Cookie Man Ltd and Promocook), a positive currency effect of 1.2% (mainly Pound Sterling) and an organic growth of 0.3%. The organic growth was driven by a positive price effect of 3.6% more than offsetting a negative volume effect of 3.3%.

Lower volumes in the second quarter were mainly driven by the artisan and to a lesser extent by the industry channel. Frozen products sold to supermarkets (in-store bakeries) and the out-of-home segment showed growth in the second quarter. Our CSMI activities in emerging markets continued to show volume growth albeit from a low base. The contribution from increased volumes sold has been reinvested to generate further growth in these markets.

EBITA in the first half-year amounted to € 9.4 million (a decline of € 9.2 million compared with 2011). The decline in EBITA was driven by the decrease in sales volume and higher costs compared to the first half-year 2011. Lower fixed costs absorption and general cost inflation were partly offset by the Relevance cost savings. Although EBITA for the second quarter was below last year, the variance was smaller compared to the first quarter. Lower volumes sold remain the primary cause of the lower EBITA. Current market information indicates that the bakery products market is declining (-2%); Our volume decline is in line with this market trend.

There was a decrease of € 14.9 million in working capital in Europe compared with the end of June 2011, to a large extent due to lower inventory levels and lower receivables. Working capital improved on average (cash conversion cycle) for the half-year by approx. 2 days.

Capital expenditure of tangible fixed assets of € 3.4 million (2011: € 7.9 million) was below depreciation of € 11.2 million (2011: € 11.3 million). The investments related mainly to factory optimization.

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- **Purac**

Quarter 2		x € million	Half-year	
2012	**2011**		**2012**	**2011**
101.2	101.8	Net sales	211.1	204.8
11.0	12.2	EBITA before one-off costs	21.3	24.9
11.0	13.2	EBITA	20.9	23.8
10.9%	*12.0%*	*EBITA % (excl. one-off costs) ***	*10.1%*	*12.2%*
		ROCE (in %) (excl. one-off costs)	*12.5%*	*14.7%*

*) The one-off costs in 2012 relate to restructuring program Relevance, for 2011 to the effects of a fire in our plant in Brazil.

**) EBITA as % of net sales

Main Developments in the First Half-Year

Purac showed a positive sales increase of 3.1% in the first half of 2012. The currency effect of 3.7% was the driver of the sales growth (mainly US dollar). The organic decline was 0.6%, split between a volume effect of 0% and a negative pricing effect of 0.6%.

Volumes were stable as a result of volume growth in the Chemicals & Pharma unit and a small volume decline in the Food unit. The Chemicals & Pharma volume growth was driven by increased demand, though growth was lower than in the first quarter of this year due to the timing of some large orders. We continue to be positive about the outlook for this segment.

In its meat preservation segment Purac continues to face challenges in increasing prices while maintaining volumes in its meat preservation business, with our customers economizing its operations. As we have indicated before, the recently allowed use of chemical products for meat preservation in the US has partly substituted our sales of preservatives in the lower quality meat market segment. In the meat preservation segment there is an increasing value degradation between, on the one hand, low cost products (including the recently allowed chemical derived products in the US) and, on the other, high quality, fully natural products in which Purac traditionally has a strong position. Purac has extended its preservation product portfolio to also capture part of the low cost in use segment.

For the first half-year Purac delivered a € 3.6 million lower EBITA compared with 2011, mainly caused by increased costs to develop innovations. The new lactide factory impacted our cost levels by € 1.5 million in the second quarter and € 2.7 million for the first half-year. The utilization of this factory is in line with our expectations but still well below the nameplate capacity.. Although we are making progress with many potential customers, the impact on volumes sold has been limited so far. One of the innovations delivered the production of succinic acid. In this context we are negotiating a joint venture agreement with BASF. The YTD currency differences, both translation and transaction, impacted EBITA by € 1.0 million positively.

Purac made good progress in improving working capital in the first half of 2012, realizing a reduction of 11 days compared to the first half 2011. Capital expenditures in the first half amounted to € 11.8 million versus depreciation of € 15.2 million.

Risks

CSM operates worldwide with operating companies in various markets and jurisdictions. Timely identification and effective management of all significant risks inherent to the execution of our strategy and realization of our objectives is of key importance. The Board of Management is responsible for the design, implementation and operation of CSM's risk management and internal control systems. Our risk management approach is aimed at embedding risk awareness and risk management at all levels of CSM to ensure consciously and properly evaluated risk decisions.

For the coming half-year the risks and our risk management approach as described in our last annual report are generally still valid. Additionally, the risks associated with the current divestment process of our bakery activities should be taken into account next to three more specific risk areas from our annual report to address the risk sensitivity for the remaining part of the year:

- economic situation
- raw material prices
- currency risks (mainly US dollar)
- divestment process of Bakery Supplies activities

Economic situation

CSM operates in two markets: the market for bakery supplies and ingredients, and – through its lactic acid products – the market for preservation, fortification and green chemicals. The worldwide economic environment impacts our bakery business as demand for our products will fluctuate in line with GDP development. Demand for lactic acid products will be impacted as certain customers operate in more cyclical markets that fluctuate with the economy. The market situation has become more volatile. This puts a strain on management's ability to deal with all changes successfully. Failure to respond adequately or timely could severely damage CSM's financial situation and its future growth perspective. Good management and systems are in place to deal adequately with the fluctuating market environment.

Raw material prices

As we have seen over the past years, sudden increases or decreases in the price of raw materials can seriously impact the margins of our products sold. Scarceness of raw materials due to excessive demand or production interruption at suppliers can also impact our results due to sales declines and additional cost required to satisfy our raw materials needs. Our procurement departments, centralized by continent, have developed adequate procedures to secure contract positions in order to minimize or delay exposure to cost fluctuations of raw materials which could negatively impact our margins. These procedures include early warnings of possible impact to our organization and our customers.

Currency risks

As CSM operates in various non-euro countries we have to deal with the volatility of exchange rates of a number of currencies versus the euro. In this context, the development of the US dollar is by far the most important. This impact can be seen in the translation of the results and equity of foreign entities into euros and in the results of transactions when there is a difference between the currency of the production costs and the currency in which the sale of the product is made. CSM has a hedging policy in place to limit the impact of volatility of foreign exchange rates. Hedging the impact of the foreign currency translation risk is partly and indirectly effectuated by keeping liabilities in the relevant foreign currencies. Of the total external debt of CSM a significant part is denominated in US dollars, which partly offsets the large translation equity exposure CSM has against the US dollar.

Divestment process of Bakery Supplies activities
Following a comprehensive review of the group's strategy, CSM announced on 7 May 2012 that it intends to develop into a bio-based ingredients company focusing on the Purac and Caravan Ingredients businesses and to divest its North American and European Bakery Supplies businesses. Besides the potential long term added-value strategic opportunities, there might be short term (financial reporting) risks associated with the divestment process. This is a complex and intensive process, involving many of our employees and a number of external consultants. We expect to have made significant progress by early 2013.

Although we try to limit the impact on our employees working close to our customers and involved in the primary production processes we cannot rule out a negative impact on our performance. Our employees could be less focused on serving our customers and producing as efficiently as possible our end products.

The divestment process is geared towards realizing an efficient divestment whilst optimizing the value of the Bakery Supplies companies. We are trying to minimize risks associated with this objective via the support of highly skilled external resources and by trying to make our own employees fully dedicated to the extent possible to this process.

As a result of the decision to divest the Bakery Supplies businesses the risk exists that the value of certain assets will no longer be recoverable and certain provisions will need to be recorded to cover other risks. As of today, we have not identified any significant tangible fixed assets (or intangibles such as brand names, trademarks etc.) which would be put out of use due to the divestment.

The impact of the divestment process on certain IT projects is currently being investigated. Potential contractual issues, if any, will be identified as part of this process; no commitments have yet been made towards third parties in respect of e.g. contract terminations.

Regarding our financing covenants, external advice obtained supports the assumption that no breach of the financing covenants will take place.

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Responsibility Statement

The Board of Management hereby declare that, to the best of their knowledge, the interim financial statements for the first half-year of 2012 have been prepared in accordance with IAS 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit of CSM nv and its consolidated companies included in the consolidation as a whole. Furthermore, to the best of our knowledge, this half-year report includes a fair view of the information required pursuant to Section 5:25d. subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Diemen, the Netherlands, 8 August 2012

Board of Management CSM nv

G.J. Hoetmer, Chief Executive Officer
N.J.M. Kramer, Chief Financial Officer

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Appendices: Condensed interim financial statements
1. Key figures
2. Consolidated statement of financial position
3. Consolidated income statement
4. Consolidated statement of comprehensive income
5. Consolidated statement of changes in equity
6. Consolidated statement of cash flows
7. Segment information
8. Acquisitions
9. Notes

Analyst presentation (Webcast)

An analyst meeting will be held at the premises of CSM (Nienoord 13, Diemen, the Netherlands) from 11.00 hours (CET) on Wednesday, 8 August 2011. The presentation can be followed live via www.csmglobal.com from 11.00 hours (CET). The slides, including pro-forma information about the continuing business, and used during the presentation can be downloaded from our website.

For more information, please contact:

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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 € 3.1 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

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1. Key figures

	1st Half-year	
millions of euros	**2012**	**2011**
Income Statement:		
Net sales	1,625.7	1,525.3
EBITA excluding one-off costs	73.7	80.2
EBITA	66.7	74.5
Operating result	54.2	58.9
EBITDA excluding one-off costs	114.6	116.9
Result after taxes	31.1	29.9
Balance sheet:		
Non-current assets	1,580.7	1,729.9
Current assets excluding cash and cash equivalents	756.3	734.9
Non-interest-bearing current liabilities	483.3	411.8
Net debt position [1]	624.9	696.6
Provisions	252.9	271.2
Equity	975.9	1,085.2
Key data per common share		
Number of issued common shares	69,914,711	67,658,699
Number of common shares with dividend rights	69,914,711	67,567,492
Weighted average number of outstanding common shares*	69,855,966	69,798,661
Price as at 30 June	14.52	23.21
Highest price in half-year	15.28	26.88
Lowest price in half-year	10.49	22.83
Market capitalization as at 30 June	1,015	1,568
Earnings in euros [2] *	0.42	0.40
Diluted earnings in euros [2] *	0.41	0.40
Cash flow from operating activities per common share, in euros [2] *	0.85	-0.28
Other key data		
Cash flow from operating activities	61.5	-17.4
Depreciation/amortization fixed assets	53.4	52.3
Capital expenditure on (in)tangible fixed assets	43.7	43.1
Number of employees at closing date	9,896	10,011
Number of issued cumulative preference shares	2,983,794	2,983,794
Equity per share in euros [3]	13.39	15.38
Ratios		
EBITA margin % [4]	4.1	4.9
Result after taxes / net sales %	1.9	2.0
ROCE % [5]	5.9	6.8
Net debt position/EBITDA [6]	2.8	2.6
Interest cover [7]	7.7	8.4
Balance sheet total : equity	1:0.4	1:0.4
Net debt position : equity	1:1.6	1:1.6
Current assets : current liabilities	1:0.6	1:0.5

*previous year is restated for stock dividend

1 Net debt position comprises interest-bearing debts less cash and cash equivalents.
2 Per common share in euros after deduction of dividend on cumulative preference shares.
3 Equity per share is equity divided by the number of shares with dividend rights.
4 EBITA margin % is EBITA divided by net sales x 100.
5 ROCE % is EBITA for half-year x 2 divided by the average capital employed x 100. The goodwill included in capital employed relates to management goodwill, being the goodwill capitalized and the goodwill charged directly to equity since 1978, the year when CSM started its diversification process.
6 EBITDA is 'Earnings Before Interest, Taxes, Depreciation and Amortization and Impairment of intangible fixed assets' here including acquisition and divestment results for the full year 2011 and
7 Interest cover is EBITDA as defined in note 6 divided by net interest income and charges.

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2. Consolidated Statement of Financial Position

before profit appropriation, millions of euros	As at 30-06-2012	As at 31-12-2011	As at 30-06-2011
Assets			
Property, plant & equipment	590.0	583.0	552.5
Intangible fixed assets	928.4	912.4	1,099.9
Loans, receivables and other	3.5	9.9	9.1
Joint ventures and associates	13.9	9.1	8.8
Deferred tax assets	44.9	44.5	59.6
Total non-current assets	**1,580.7**	**1,558.9**	**1,729.9**
Inventories	348.2	337.9	337.4
Receivables	403.5	376.5	392.0
Tax assets	4.6	26.0	5.5
Cash and cash equivalents	106.1	116.0	80.6
Total current assets	**862.4**	**856.4**	**815.5**
Total assets	**2,443.1**	**2,415.3**	**2,545.4**
Equity and liabilities			
Equity	**975.9**	**948.3**	**1,085.2**
Provisions	86.0	89.4	94.1
Deferred tax liabilities	146.0	144.0	156.3
Non-current liabilities	723.1	726.9	772.8
Total non-current liabilities	**955.1**	**960.3**	**1,023.2**
Interest-bearing current liabilities	7.9	4.7	4.4
Trade payables	315.8	311.9	269.9
Other non-interest-bearing current liabilities	142.0	144.6	120.9
Provisions	20.9	23.5	20.8
Tax liabilities	25.5	22.0	21.0
Total current liabilities	**512.1**	**506.7**	**437.0**
Total equity and liabilities	**2,443.1**	**2,415.3**	**2,545.4**

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3. Consolidated Income Statement

	1st Half-year	
millions of euros	**2012**	**2011**
Net sales	1,625.7	1,525.3
Costs of raw materials and consumables	-968.1	-890.1
Production costs	-224.9	-215.5
Warehousing and distribution costs	-123.7	-121.0
Gross profit	**309.0**	**298.7**
Selling expenses	-133.0	-121.9
Research & development costs	-20.2	-20.2
General and administrative expenses	-101.9	-97.7
Other proceeds	0.3	
Operating result	**54.2**	**58.9**
Financial income	0.7	0.7
Financial charges	-13.7	-17.3
Result before taxes	**41.2**	**42.3**
Taxes	-10.1	-12.4
Result after taxes	**31.1**	**29.9**
Per common share in euros		
Earnings	0.42	0.40
Diluted earnings	0.41	0.40

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4. Consolidated Statement of Comprehensive Income

	1st Half-year	
millions of euros	**2012**	**2011**
Result after taxes	**31.1**	**29.9**
Other comprehensive results to be recycled:		
Translation reserve	16.7	-40.9
Hedge reserve	0.1	7.3
Taxes relating to other comprehensive results to be recycled	1.0	-5.5
Total other comprehensive results to be recycled	**17.8**	**-39.1**
Total comprehensive result after taxes	**48.9**	**-9.2**

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5. Consolidated Statement of changes in Equity

before profit appropriation, millions of euros	1st half-year 2012	1st half-year 2011	2nd half-year 2011	Total 2011
Opening balance	**948.3**	**1,117.2**	**1,085.2**	**1,117.2**
Profit half-year after tax	31.1	29.9	-204.2	-174.3
Other comprehensive result after tax	17.8	-39.1	66.8	27.7
Total comprehensive result	**48.9**	**-9.2**	**-137.4**	**-146.6**
Dividend	-21.6	-23.2		-23.2
Repurchase / sale company shares	-0.1			
Movement in Option/Share plan reserve	0.4	0.4	0.5	0.9
Total transactions with shareholders	**-21.3**	**-22.8**	**0.5**	**-22.3**
Ending balance	**975.9**	**1,085.2**	**948.3**	**948.3**

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6. Consolidated Statement of Cash Flows

	1st Half-year	
millions of euros	**2012**	**2011**
Cash flow from operating activities		
Result after taxes	31.1	29.9
Adjusted for:		
- Depreciation/amortization of fixed assets	53.4	52.3
- Result from divestments of fixed assets	-0.2	0.5
- Result from purchase/sale of group companies and activities	-0.3	
- Share-based remuneration	0.4	0.4
- Interest income	-0.1	-0.7
- Interest expense	13.6	14.8
- Exchange rate differences	-0.3	0.3
- Fluctuations in fair value of derivatives	-0.3	2.1
- Other financial income and charges	0.1	0.1
- Taxes	10.1	12.4
Cash flow from operating activities before movements in working capital	**107.5**	**112.1**
Movement in provisions	-6.6	-6.5
Movements in working capital:		
- Receivables	-24.4	-37.5
- Inventories	-2.6	-17.0
- Non-interest-bearing current liabilities	-10.2	-42.2
Cash flow from business operations	**63.7**	**8.9**
Interest received	0.1	0.7
Interest paid	-13.7	-13.2
Tax paid on profit	11.4	-13.8
Cash flow from operating activities	**61.5**	**-17.4**
Cash flow from investment activities		
Acquisition of group companies	-4.7	-13.1
Investment joint ventures and associates	-4.9	-7.6
Repayment other financial assets	10.8	
Capital expenditure on (in)tangible fixed assets	-38.7	-46.5
Divestment of (in)tangible fixed assets	1.3	0.8
Cash flow from investment activities	**-36.2**	**-66.4**
Cash flow from financing activities		
Proceeds from interest-bearing debts	3.2	72.7
Repayment of interest-bearing debts	-17.7	-1.4
Acquisition of company shares	-0.1	
Paid-out dividend	-21.6	-23.2
Cash flow from financing activities	**-36.2**	**48.1**
Net cash flow	**-10.9**	**-35.7**
Effects of exchange rate differences on cash and cash equivalents	1.0	-2.4
Increase/decrease cash and cash equivalents	**-9.9**	**-38.1**
Cash and cash equivalents at start of financial year	116.0	118.7
Cash and cash equivalents at close of financial year	106.1	80.6

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7. Segment Information

1st Half-year *millions of euros*	**Bakery Supplies Europe**		**Bakery Supplies North America**		**Purac**		**Corporate**		**CSM Total**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
P&L information										
Net sales	545.9	526.9	868.7	793.6	211.1	204.8			1,625.7	1,525.3
EBITA including one-off costs	3.8	18.6	55.3	47.5	20.9	23.8	-13.3	-15.4	66.7	74.5
One-off costs	5.6			4.6	0.4	1.1	1.0		7.0	5.7
Operating result	1.5	16.8	47.4	35.5	19.0	22.0	-13.7	-15.4	54.2	58.9
Balance sheet information										
Total assets	838.3	1,032.4	1,096.7	980.6	423.1	426.9	85.0	105.5	2,443.1	2,545.4
Total liabilities	330.9	348.6	302.7	255.2	77.9	73.9	755.7	782.5	1,467.2	1,460.2
Capital employed as at 30 June	875.7	842.5	1,045.3	943.4	343.5	350.4	19.8	47.9	2,284.3	2,184.2
Average capital employed	858.8	824.1	1,019.1	976.2	339.5	338.4	30.1	46.0	2,247.5	2,184.7
Depreciation of property, plant & equipment	11.2	11.3	13.6	12.5	15.2	12.9	0.9		40.9	36.7
Amortization of intangible fixed assets	2.3	1.8	7.9	12.0	1.9	1.8	0.4		12.5	15.6
Other information										
Capital expenditure on property, plant & equipment	3.4	7.9	7.6	9.9	11.8	21.8	16.1	1.2	38.9	40.8
Capital expenditure on intangible fixed assets	1.9	1.5			1.7	0.6	1.2	0.2	4.8	2.3
Average number of employees	4,388	4,209	4,393	4,620	1,054	996	57	56	9,892	9,881
Alternative non-IFRS performance measures										
EBITA margin %	0.7	3.5	6.4	6.0	9.9	11.6			4.1	4.9
ROCE %	0.9	4.5	10.9	9.7	12.3	14.1			5.9	6.8
Alternative non-IFRS performance measures excluding one-off costs										
EBITA	9.4	18.6	55.3	52.1	21.3	24.9	-12.3	-15.4	73.7	80.2
EBITA margin %	1.7	3.5	6.4	6.6	10.1	12.2			4.5	5.3
ROCE %	2.2	4.5	10.9	10.7	12.5	14.7			6.6	7.3

CSM generates almost all of its revenues from the sale of goods.

Information on the Use of Alternative Non-IFRS Performance Measures
In the above table and elsewhere in the Financial Statements a number of non-IFRS performance measures are presented. Management is of the opinion that these so-called alternative performance measures might be useful for the readers of these Financial Statements. CSM management uses these performance measures to make financial, operational and strategic decisions and evaluate performance of the segments. The alternative performance measures can be calculated as follows:

- EBITA is the operating result before amortization and impairment of intangible fixed assets
- EBITA margin is EBITA divided by net sales x 100
- Return on capital employed (ROCE) is EBITA for half-year x 2 divided by the average capital employed x 100.

Goodwill included in capital employed relates to management goodwill, being the historical cost of goodwill capitalized and the goodwill charged directly to equity. The goodwill charged directly to equity amounts to € 327.8 million.

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8. Acquisitions

The main acquisitions and divestments that influenced the consolidation:

The Cookie Man Ltd business:
On 20 January 2012 CSM acquired in UK the business of The Cookie Man Ltd. The Cookie Man Ltd produces a high quality range of premium bakery products, servicing the retail and out of home markets. The business and its facilities are based in Esher, Surrey, UK, has annual sales of GBP 19 million and employs some 340 people. The Cookie Man Ltd filed for administration on 16 January 2012. This transaction complements CSM's operations in the UK, both in terms of portfolio and customers. The transaction will not have a material impact on CSM's financials.

Promocook:
On 13 April 2012 CSM acquired in France all outstanding shares in the company Lame Investissements SAS, which holds all the outstanding shares in the company Promocook SA. Promocook is a company focused on the production and selling of brownies in the French market. As market leader in this segment, they sell to all major retailers and the out of home channel. They have production facilities in Chanteloup en Brie and Jossigny, near Paris. Promocook has annual sales of € 9.5 million and employs some 32 people. The transaction will not have a material impact on CSM's financials.

Preliminary acquisition figures:

	The Cookie Man	**Promocook**
millions:	**GBP**	**EURO**
Net sales per year	19.0	9.5
Number of employees	340	32
Opening balance:		
Property ,plant & equipment	0.7	1.2
Intangible fixed assets		0.9
Inventories	0.9	0.7
Receivables		1.9
Intrest-bearing liabilities		-1.2
Payables	-0.7	-2.4
Deferred tax liabilites		-0.3
Provisions		-0.3
Identifiable assets minus liabilities	0.9	0.5
Badwill/goodwill	-0.2	3.5
Acquisition price	0.7	4.0

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9. Notes

Strategic development CSM

Following a comprehensive review of the group's strategy, instigated by the earlier Business Review CSM announced on 7 May 2012 that it intends to develop into a bio-based ingredients company focusing on the Purac and Caravan Ingredients businesses and to divest its North American and European Bakery Supplies businesses.

From 7 May 2012 onwards, the date of announcement, the Board of Management and relevant Management have been working on the preparation phase for the upcoming divestment process. In May and June initial steps have been made by defining the organizational set up and selecting the internal and external resources. Together with the external advisors a process of business familiarization (site visits, meetings with operational heads, etc.) has been executed, an initial review of transaction structuring has been done as well as an assessment of potential legal, tax, treasury, IT, pension etc issues. In addition, an indicative timetable was put together to specifying milestones and timelines which resulted in the expectation of significant progress of the divestment process by early 2013.

On 3 July 2012 the extraordinary general meeting of shareholders approved the proposed development of CSM.

Principles for the valuation of assets and liabilities and determination of the result

This condensed interim financial information for the half-year ended 30 June 2012 complies with IFRS and has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2011.

In preparing these condensed consolidated half-year statements the main estimates and judgments made by the Board of Management when applying CSM's accounting policies, were similar to those applied to the annual financial statements for the year ended 31 December 2011.
The figures in this half-year report have not been audited by an external auditor.

Critical accounting estimates related to strategic development of CSM

According to IFFRS definition, non-current assets and disposal groups are classified as 'held for sale' if their carrying amount will be recovered through a 'sale' transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate 'sale' in its present condition and the 'sale' must be highly probable. A discontinued operation is a component of the Company that either has been disposed of, or that is classified as 'held for sale', and: (i) represents a separate major line of business or geographical area of operations or (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Results from discontinued operations are presented separately as a single amount in the consolidated statements of operations. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are re-presented as results from discontinued operations for all periods presented.

We are working on the necessary preparations for this development and divestment process according to the timetable we set ourselves in May. We continue to expect to have made significant progress by early 2013. At the half-year-end, work was on-going to determine the optimal transaction structure. The divestment will trigger various carve-out and separation activities/projects. The specifications of these activities/projects will depend on the final structure of the divestment. As a consequence, at the half-year end, the businesses were

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not yet available for immediate divestment in their present condition. At half-year end no concrete 'sale process' was started.

Consequently, the status of the divestment at half-year-end does not meet all IFRS criteria and therefore, the bakery business did not qualify as 'held for sale' as of 30 June 2012.

Accounting policies:
The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in the annual financial statements for the year ended 31 December 2011.

Revised IFRS standard IAS 19: Employee benefits
CSM anticipates that IAS19: Employee benefits revised will be adopted in the Group's consolidated financial statements for the year 1 January 2013 and that the application of this revised standard will have an impact on amounts reported in respect of the Group's financial liabilities, results and equity.
If the revised standard would have been applied at 1 January 2012, without taking into consideration the corresponding tax effect, equity would have been decreased by approx. € 40 million and the pension provision would have been increased by the same amount. Based on year-end 2011 balances and assumptions the new standard will have a negative effect on the income statement of approx. € 5 million.

Related party transactions
On 23 December 2011 the group signed a contract to buy certain assets for an amount of € 14.5 million from Stichting CSM Suiker Pensioenfonds, a pension fund in which CSM is the sole sponsor. The legal title of the assets passed on 2 January 2012. Together with this transaction a disbursed loan of € 6.3 million was settled in the first half of 2012.

Events after balance sheet date
On 6 July 2012 CSM acquired intellectual property and key personnel relating to Fiberlive Technology from Vivoxid Ltd. The purchase price is € 22.5 million, with an initial payment of € 8 million and a contingent amount of € 14.5 million payable in five installments.

If the transaction would have been made as per 1 January 2012 the pro-forma adjustments would not have a material impact on the half-year figures. In the second half of 2012 the related accounting consequences will be executed.

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