CSM nv
Corporate Communications

Nienoord 13
1112 XE Diemen
PO Box 349
1000 AH Amsterdam
the Netherlands

Press Release

CSM: Full year 2012 results

Diemen, the Netherlands, 13 March 2013

CSM increased net sales by 6.5% to € 3,315.7 million for the full year. As a result of better coverage of raw material costs and internal cost savings, our EBITA, excluding one-offs, improved by 13.3%, to € 170.8 million. Compared to last year, net debt was substantially reduced by € 104.7 million leading to a net debt/EBITDA ratio of 2.0x. On 7 May 2012, CSM announced its intended transformation into a bio-based ingredients company and the intended divestment of the Bakery Supplies businesses. We are making good progress to date, in line with our original expectations.

Key facts

- This release contains only minor adjustments compared to the trading update of 29 January 2013.
- Net sales in 2012 increased by 6.5% to € 3,315.7 million (2011: € 3,112.6 million). The effect of acquisitions contributed € 24.5 million (0.8%). Exchange rate differences, especially the US dollar, positively impacted the sales figures by € 166.0 million (5.3%). Adjusted for acquisition and currency effects, organic growth was € 12.6 million (0.4%).
- EBITA excluding one-off costs increased by € 20.0 million, or 13.3%, to € 170.8 million in 2012 (2011: € 150.8 million). Exchange rate differences positively impacted EBITA by € 12.1 million EBITA including one-off costs amounted to € 123.9 million.
- One-off costs totaled € 46.9 million, mostly related to the divestment process of the Bakery Supplies business (€ 28.7 million) and the Relevance restructuring program.
- A non-cash impairment charge of € 165.0 million (net € 126.7 million after taxes) related to a goodwill write-down for Bakery Supplies Europe, resulted in a net loss after taxes of € 63.7 million.
- Cash flow from operating activities amounted to € 197.4 million (2011: € 148.0 million)
- Net debt decreased to € 510.9 million leading to a net debt/EBITDA ratio of 2.0x (2011: 2.8x)
- Dividend proposal of € 0.70 per common share either in cash or in stock (Last year: € 0.70)

Key figures

Quarter 4		x € million	Full year	
2012	2011		2012	2011
855.8	802.5	Net sales	3,315.7	3,112.6
56.7	40.3	EBITA excluding one-off costs*	170.8	150.8
36.3	27.4	EBITA	123.9	130.2
		Result after taxes	-63.7	-174.3
		EPS (in €)	-0.96	-2.56
6.6 %	*5.0%*	*EBITA % (excl. one-off costs)***	*5.2%*	*4.8%*
		ROCE (excl. one-off costs)	*7.6%*	*6.8%*

*) EBITA is earnings before Interest, Tax, Amortization/Impairments, One-off costs comprise restructuring and divestment costs.

**) EBITA as % of net sales

Financial commentary 2012

General

Compared to the trading update of 29 January 2013, the audited revenues for 2012 are € 1.1 million higher, while the audited EBITA excluding one-off costs are € 0.4 million higher than earlier reported. One-off costs are € 0.9 million higher.

The figures and financial commentary in the body of this press release describe the combined business of CSM, including the Bakery Supplies business to be divested; figures in our financial statements will show separate figures for continuing and discontinued operations, as prescribed under IFRS.

Results

Net sales
Net sales in 2012 increased by 6.5% to € 3,315.7 million (2011: € 3,112.6 million). The effect of acquisitions contributed € 24.5 million (0.8%). Exchange rate differences, especially the US dollar, positively impacted the sales figures by € 166.0 million (5.3%). Adjusted for acquisition and currency effects, organic growth was € 12.6 million (0.4%).

Breakdown of organic growth:

Bakery Supplies North America	1.1%
Bakery Supplies Europe	-0.1%
Purac	-1.2%

Organic growth for Bakery Supplies North America was the result of 2.4% lower volumes sold due to the unfavorable economic climate offset by average higher sales prices (3.5%). In Europe volumes were lower by 2.6%. The negative impact was almost wholly offset by price/mix effects of 2.5%.

Volumes at Purac were down by 0.7% mainly due to a weaker economic climate and the impact of low cost in use, chemical substitutes in the meat preservation market. Average sales prices were slightly lower (0.5%).

EBITA
EBITA excluding one-off costs increased by € 20.0 million, or 13.3%, to € 170.8 million in 2012 (2011: € 150.8 million). EBITA including one-off costs (mainly related to the Relevance restructuring program and divestment costs) amounted to € 123.9 million. The net acquisition effect was negligible. Our EBITA was positively impacted by € 12.1 million as a result of the translation of our income in foreign currencies to the euro.

Breakdown of the change in EBITA excluding one-off restructuring and divestment costs:

millions of euros		+/-%
BSNA	28.7	30.2%
BSEU	-5.3	-13.8%
Purac	-5.8	-12.6%
Corporate	2.4	8.4%

Development of the results per division is explained in the divisional sections.

Impairment of BSEU goodwill
In connection with the divestment of our Bakery Supplies businesses, our 2012 financial statements will reflect the reclassification of the entire Bakery Supplies business as "Held For Sale". Immediately before doing so, a regular assessment of the carrying amount of our assets was required, in accordance with conventions used until the reclassification. This implies that our goodwill impairment test was performed separately for Bakery Supplies Europe, Bakery Supplies North America, and Purac.

Through applying this test, we concluded that the carrying value of Bakery Supplies Europe no longer was justified by its fair value. As a result we have taken a non-cash impairment charge of € 165 million. For Bakery Supplies North America and Purac the fair value exceeded the carrying value.

Following the IAS 36 impairment, we have applied IFRS 5 and compared the total combined carrying value of our global Bakery Supplies businesses (after adjustment for the above impairment) with the estimated total fair value. We found that the combined fair value exceeds the combined carrying value.

In estimating the appropriate valuation of the cash generating units and the disposal group, all relevant information was considered; that information was not yet available as of the date of our January 29 trading update.

Financial income and charges
Net financial charges decreased by € 5.0 million to € 24.7 million due mainly to the lower net debt position and partly to a shift to more floating-rate financed debt which resulted in a lower average interest rate.

Taxes
Net taxes in 2012 were € 33.6 million positive compared to a tax income of € 5.0 million in 2011.

Balance sheet

Capital employed including goodwill on historical-cost basis decreased by € 33.1 million to € 2,206.8 million. The main movements were:

millions of euros	
Capital expenditure on (in)tangible fixed assets	76.2
Depreciation/amortization/impairment of (in)tangible fixed assets	-121.9
Acquisitions	14.1
Working capital decrease	-30.5
Exchange rate differences	-13.5
Tax positions	39.4
Other	3.1

The acquisition effect mainly relates to the acquisition of The Cookie Man, Promocook, and the FiberLive™ technology from Vivoxid Ltd. In the Bakery Supplies businesses there were no large capital expenditures in 2012 because the acquisitions made provided the required capacity increase for frozen foods. The capital expenditures made in Bakery Supplies are regular replacement capital expenditures and investments to enhance our IT structure. At Purac, while there were no major capital expenditure projects in 2012, many smaller capacity de-bottlenecking and new innovation investments were made. CSM's headquarters buildings in Diemen which were owned by the Pension fund CSM Suiker were acquired by CSM in 2012.

Trade working capital decreased by € 30.5 million to € 224.4 million. Lower inventory and receivable balances were the main contributors. Payables were at the same level as 2011.

Equity before profit appropriation decreased by € 89.6 million to € 858.7 million.
The main movements were:

- The negative result after taxes of € 63.7 million;
- A decrease of € 21.6 million in connection with the dividend for financial year 2011;
- Negative exchange rate differences of € 8.3 million due to the translation of equity denominated in currencies other than the euro;
- Positive movement of € 3.5 million in the hedge reserve.

At the end of 2012 the ratio between balance sheet total and equity was 1:0.4 (2011: 1:0.4).

Assets & Liabilities Held for Sale
Under IFRS 5, assets or groups of assets held for sale (HFS) should be presented separately in the ending balance sheet. Such assets are to be recognized in the balance sheet at the lower of carrying value or fair value less costs to sell, and are no longer depreciated from that moment onwards. To the extent such HFS components are also part of a major line of business to be sold, such operations should also be presented as Discontinued Operations in the income statement on

a full-year basis (including re-presentation of comparative 2011 figures). The sale of CSM's Bakery Supplies businesses meets the definition of both HFS and Discontinued Operations.

The total net asset value of the HFS activities as recorded in our balance sheet does not equal the carrying value of these activities taking into account the impairment charge, because of the fact that the carrying value does not include elements such as intercompany debt and cash.

Cash flow

Cash flow from operating activities increased by € 49.4 million to € 197.4 million compared to 2011. This is the balance of the higher operational cash flow before movements in working capital of € 6.2 million, a positive impact of the decrease in working capital and provisions of € 28.6 million, and lower taxes and interest paid of € 14.6 million.

The cash flow needed for investment activities decreased by € 22.1 million to € 80.8 million in 2012. Next to the acquisition of The Cookie Man, Promocook, and the FiberLive™ technology from Vivoxid Ltd., capital expenditure accounted for most (€ 74.5 million) of this cash outflow.

Cash outflow from financing activities amounted to € 123.4 million, this was € 74.0 million higher compared to 2011. This comprised the cash element of the dividend for 2011 paid in 2012 of € 21.6 million and a net repayment on loans amounting to € 101.4 million.

Financing

Our financing ratios have been improved by the higher operating result as well as lower debt levels. At the end of 2012, the ratio of net debt to EBITDA was 2.0x (2011: 2.8x) and the interest cover for 2012 was 10.1x (2011: 7.6x). We continue to stay well within the limits of our financing covenants.

The net debt position amounted to € 510.9 million at the end of 2012, a decrease of € 104.7 million compared to the end of 2011. This is the net balance of the following major movements:

- A positive cash flow from operating activities before working capital and provisions of € 212.4 million;
- A net investment in tangible and intangible fixed assets of € 74.5 million;
- Cash dividend payments of € 21.6 million;
- The acquisitions of The Cookie Man, Promocook, and the FiberLive™ technology from Vivoxid Ltd. totaling € 17.7 million;
- Taxes paid on profit of € 8.3 million;
- Interest payments of € 26.1 million;
- A decrease of € 19.4 million in working capital and provisions.

At 31 December 2012, the interest-bearing non-current liabilities amounted to € 615.0 million (31 December 2011: € 726.9 million). The average effective interest rate on the non-current liabilities outstanding as at 31 December 2012 was 3.3% and the average remaining term 2.9 years (31 December 2011: average interest rate 3.5% and average term 4.0 years.

Dividend proposal
Upon adoption of the financial statements holders of cumulative financing preference shares will receive the statutory dividend. The proposed dividend on common shares will be presented to the General Shareholders' Meeting to be held on 6 May 2013. The proposed dividend on common shares amounts to € 0.70 per share, in line with previous year. Shareholders will be able to choose between a cash and stock dividend charged to the reserves. The stock dividend is exempt from Dutch dividend taxes.

Progress strategic transformation of CSM
The strategic transformation of CSM is progressing in line with original expectations and timetable. The divestment process is on-going and we will make further announcements as appropriate.

Outlook 2013
2013 will be a transformational year for CSM as we build our new bio-based ingredients organization centered on Caravan Ingredients and Purac. We expect to divest our Bakery Supplies businesses, and that the Bakery Supplies businesses will only contribute for a part of the year. The current macro-economic environment is challenging and many aspects remain uncertain. However, CSM should benefit in 2013 from reduced volatility in raw material prices compared to the hectic period 2010 to early 2012. For Future CSM, 2013 will be a year in which we plan to invest in many exciting, innovative products, and to build our organization further. The returns on some of these investments will become visible in years beyond 2013.

For more information, please contact:

Press & Analysts:
Press: Saskia Nuijten Communication Director, tel. +31 (0)20 5906320 / +31(0)621812453
Analysts and investors: Jeroen van Harten, Investor Relations Manager, tel. +31 (0)20 5906293 / cell phone +31(0)621577086

The summarized financial statements presented in the appendices to this press release are based on the financial statements as at 31 December 2012, which have not yet been published. In accordance with Section 2:395 of the Dutch Civil Code we hereby declare that our auditor Deloitte Accountants B.V. has issued on unqualified auditor’s report with respect to those financial statements. For a better understanding of the financial position and results of CSM nv and the scope of the audit by Deloitte Accountants B.V., this press release should be read in conjunction with the financial statements to which it refers and the auditor’s report thereon issued on March 12, 2013. We expect to publish these documents on 22 March 2013. The financial statements are still to be adopted by the General Shareholders’ Meeting.

Appendices:
1. Business developments per segment
2. Key figures
3. Consolidated income statement
4. Consolidated income statement before one-off costs
5. Consolidated statement of financial position
6. Consolidated statement of change in equity
7. Consolidated statement of cash flow
8. Segment information
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Analyst presentation (Webcast)
A conference call will be held at 11:00 hours (CET) on Wednesday, March 13, 2013
The slides, used during the call can be downloaded from our website.

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 and 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, Asia and Africa, generates annual sales of € 3.3 billion and has a workforce of around 9,800 employees in 28 countries. CSM is listed on NYSE Euronext Amsterdam. For more information: www.csmglobal.com.

1. Business developments per segment

- **Bakery supplies**

Quarter 4		x € million	Full year	
2012	**2011**		**2012**	**2011**
756.6	702.9	Net sales	2,898.9	2,705.4
56.4	36.9	EBITA excl. one-off costs *	156.7	133.3
45.8	31.1	EBITA	134.6	120.9
7.5	5.2%	*EBITA margin (excl. one-off costs)***	5.4%	4.9%
		ROCE in % (excl. one-off costs)	8.3%	7.3%

*) The one-off costs comprise divestment and restructuring costs

**) EBITA margin is defined as % of net sales

Developments and results 2012

During 2012 the economic climate continued to be difficult in North America and Europe. Consumer spending was stagnant to declining, driven by worries about job security and housing prices. Especially in Southern Europe our customers and consumers faced difficult times; the consequences of fiscal austerity in these countries are lower government spending, higher taxes and increased interest expenses - all of which put constraints on the spending power of our end-consumers. Raw material prices remained at high levels, close to their peaks of mid-2011.

In this tough environment our Bakery Supplies businesses performed satisfactorily. We saw volume declines albeit at a rate in line with or better than market average, while profitability increased as a result of our strong focus on cost. The performance of our North American Bakery Supplies businesses; Bakery Products, Caravan Ingredients and BakeMark, continued to improve in a market impacted by lower consumer spending. Volumes were almost stable in the fourth quarter, and good margin management combined with strong cost control boosted profits compared to last year. At Bakery Supplies Europe, volumes increased in the fourth quarter compared to last year – the first increase since 2010. The decline in the artisan channel was not as pronounced as in the previous quarters. In line with our strategy, Bakery Supplies Europe successfully compensated this with significant growth in the in-store bakery channel.

Market situation

The ongoing uncertainty in the worldwide economy has affected consumer demand in especially the United States and Europe. Food sales were down across the board and our bread and pastry categories performed in line with many other food categories. This of course also impacted our sales levels. Total sales volume of Bakery Supplies decreased by just over 2%, according to our information in line with or better than the market. As a result of lower spending power many consumers look for cheaper alternatives. This has led to down trading in products, from premium to economy products and to a shift in consumer channels, with the artisan channel losing market share to the supermarkets.

Raw material price volatility
For many months in 2012 it looked like raw material prices would remain rather stable for the first time in many years. Unfortunately weather conditions in the summer and fall of 2012 distorted this picture. A severe drought in especially large parts of the US made prices of corn and wheat increase sharply. 2012 once again made clear that a professional organization is a necessity. Close cooperation between our procurement and sales organizations reduced the impact of the increased raw material prices for both our customers and us.

Increasing importance of the supermarket as primary bakery channel
As many consumers in Western markets had to cut their spending, supermarkets got a boost as a primary outlet for bakery products. With an offering of high-quality but premium priced products artisan bakeries have a natural disadvantage in these days and had to accept a stronger decline in 2012 than over the previous years. Given the high market share of CSM in this channel, our revenues were impacted substantially. The continuous increase in our share of the in-store bakery channels in supermarkets could not fully offset the impact of declining volumes in the artisan market.

Restructuring
The impact of our Relevance restructuring program, initiated in the fourth quarter of 2011, has been very visible in our results for 2012. Savings for the total company amounted to € 39 million versus our target of € 30 million for the year, while one-off costs related to Relevance amounted to € 12.7 million in 2012, bringing the total costs since the start of the initiative to € 23.8 million versus our estimate of € 30 million. The Bakery Supplies divisions have contributed the vast majority of the savings leading to a successful execution of the Relevance program.

- **Bakery Supplies North America**

Quarter 4		x $ million	Full year	
2012	**2011**		**2012**	**2011**
598.2	579.1	Net sales	2,287.1	2,263.8
50.9	32.4	EBITA excl. one-off costs *	158.7	132.0
46.9	28.1	EBITA	151.2	118.4
8.5%	*5.6%*	*EBITA margin (excl. one-off costs)***	6.9%	5.8%
		ROCE in % (excl. one-off costs)	12.0%	9.7%

*) The one-off costs comprise divestment and restructuring costs
**) EBITA margin is defined as % of net sales

Quarter 4		x € million	Full year	
2012	**2011**		**2012**	**2011**
461.8	428.9	Net sales	1,780.7	1,627.6
39.4	24.1	EBITA excl. one-off costs *	123.6	94.9
36.3	20.9	EBITA	117.7	85.1
8.5%	5.6%	*EBITA margin (excl. one-off costs)***	6.9%	5.8%
		ROCE in % (excl. one-off costs)	12.1%	9.7%

*) The one-off costs comprise divestment and restructuring costs
**) EBITA margin is defined as % of net sales

As mentioned above, the Bakery Supplies market had difficulties in maintaining its volumes which was in line with the total food market. We saw volumes decline by 2.4%, in line with or better than the market. The volumes at Caravan Ingredients declined by 1%. As a result of somewhat higher selling prices our US dollar sales increased by US$ 23 million (1%) to US$ 2.287 million.

The on average higher selling prices recovered some of the margin lost in 2011, while our focus on cost control further benefited our margins. The closure of two of our manufacturing sites at the end of 2011 made an important benefit to our cost level in 2012. As a result, despite lower volumes sold, EBITA before one-off costs rose to US$ 158.7 million (2011: US$ 132 million), and as a percentage of sales to 6.9% (2011: 5.8%).

Investments in fixed assets in our Bakery Supplies North America activities of US$ 18 million were lower than our depreciation level of US$ 34 million. Although working capital faced upward pressure from the on average higher raw material cost and selling prices, our continuous efforts supported by improvement programs reduced it by US$ 33 million. Our average working capital cash conversion cycle improved and ended at 29.0 days, from 30.2 days in 2011, indicating continued cash discipline within our organization. As a result of the improved EBITA and, supported by the lower capital employed, ROCE before one-off costs increased to 12.0% compared to 9.7% in 2011.

- **Bakery Supplies Europe**

Quarter 4		x € million	Full year	
2012	**2011**		**2012**	**2011**
294.8	274.2	Net sales	1,118.2	1,077.8
17.0	12.8	EBITA excluding one-off costs*	33.1	38.4
9.5	10.2	EBITA	16.9	35.8
5.8%	4.7%	*EBITA margin (excl. one-off costs)***	3.0%	3.6%
		ROCE (in %) (excl. one-off costs)	3.8%	4.6%

*) The one-off costs relate to divestment and restructuring costs

**) EBITA margin is defined as % of net sales

Volumes sold in the European markets were also impacted by the difficult economic climate. More than in the US, we were impacted by the decline in market share of the artisan channel. For the full year our volumes declined by 2.6% despite sales growth in supermarket in-store bakeries. A few smaller acquisitions made during 2011 and 2012 supported our volumes sold by 2.2%

Higher selling prices which reflected compensation for higher raw material prices and product mix changes positively impacted sales by on average 2.5%. The higher selling prices recovered the lost margins incurred in 2011. Margins were further supported by our focus on costs. SG&A expenses benefited from the Relevance restructuring program compensating most of the inflationary cost pressures. EBITA before one-off costs amounted to € 33.1 million (2011: € 38.4 million). It was encouraging to see that the second half of 2012 saw improved results compared with the second half of 2011, an indication that we are on track to further recovery. EBITA as percentage of sales decreased to 3.0% from 3.6% in 2011.

An impairment to the value of the goodwill on the balance sheet was required for an amount of € 165 million since the fair value of the Bakery Supplies Europe activities was below its carrying value.

Capital expenditure of € 10.8 million was lower than our depreciation level in 2012. Working capital saw a further reduction despite ongoing pressure due to higher raw material costs and increased selling prices. We were able to decrease working capital to € 54.5 million at year-end (2011: € 58.1 million). Our average cash conversion cycle ended at 28.8 days, from 31.1 days in 2011 reflecting continued attention to capital conservation. Our ROCE before one-off costs decreased to 3.8% in 2012 (4.6% in 2011) as a result of lower EBITA.

Purac

Developments and results 2012

In its food ingredients segment, Purac experienced a small volume decrease in 2012, mainly as a result of the underlying end consumers economizing on their food purchases as well as substitution in Purac's important US meat preservation market by chemically derived preservation ingredients. The bio-chemical building blocks we develop and sell in the Chemicals and Pharma markets continued to grow. Our global presence compensated for difficult market environments in the European and US markets. In PLA, 2012 did not yet see the commercial breakthrough in closing sizeable contracts. Nevertheless we made major strides forward in our bio-plastics activities in 2012, and going forward we see strong signs that the PLA market is developing in line with our ambitions. We are in close contact with many leading Fast Moving Consumer Goods (FMCG) companies that would like to substitute fossil-oil-based packaging materials with products made from renewable resources like PLA. We have invested heavily in the organization and the capabilities necessary to develop and monetize these opportunities.

Quarter 4		x € million	Full year	
2012	2011		2012	2011
99.2	99.4	Net sales	416.8	407.2
7.5	11.0	EBITA excluding one-off costs*	40.3	46.1
6.8	7.9	EBITA	39.2	41.9
7.6%	11.1%	*EBITA margin (excl. one-off costs)***	9.7%	11.3%
		ROCE (in %) (excl. one-off costs)	11.6%	13.3%

*) The one-off costs relate to restructuring costs

**) EBITA margin is defined as % of net sales

Sales of Purac increased from € 407.2 million to € 416.8 million, due to higher sales within the Chemicals and Pharma segment and lower sales in our Food ingredients segment. Volumes sold were stable overall, with demand-led growth in Asia cancelled out by the adverse impact of the recessionary environments of Europe and North America. Price levels on average were stable, price pressure in our more mature markets, driven by the recessionary environment and increased competition was compensated by the sale of more premium priced specialty products. BASF and Purac have agreed to establish a joint venture, Succinity GmbH, for the production and sale of bio-based succinic acid. The company will be operational in 2013.

Our margins benefited from slightly lower raw material costs and cost control in our manufacturing environment. The latter however was not enough to offset the expenses related to our new lactide factory that opened late 2011. SG&A expenses increased substantially reflecting investment in our organization to develop new organic acids, alternative raw materials, and new production technologies. Also, the bio-plastics organization was expanded to better serve potential customers and jointly develop new applications. As a result EBITA before one-off costs decreased by € 5.8 million to € 40.3 million (2011: € 46.1 million), and as a percentage of net sales to 9.7% (2011: 11.3%).

After the large investments in lactides manufacturing in 2011, capital expenditures in 2012 were with € 33.8 million close to the annual depreciation charge of € 30 million. Included in the € 33.8 million were the first expenses for the expansion of our Biomaterials activity in the US. Intangible fixed assets increased by € 17.7 million due to the acquisition of trademarks and licenses (FiberLiveTM). Working capital came down compared to 2011, mainly as a result of good inventory management and decreased by € 8.2 million to € 70.8 million, at year-end. Our average cash conversion cycle ended at 68.1 days, from 83.7 days in 2011. Capital employed at year-end increased to € 360.5 million from € 342.2 million. ROCE before one-off costs decreased from 13.3% in 2011 to 11.6% in 2012 mainly as a result of the investments made in our organization.

2. Key figures

millions of euros	2012	2011
CONTINUING OPERATIONS		
Net sales	753.7	714.3
EBITA excluding one-off costs	64.0	64.2
EBITA	45.8	55.6
Operating result	39.8	49.7
EBITDA excluding one-off costs	101.2	94.8
Result after taxes	27.2	30.9
Earnings in euros [2] *	0.34	0.38
Diluted earnings in euros [2] *	0.34	0.38
Cashflow from operating activities	72.8	61.9
Cash flow from operating activities per common share, in euros [2] *	0.99	0.83
Depreciation/amortization fixed assets	43.2	36.5
Capital expenditure on (in)tangible fixed assets	55.8	47.9
EBITA margin % [4]	6.1	7.8
Result after taxes / net sales %	3.6	4.3
ROCE % [5]	8.4	10.5
Number of employees at closing date	1,795	1,828
TOTAL OPERATIONS		
Income statement:		
Net sales	3,315.7	3,112.6
EBITA excluding one-off costs	170.8	150.8
EBITA	123.9	130.2
Operating result	-72.7	-149.5
EBITDA excluding one-off costs	252.0	222.8
Result after taxes	-63.7	-174.3
Balance sheet:		
Non-current assets	1,374.3	1,558.9
Current assets excluding cash and cash equivalents	704.4	740.4
Non-interest-bearing current liabilities	489.6	478.5
Net debt position [1]	510.9	615.6
Provisions	219.5	256.9
Equity	858.7	948.3
Key data per common share		
Number of issued common shares	69,914,711	67,658,699
Number of common shares with dividend rights	69,909,876	67,580,372
Weighted average number of outstanding common shares*	69,877,362	69,813,766
Price as at 31 December	16.25	12.08
Highest price in calendar year	16.48	26.88
Lowest price in calendar year	10.49	9.25
Market capitalization as at 31 December	1,136	816
Earnings in euros [2] *	-0.96	-2.56
Diluted earnings in euros [2] *	-0.96	-2.55
Cash flow from operating activities per common share, in euros [2] *	2.77	2.06
Other key data		
Cash flow from operating activities	197.4	148.0
Depreciation/amortization fixed assets	109.6	102.7
Capital expenditure on (in)tangible fixed assets	76.2	91.7
Number of employees at closing date	9,650	9,843
Number of issued cumulative preference shares	2,983,794	2,983,794
Equity per share in euros [3]	11.78	13.44
Ratios		
EBITA margin % [4]	3.7	4.2
Result after taxes / net sales %	-1.9	-5.6
ROCE % [5]	5.5	5.9
Net debt position/EBITDA [6]	2.0	2.8
Interest cover [7]	10.1	7.6
Balance sheet total : equity	1:0.4	1:0.4
Net debt position : equity	1:1.7	1:1.5
Current assets : current liabilities	1:0.4	1:0.6

*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 the year 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 and excluding one-off costs.
7 Interest cover is EBITDA as defined in Note 6 divided by net interest income and charges.

3. Consolidated income statement

millions of euros	**Note**	**2012**	**2011**
CONTINUING OPERATIONS			
Net sales	**4/9.**	753.7	714.3
Costs of raw materials and consumables		-389.6	-365.8
Production costs		-124.2	-117.3
Warehousing and distribution costs		-41.7	-40.8
Gross profit		**198.2**	**190.4**
Selling expenses		-55.0	-52.8
Research and development costs		-17.5	-17.8
General and administrative expenses		-85.9	-70.1
Operating result		**39.8**	**49.7**
Financial income	**7.**	1.4	1.8
Financial charges	**7.**	-25.9	-31.3
Results from joint ventures and associates	**14.**	-0.1	-0.2
Result before taxes from continuing operations		**15.2**	**20.0**
Taxes	**8.**	12.0	10.9
Result after taxes from continuing operations		**27.2**	**30.9**
DISCONTINUED OPERATIONS			
Result after taxes from discontinued operations	**9.**	**-90.9**	**-205.2**
Result after taxes		**-63.7**	**-174.3**
Per common share in euros	**10.**		
Basic earnings from continuing operations		0.34	0.38
Diluted earnings		0.34	0.38
Basic earnings from continuing and discontinued operations		-0.96	-2.56
Diluted earnings		-0.96	-2.55

4. Consolidated income statement before one-off costs

	2012			2011		
	Before one-off costs	One-off costs	Total	Before one-off costs	One-off costs	Total
Net sales	753.7		753.7	714.3		714.3
Costs of raw materials and consumables	-389.6		-389.6	-365.8		-365.8
Production costs	-123.3	-0.9	-124.2	-113.6	-3.7	-117.3
Warehousing and distribution costs	-41.6	-0.1	-41.7	-40.8		-40.8
Gross profit	**199.2**	**-1.0**	**198.2**	**194.1**	**-3.7**	**190.4**
Selling expenses	-54.8	-0.2	-55.0	-52.2	-0.6	-52.8
Research and development costs	-17.4	-0.1	-17.5	-17.6	-0.2	-17.8
General and administrative expenses	-69.0	-16.9	-85.9	-66.0	-4.1	-70.1
Operating result	**58.0**	**-18.2**	**39.8**	**58.3**	**-8.6**	**49.7**
Financial income	1.4		1.4	1.8		1.8
Financial charges	-25.9		-25.9	-31.3		-31.3
Results from joint ventures and associates	-0.1		-0.1	-0.2		-0.2
Result before taxes from continuing operations	**33.4**	**-18.2**	**15.2**	**28.6**	**-8.6**	**20.0**
Taxes	7.4	4.6	12.0	9.5	1.4	10.9
Result after taxes from continuing operations	**40.8**	**-13.6**	**27.2**	**38.1**	**-7.2**	**30.9**

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5. Consolidated statement of financial position

before profit appropriation, millions of euros	**As at 31-12-**	**As at 31-12-2011**
Assets		
Property, plant, and equipment	303.0	583.0
Intangible fixed assets	93.4	912.4
Loans, receivables, and other	3.6	9.9
Joint ventures and associates	6.4	9.1
Pension assets	7.1	
Deferred tax assets	14.6	44.5
Total non-current assets	**428.1**	**1,558.9**
Inventories	104.6	337.9
Receivables	94.4	376.5
Tax assets	20.0	26.0
Cash and cash equivalents	60.2	116.0
Assets held for sale	1,478.0	
Total current assets	**1,757.2**	**856.4**
Total assets	**2,185.3**	**2,415.3**
Equity and liabilities		
Equity	**858.7**	**948.3**
Provisions	1.5	89.4
Deferred tax liabilities	21.2	144.0
Non-current liabilities	614.0	726.9
Total non-current liabilities	**636.7**	**960.3**
Interest-bearing current liabilities	2.4	4.7
Trade payables	60.4	311.9
Other non-interest-bearing current liabilities	60.5	144.6
Provisions	13.6	23.5
Tax liabilities	5.1	22.0
Liabilities directly associated with assets held for sale	547.9	
Total current liabilities	**689.9**	**506.7**
Total equity and liabilities	**2,185.3**	**2,415.3**

6. Consolidated statement of changes in equity

before profit appropriation, millions of euros	**Share capital**	**Share premium reserve**	**Other reserves**	**Retained earnings**	**Total**
As at 1 January 2011	**17.2**	**74.5**	**27.4**	**998.1**	**1,117.2**
Result after taxes 2011				-174.3	-174.3
Other comprehensive result after tax 2011			27.7		27.7
Transfers to/from Other reserves			-1.1	1.1	
Total comprehensive result after tax 2011			**26.6**	**-173.2**	**-146.6**
Cash dividend				-23.2	-23.2
Stock dividend	0.4	-0.4			
Share-based remuneration transfers			-1.0	1.0	
Share-based remuneration charged to result			0.9		0.9
Total transactions with shareholders	**0.4**	**-0.4**	**-0.1**	**-22.2**	**-22.3**
As at 31 December 2011	**17.6**	**74.1**	**53.9**	**802.7**	**948.3**
Result after taxes 2012				-63.7	-63.7
Other comprehensive result after tax 2012			-4.8		-4.8
Transfers to/from Other reserves			1.2	-1.2	
Total comprehensive result after tax 2012			**-3.6**	**-64.9**	**-68.5**
Cash dividend				-21.6	-21.6
Stock dividend	0.6	-0.6			
Acquired company shares				-0.4	-0.4
Share-based remuneration transfers			-1.3	1.3	
Share-based remuneration charged to result			0.9		0.9
Total transactions with shareholders	**0.6**	**-0.6**	**-0.4**	**-20.7**	**-21.1**
As at 31 December 2012	**18.2**	**73.5**	**49.9**	**717.1**	**858.7**

7. Consolidated statement of cash flow

millions of euros	**2012**	**2011**
Cash flow from continuing operating activities		
Result after taxes	27.2	30.9
Adjusted for:		
● Depreciation/amortization of fixed assets	43.2	36.5
● Impairment of fixed assets	7.9	3.1
● Result from divestments of fixed assets	-0.9	-0.1
● Share-based remuneration	0.9	0.9
● Interest income	-0.1	-1.1
● Interest expense	25.3	30.1
● Exchange rate differences	-0.3	0.9
● Fluctuations in fair value of derivatives	-0.6	-0.6
● Other financial income and charges	0.2	0.2
● Results from joint ventures and associates	0.1	0.2
● Taxes	-12.0	-10.9
Cash flow from continuing operating activities before movements in working capital	**90.9**	**90.1**
Movement in provisions	0.9	-1.1
Movements in working capital:		
● Receivables	1.7	-0.8
● Inventories	7.8	-1.6
● Non-interest-bearing current liabilities	-3.9	-2.7
Cash flow from continuing business operations	**97.4**	**83.9**
Interest received	0.1	1.2
Interest paid	-26.2	-30.4
Tax paid on profit	1.5	7.2
Cash flow from continuing operating activities	**72.8**	**61.9**
Cash flow from discontinued operating activities	**124.6**	**86.1**
Cash flow from operating activities	**197.4**	**148.0**
Cash flow from continuing investment activities		
Acquisition of group companies	-8.0	0.0
Investment joint ventures and associates	-5.0	-0.7
Investment other financial assets	-0.9	-0.7
Repayment other financial assets	10.5	11.6
Capital expenditure on (in)tangible fixed assets	-53.1	-50.5
Divestment of (in)tangible fixed assets	1.3	1.4
Cash flow from continuing investment activities	**-55.2**	**-38.9**
Cash flow from discontinued investment activities	**-25.6**	**-64.0**
Cash flow from investment activities	**-80.8**	**-102.9**
Cash flow from financing activities		
Proceeds from interest-bearing debts		2.6
Repayment of interest-bearing debts	-101.4	-28.8
Acquisition of company shares	-0.4	
Paid-out dividend	-21.6	-23.2
Cash flow from financing activities	**-123.4**	**-49.4**
Net cash flow	**-6.8**	**-4.3**
Effects of exchange rate differences on cash and cash equivalents	-2.6	1.6
Increase/decrease cash and cash equivalents	**-9.4**	**-2.7**
Cash and cash equivalents at start of financial year	116.0	118.7
Cash and cash equivalents at close of financial year	106.6	116.0

8. Segment information

	Bakery Supplies Europe		Bakery Supplies North America		Purac		Corporate		CSM Total operations	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Income statement information										
Net sales	1,118.2	1,077.8	1,780.7	1,627.6	416.8	407.2			3,315.7	3,112.6
EBITA including one-off costs	16.9	35.8	117.7	85.1	39.2	41.9	-49.9	-32.6	123.9	130.2
One-off costs	184.4	251.6	5.9	9.8	1.1	4.2	23.7	4.0	215.1	269.6
Operating result	-157.7	-216.9	100.5	63.0	35.1	37.3	-50.6	-32.9	-72.7	-149.5
Balance sheet information										
Total assets	589.7	737.3	997.2	1,062.3	421.8	424.6	176.6	191.1	2,185.3	2,415.3
Investment in associates and joint ventures	0.3	0.3			4.5		9.0	8.8	13.8	9.1
Total liabilities	286.8	310.4	273.4	287.5	72.7	79.1	693.7	790.0	1,326.6	1,467.0
Capital employed year-end	862.2	842.2	966.8	1,018.4	360.5	342.2	17.3	37.1	2,206.8	2,239.9
Average capital employed	863.7	832.4	1,019.6	982.2	346.0	345.4	25.2	51.2	2,254.5	2,211.2
Depreciation of property, plant, and equipment	22.5	22.4	26.9	23.9	30.0	25.5	1.8	0.2	81.2	72.0
Amortization of intangible fixed assets	6.4	3.7	17.2	22.1	4.1	4.6	0.7	0.3	28.4	30.7
Other information										
Capital expenditure on property, plant, and equipment	7.7	18.9	14.2	21.0	28.8	38.3	16.2	1.3	66.9	79.5
Capital expenditure on intangible fixed assets	3.1	8.7			5.0	2.0	1.2	1.5	9.3	12.2
Impairment of tangible fixed assets			1.3			3.1	7.8		9.1	3.1
Impairment of intangible fixed assets	168.2	249.0							168.2	249.0
Average number of employees	4,392	4,231	4,359	4,589	1,050	1,022	56	58	9,857	9,900
Alternative non-IFRS performance measures										
EBITA margin %	1.5	3.3	6.6	5.2	9.4	10.3			3.7	4.2
ROCE %	2.0	4.3	11.5	8.7	11.3	12.1			5.5	5.9
Alternative non-IFRS performance measures excluding one-off costs										
EBITA	33.1	38.4	123.6	94.9	40.3	46.1	-26.2	-28.6	170.8	150.8
EBITA margin %	3.0	3.6	6.9	5.8	9.7	11.3			5.2	4.8
ROCE %	3.8	4.6	12.1	9.7	11.6	13.3			7.6	6.8

CSM generates almost all of its revenues from the sale of goods.
As non-current assets are not easily available they are not disclosed in the segment overview.
For more information on the impairment of tangible fixed assets see Note 11 and on impairment of goodwill see Note 12.

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 the year 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 € 317.2 million.

9. Notes

Accounting principles
The consolidated financial statements of CSM nv have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. With the exception of financial instruments, the financial statements in general are prepared on the basis of the historical cost principle.
The comparative income statement and cash flow statement are presented as if an operation which was discontinued during the financial year had been discontinued from the start of the comparative years

In 2012, CSM applied all the new and amended standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), if and insofar as these applied to CSM and were effective as at 1 January 2012.

None of the new and amended IFRS and IFRIC interpretations not yet effective, have been applied by CSM.

The main effective changes after 1 January 2012 are:

IAS 19: Employee benefits revised
CSM adopted IAS 19: 'Employee benefits revised' in the group's consolidated financial statements for the year starting 1 January 2013. The application of this revised standard will have a significant impact on amounts reported in respect of the group's results and equity. The revised standard will have a negative effect (excluding tax effects, including assets held for sale) of € 88 million on equity and will lead to an increase in the pension provision by the same amount.
If the standard would have been applied as per 2012, the total pension costs including discontinued operations would have increased by € 2 million.

IFRS 9 Financial instruments
IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. The standard is effective for annual periods beginning on or after 1 January 2013. CSM anticipates that the new standard does not have a significant impact on amounts reported in the consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates, and disclosures
In May 2011, a package of five standards on consolidation, joint arrangements, associates, and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards together with the amendments regarding the transition guidance are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. CSM currently anticipates that none of the standards will have a significant impact on amounts reported in the consolidated financial statements.

IFRS 13 Fair value measurement
IFRS 13, effective for annual periods beginning on or after 1 January 2013, establishes a single source of guidance for fair value measurement and disclosures about fair value measurement. CSM anticipates that the application of the new standard may result in more extensive disclosures in the financial statements.

CSM also anticipates that the application of all other new and amended IFRS and IFRIC interpretations currently known for future periods will have no significant impact on the CSM financial statements.

Related party transactions
On 2 January 2012 CSM Nederland bv bought assets (real estate) for an amount of € 14.5 million from Stichting CSM Suiker Pensioenfonds, a pension fund in which CSM nv is the sole sponsor. The amount has been based on future discounted cash flows of the contractual lease payments. Together with this transaction a disbursed loan of € 6.3 million was settled.

Events after balance sheet date
On 18 February 2013, the trustee board of Pensionfund CSM Nederland agreed to transfer retro-active as of 1 January 2013 all historical pension rights accrued until 31 December 2012 to an industry wide pension scheme (Pensioenfonds voor de Grafische Bedrijven).