

Press Release

CSM EXPLORES POSSIBILITIES OF SELLING SUGAR DIVISION

Diemen, The Netherlands, 16 February 2006 - CSM nv has decided to explore the possibilities of selling its Sugar division. This step should be seen as part of our strategy to further streamline the CSM portfolio. CSM intends to focus its efforts on global market-leader positions in its growth markets: bakery ingredients and bakery products on the one hand and lactic acid and lactic acid derivatives on the other.

CSM Sugar is an efficient company that specializes in sugar and sugar specialties. It produces and sells between 350,000 and 380,000 tons of sugar every year. The company is based in Diemen, the Netherlands, and has two production sites:

- Vierverlaten (Hoogkerk, Groningen), which produces sugar from beet. This factory processes 18,500 tons of sugar beet a day.
- Breda, which produces sugar specialties (syrup, caster sugar, liquid sugar etc.) and where the central laboratory is located.

Gerard Hoetmer, CEO at CSM nv: *"CSM Sugar is an excellent company. The factory in Vierverlaten is one of the most efficient in Europe. We still see scope for further efficiency improvements, but the new EU sugar regulation will open a new era. By selling it we expect CSM Sugar to retain its strong position both in the short and long term. CSM nv does not see itself as the consolidator of the European sugar market."*

Approximately 300 personnel are employed on a permanent contract. During the campaign some 75 extra personnel are recruited temporarily. The company has an annual turnover of EUR 250 million and runs at a good profit. The services of a bank have been enlisted to coordinate the process of a possible sale.

The sugar sector in Europe is strongly controlled by the European sugar regulation. The current regulation expires in July 2006. The new regulation will then become effective and continue till 2014/2015.

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Background information

CSM is a global producer and distributor of bakery products and food ingredients. CSM's main product groups include bakery ingredients and products, lactic acid and lactic acid derivatives, and sugar. With these activities CSM has an annual turnover of EUR 2.8 billion and a workforce of approximately 8,900. CSM operates in Europe, the United States, Canada, Brazil, and Asia. More info: www.csm.nl