Corbion

ANNUAL REPORT 2013

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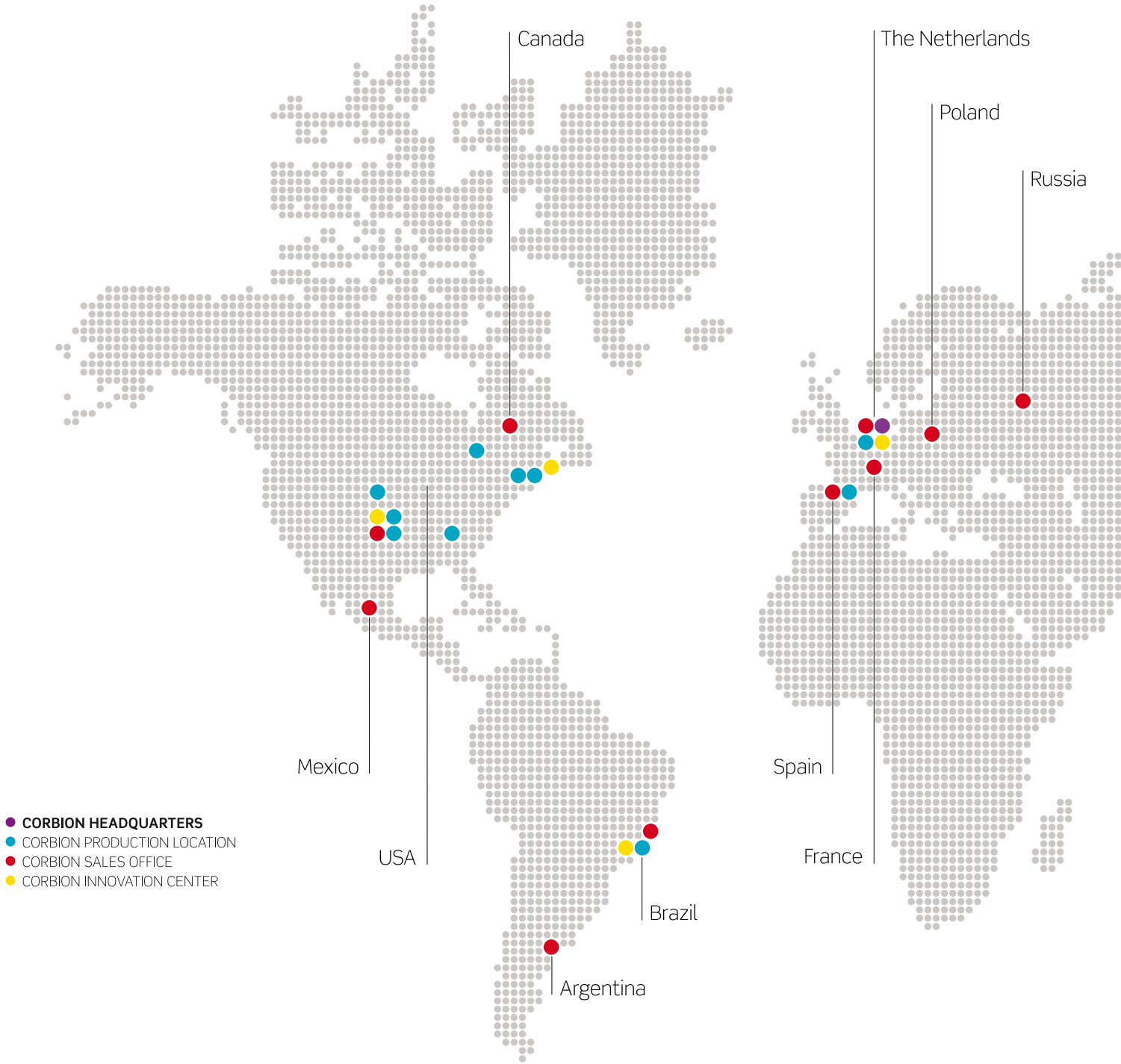
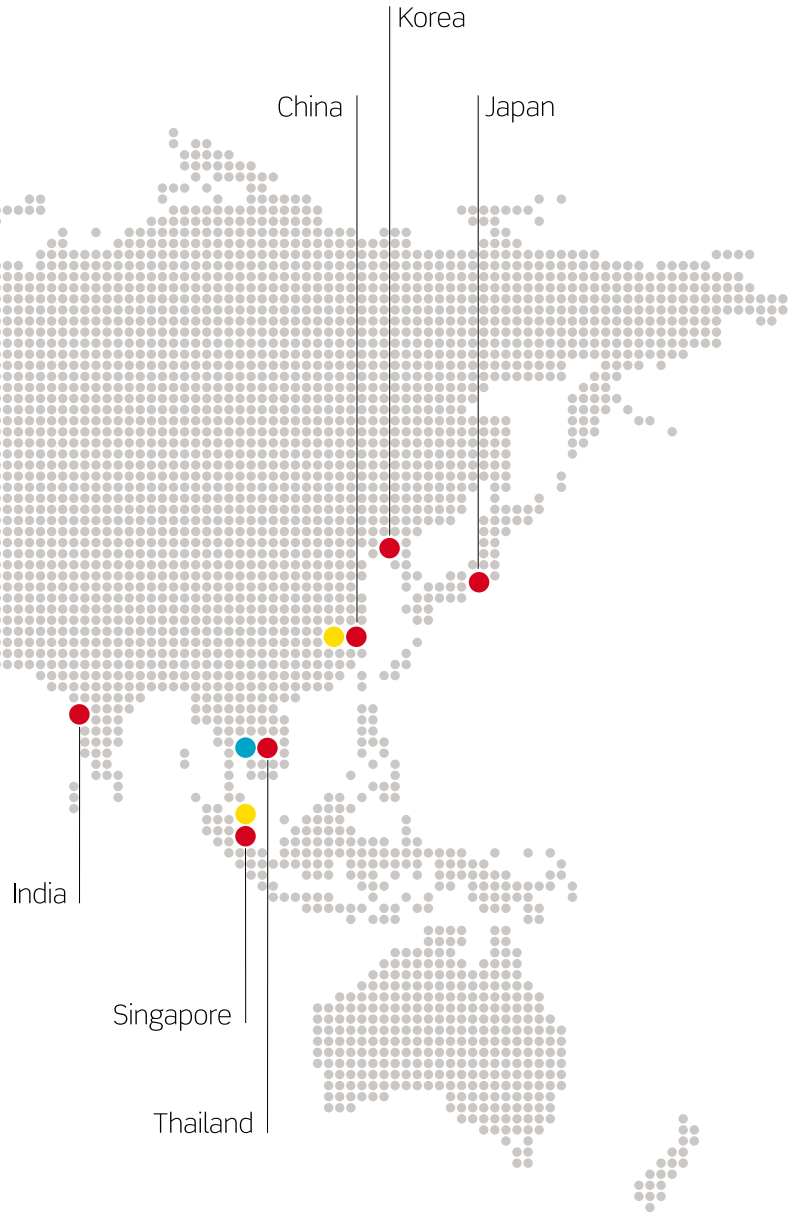
Corbion at a glance

Corbion: biobased products, designed by science, powered by nature, and delivered through dedication.



Corbion is the global market leader in lactic acid, lactic acid derivatives, and lactides, and a leading company in functional blends containing enzymes, emulsifiers, minerals, and vitamins. We deliver biobased products made from renewable resources and applied in global markets such as bakery, meat, culinary, pharma, home and personal care, and resins. Operating worldwide, Corbion is a global company generating annual sales of around € 744 million and employs a workforce numbering 1,885 in 20 countries. Corbion is listed on the NYSE Euronext Amsterdam.

Corbion recognizes two distinct segments: Biobased Food Ingredients and Biochemicals, each with their own marketing and sales units. These segments are company-wide supported via globally managed innovation, supply chain, and support functions.



BIOBASED FOOD INGREDIENTS

Our differentiated portfolio of biobased food ingredients combined with our leading edge fermentation technology, blending capability, deep end market understanding, and strong customer relationships make us a unique player in the industry. We hold leading positions in various markets such as bakery and meat, and are moving into leadership positions in other markets as well. Our portfolio is tailored around food integrity: natural solutions that enhance the consumer experience of products from creation to consumption, by prolonging freshness and providing safe and healthy food.

BIOCHEMICALS

Our biobased chemicals derived from renewable resources such as sugar, starch, or carbohydrates, are a sustainable alternative to fossil-based chemicals in various applications. Our biobased products offer a mix of improved performance at competitive prices and with a reduced carbon footprint. We are constantly searching for new building blocks and molecules in order to secure future revenue growth in these attractive segments, while being able to remain competitive in the long term.

A milestone year in the existence of our company

The past year was a milestone year in the existence of our company. We successfully completed the transformation of CSM, which was announced in May 2012 and approved by our shareholders in July 2012. The “physical” transformation from a bakery-led company into a biobased products business has been achieved within little more than a year. The divestment of 75% of our sales, around 80% of our employees and the majority of our factories and other facilities around the world was completed without any business issues arising – an achievement we are all very proud of.

Members of the Board of Management
CEO Gerard Hoetmer
CFO Koos Kramer

Message from the CEO

When we announced our plans in 2012, we knew of course that we were embarking on a huge effort. Large divestments are complicated and need to be executed with care. For instance, the divestment process involved the very complex disentanglement of the two activities, splitting a lot of shared support functions like IT, while continuing to fulfill our higher results expectations and conducting intensive preparations and due diligence for the divestment. Building the new organization also brought challenges in integrating Caravan Ingredients, Purac, and the remaining central services. With extensive project teams, support from external parties, and a lot of hard work from our people, we were able to manage both the growth and the divestment agendas successfully.

The divestment process was finalized within our expected time schedule and at a value meeting our expectations at seven times EBITDA. We all realized that the proceeds are very important for the future of Corbion, but it was also satisfying that we believe to have found a buyer under which CSM Bakery can develop their business further.

Our new organization is founded on an overall strategy of maintaining and developing the ample opportunities the biotechnology markets offer us. It is with this in mind that we have started to fine-tune and focus our Biochemicals and our Biobased Food Ingredients strategies. For the latter, the strengths of Caravan Ingredients and Purac have been combined into “our food integrity”-strategy. Many of our employees have been working hard alongside their “normal” jobs to drive the strategic work and to implement the new organization.

With so much effort going into the transformation, I am proud that we were able to deliver volume growth over 3% and an EBITDA at constant currencies that was 7% ahead of 2012. For me, this indicates two things. First, that we have a very motivated team. And second, that the transformation into a biobased products company gives us a good base for valuable growth.

Our successful transformation has also been recognized by our investors. Our company valuation has increased, with our share price rising from € 12.94 at announcement date in May 2012 to € 15.40 at the end of 2013, an increase of 19%.

Corbion operates in a high-growth business environment, in which we can continue to grow our existing categories and customer segments while at the same time developing new segments through commercially attractive products with new or enhanced properties. Our strong positions in various markets, our technological edge, our impressive innovation pipeline, our robust intellectual property positions, and most importantly our passionate people, cannot give us any excuse not to lead the field in our markets.

In the years to come, Corbion will demonstrate the opportunities this sector can bring by delivering on our promise for the years until 2016 to grow the business by 6-9% (Compound Annual Growth Rate) with EBITDA margin of at least 15% in 2016, creating value for all stakeholders in our company.

A new company has been created, with a solid foundation to build on the many opportunities open to us.

It has been Koos’ and my privilege to lead this change. With the divestment of the Bakery Supplies businesses completed and the new organization of Corbion in place, it is now time to hand over responsibilities to a new management team. We have found an excellent team headed by Tjerk de Ruiter as CEO, with Eddy van Rhede van der Kloot as CFO, and the new CTO Sven Thormählen. They will constitute the Board of Management of Corbion with effect from 12 May 2014, subject to approval by our shareholders. I am confident they have the background and credentials to successfully lead Corbion through the next stage of its development as a biobased products company.

I want to thank the people within Corbion, our customers, suppliers, and last but not least our shareholders for their continuing support to the company.

Gerard Hoetmer, CEO

Company highlights

Sales

Organic sales growth 1.5%

€ 743.6 mln

EBITDA

EBITDA excluding one-off costs increased by 0.2%

€ 99.2 mln

Cash flow

Decreased by € 38.7 million

€ 34.1 mln

Balance sheet ratios

-0.2x EBITDA

Earnings per share

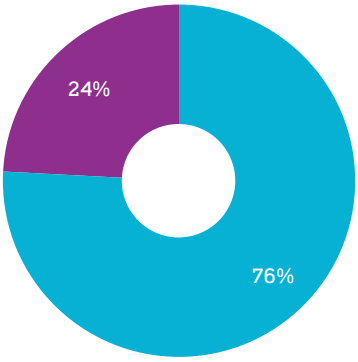
€ 0.06

ROCE

Excluding one-off costs

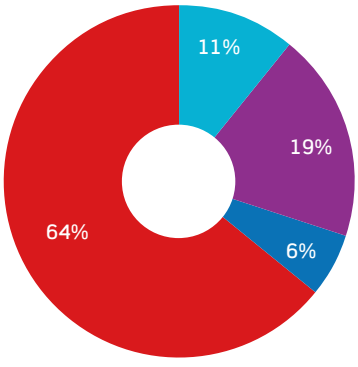
13.1%

Net sales



By segment

- Biobased food ingredients € 566.0 million
- Biochemicals € 177.6 million



By region

- Asia € 80.6 million
- EMEA € 140.4 million
- Latin America € 42.8 million
- North America € 479.8 million

EBITDA excluding one-off costs by segment

Biobased Food Ingredients	€ 105.7 million
Biochemicals	€ 15.9 million

Number of employees

By unit

Segments	281	15%
Biobased Food Ingredients	*185*	*66%*
Biochemicals	*96*	*34%*
R&D	219	12%
Operations	1,138	60%
Support functions	247	13%

By region

Asia	243	13%
EMEA	689	37%
Latin America	123	6%
North America	830	44%
Total	1,885	

Emissions

Scope I 99 kt CO_2 equiv

Scope II 94 kt CO_2 equiv

Corbion

REPORT OF THE BOARD OF MANAGEMENT

Our strategy

COMPANY COMPASS

Our company compass guides our business focus, connects our people, and gives us our shared direction.

Our purpose

Improve the quality of life for people today and generations to come.

Our vision

Inspire a conscious choice for safe, healthy, and convenient solutions made through nature's processes and renewable resources.

Our mission

Creating value for our customers through our biobased products, designed by science, powered by nature, and delivered through our dedication.

Our values

In close PARTNERSHIP with our customers, we develop commercially attractive biobased alternatives by redefining technological edges.

Our people and organization are driven by a PASSION for exploring new solutions that meet our customers' needs.

PERFORMANCE: We use our knowledge, agility, and dedication to deliver to ever-changing demands from markets whilst delivering value to our shareholders.

GROWTH STRATEGY

In line with our unique position and capabilities, we make strategic choices which are based on our compass and the opportunities the market offers us. We have committed ourselves to delivering sustainable growth and superior returns. This means we aim to deliver a compounded average sales growth rate of 6-9% for the 2013-2016 period and to realize an EBITDA of over 15% in 2016. At the same time, we intend to increase our operational and capital expenditures to reinforce our core capabilities: an additional € 5 million annually on innovation and, on average, € 100 million per year to maintain and enlarge our manufacturing capabilities and capacity, in particular.

In 2013, we have made substantial progress in the execution of our strategy via a strong performance in our existing markets and increased investments to develop and commercialize new opportunities.

In order to make the right strategic choices in the dynamic landscape we are operating in we have set a number of initiatives in motion in the past year. A harmonized framework – our stage-gate process for rigorously prioritizing and evaluating innovation activities – has been developed and applied. With a view to capital expenditures and potential acquisitions, we professionalized the way in which we build business cases in order to better reflect the uncertainties in our environment. Portfolio management has been introduced to align business initiatives.

Although our markets offer us many choices, we will stay close to our core Biobased Food Ingredients and Biochemicals activities on the basis of our capabilities, in order to increase our success rate and time to market in the various business projects.
The food and biochemicals industries have different business dynamics and a different value chain. To grow our business we have tailor-made strategies in place for each of these segments, which fit with the nature of these businesses and our market positions.

Both our segments' strategies are based on common capabilities and are addressing the same megatrends.

ADDRESSING MEGATRENDS

Societal drivers or megatrends that in our opinion are the most relevant for our strategy are population growth, resource depletion, and food security. By addressing these megatrends, we will continue to see growth for our company and at the same time be meaningful to society at large.

Megatrends

POPULATION GROWTH	RESOURCE DEPLETION	FOOD SECURITY
As the world population continues to grow, there will be an increased need for consumer goods and safe and healthy food.	Increasing demand for resources requires a shift to renewables and alternative processes.	The need to secure food availability for a growing population can be partly resolved by reducing food waste.

We address these megatrends in various ways and will continue to do so, for example by sourcing sustainable raw materials made from renewable resources, by developing innovative production processes in order to avoid the use of food crops, and by providing products that can help reduce waste and improve health and the safety of food.

Renewable resources

The use of renewable resources, such as sugar, starch, or other second generation carbohydrates is key in our strategy. As the world population grows, biobased products offer a more sustainable solution for meeting the ever-increasing demands for fossil-oil and its derivatives.

Avoiding the use of food crops

We recognize that food as a raw material for the production of biobased chemicals will compete with and, therefore, adversely impact the food supply chain over time. We have programs in place to replace our current agricultural raw materials, such as sugar cane and starch with second generation feedstocks, including agricultural byproducts such as, but not limited to, corn stover, sugar cane bagasse, and woody biomass.

Reducing waste

At present, approximately one third of food*) is discarded around the globe. This has direct implications for food availability and use of limited resources. Our products for food preservation and prolonging freshness play an important role in reducing food waste. Our food integrity solutions allow food producers to market food that stays fresh for longer periods of time.

*) *Source: Global food losses and food waste, FAO, 2011*

Healthy and safe food

Our company is poised to grasp the opportunities arising from the global concern around food safety, by supplying food products with health and safety benefits for society and by meeting growing demands. Our biobased solutions help to keep food safe and to prevent infection related to foodborne bacteria, such as listeria. We address health and well-being issues by providing solutions for fortification and salt reduction.

OUR CORE CAPABILITIES

In today's competitive environment we can only show sustainable success if we continue to develop and invest in our capabilities. Our capabilities will enable us to realize the opportunities that society's megatrends offer.

We have three defined capabilities: commercial, innovation, and technological excellence in which we will continuously invest in order to win in our markets.

Commercial excellence

For Corbion, it all starts with understanding consumer needs. We monitor key industry trends and work closely with customers to ensure that our products and solutions are what society and the market need. Our offerings give our customers the tools to develop differentiated products that meet consumer demands – products that stand out and help them to grow.

We have defined four areas of key competency development that will enable us to realize our growth ambition:

1. Strategic market insight
2. Segmentation and positioning
3. Key account management
4. Category management

A program has started in 2013 within our company to improve these competencies and harmonize processes and systems in order to better serve our customers and realize a preferred supplier position.

Innovation excellence

Corbion is built on outstanding scientific capabilities, knowledge management, and collaborative innovation. Identifying and harnessing the best, whether it be a new enzyme, the latest piece of scientific research, or a market insight is what enables us to turn science into innovations.

As we deliver many very specific high value solutions to our customers in the food and biochemical industries it is essential to continue to innovate and be ahead of competition.
Our highly qualified employees, global network of state-of-the art laboratories and expertise centers, and our partnerships with renowned universities, institutes, and industry players are fundamental in maintaining and strengthening our leadership position.

Technological excellence

We use our research capabilities and proprietary technology to bring innovation to life. We have unique capabilities and know-how in fermentation and the downstream processing of organic acids, as well as in the development and production of lactic acid and derivatives applications, many of which are protected by intellectual property rights.

We translate ideas from laboratory to industrial scale. We develop and implement cost-leading, new and improved process concepts for current and future Corbion products.

Continuously bringing down our cost levels is essential in a fast growing and evolving industry like the bioplastics industry. Increasing the scale of our production units with the most efficient technologies is required to maintain our cost advantage versus our competition.

MARKET SIZE

Corbion operates in two very large markets: food ingredients and chemicals. In these two markets we have positioned ourselves to leverage two fast growing segments: the market of biobased food ingredients to support the integrity of food and the biochemicals market.

Looking at our Biobased Food Ingredients segment, we define the food integrity market as a sub-segment of the wider specialty food ingredients market. We estimate that the food integrity market is € 22 billion in size, and that the global specialty food ingredients market is € 37 billion in size*). Currently, Corbion's addressable market – defined as the market for preservatives, enzymes, emulsifiers, and acidulants – is an estimated € 5 billion, indicating we have a market share of 11%.

If we take a close look at our largest market units, Bakery and, Meat and Culinary, we see leading market positions for both. Bakery has an estimated 30% market share of the relevant North American markets for emulsifiers and enzyme-based functional blends. In Meat and Culinary, we estimate that Corbion has a 49% share of the global meat preservation market, particularly in meat and poultry industry, which is estimated to be € 202 million in size.

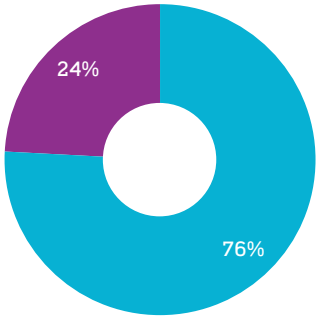
The biochemicals market is estimated to be between € 94 and € 130 billion as part of the global chemicals market of around € 1,010 billion in annual size**). Presently, our market share is still small. The launch of PLA-based bioplastics and succinic acid should grow our share in the coming years.

With strong capabilities and megatrends that are driving growth in the large market segments we are operating in, we are very excited about our growth prospects.

*) *Source: Bain & Company*
**) *Source: Arthur D. Little*

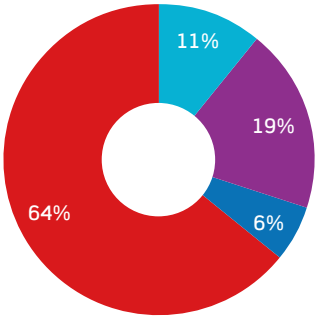
Our business

Net sales 2013



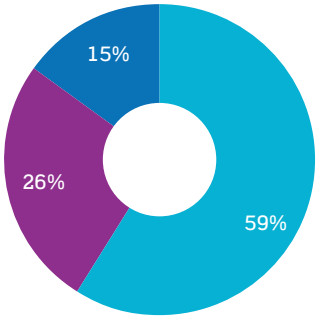
By segment

- Biobased Food Ingredients
- Biochemicals



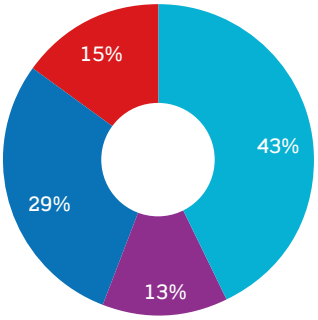
By region

- Asia
- EMEA
- Latin America
- North America



Biobased Food Ingredients

- Bakery
- Meat and Culinary
- Foods



Biochemicals

- Chemicals
- Animal health
- Pharma/medical
- Home, industrial, institutional, and personal care

Source: Company data

We have organized ourselves in such a way that we can optimally serve our markets. We have split our customer facing market organization in two distinct segments: Biobased Food Ingredients and Biochemicals. These segments are divided into market units, each addressing certain product market combinations. These units are supported by our strategically important innovation and supply chain organization. It is within these units that we are able to differentiate our solutions from competition. Our innovation, supply chain, and other support organizations are organized globally to use our scale, easily exchange knowledge, and optimize costs.

BIOBASED FOOD INGREDIENTS SEGMENT

Biobased food ingredients are an important part of our portfolio. They account for most of today's sales and profit, enabling us to pursue our ambition and grow as a company.

Our differentiated portfolio of biobased food ingredients combined with our leading edge fermentation technology, blending capability, deep end market understanding, and strong customer relationships make us a unique player in the industry. We have leading positions in various markets including bakery and meat, and are extending our leadership positions to other markets. Our portfolio is tailored around food integrity: natural solutions that enhance the consumer experience of products from creation to consumption, by prolonging freshness and providing safe and healthy food.

Our markets

We have organized ourselves into three market units; Bakery, Meat and Culinary, and Foods.

Bakery

We offer a broad portfolio of functional blends that delivers against our customers' food integrity and freshness needs. This includes functional ingredients, emulsifiers, bread mixes, specialty bases, salt replacers, frozen dough, vitamin and mineral premixes, and formulations for flour enrichment.

Meat and Culinary

We provide a complete range of solutions to improve food safety, shelf life, and the quality of processed fresh meat and cooked meat products, covering the entire spectrum from value to premium clean label, and lower sodium containing products. Our biobased solutions also help to prevent infections from foodborne bacteria, such as listeria.

Foods

In the beverage, dairy, confectionery, and prepared foods markets we are known for our complete range of products in the areas of shelf life extension, preservation, acidification, flavor boosting, texture improvement, and fortification.

Segment strategy

Corbion will extend its leadership position in food by providing biobased ingredients which will help food companies to solve their food integrity challenges, to keep food fresh and safe to reduce waste, and facilitate flexibility in the value chain through:

- The delivery of value added products and applications expertise based on customer and market insights.
- Continuous reduction of cost levels of core Corbion process facilities.
- The delivery of innovative products using our core technology platforms enhanced by acquired or licensed adjacent technologies.

Our approach to food integrity consists of two key elements: a quality element based on safety and preservation, and a sensory element around taste and texture.
Through our preservatives, we provide our customers not only with safe food, but also with products that have a longer shelf life. Other challenges regarding the freshness of food, such as look and feel and taste and smell are partly linked but also depending on other technologies.

Corbion has leading market shares in the bakery and meat markets. We intend to grow the core businesses of bakery and meat by leveraging our brand recognition and by expanding geographically as well as into adjacent market segments where the "food integrity" theme resonates with our customers. We will augment our product portfolio for these segments by incorporating ingredient families that build upon our current platform and consolidate our food integrity positioning. Examples include other ferments or natural, biobased ingredients to avoid colour, taste, and flavour degradation.

Clean label

We have a growing portfolio of fermentation-based food ingredients, which has been specifically developed to help meet the increasing demands for simple, clean, and understandable labels (also known as 'cupboard ingredients') and still enable food processors to produce high quality, safe,

and tasty products. The ingredients are suitable for a wide variety of food products, including meat, poultry, fish, deli-salads, bakery, dips, spreads, sauces, and dressings.
In 2013, we added Verdad Powder F80 to our "clean label" portfolio. Based on the natural fermentation of sugar, Verdad Powder F80 can be labeled as "fermented sugar" to meet the consumer demand for natural ingredients and provide a biobased alternative.

Extending freshness
Our extended shelf life products help to maintain the freshness of meat, bread, and processed foods. Across the food industry, the collective waste starts to add up to significant losses of valuable resources. Corbion has a wide range of biobased products that extend the freshness and shelf life of our customers' products and thus help to reduce waste levels. In 2013 we have expanded our Ultra Fresh® platform to include new and innovative solutions. For the sweet goods market we developed Ultra Fresh® Sweet, a complex enzyme technology that helps sweet goods perform better throughout the freshness cycle and beyond 45 days.

BIOCHEMICALS SEGMENT

Corbion is one of the most experienced producers of chemicals derived from organic acids through the fermentation of carbohydrates. Building on our lactic acid technology using renewable resources, we have developed a number of differentiated products with unique functionalities. These are applied in various end applications in the polymers and chemical industries. Our biobased chemicals, chemicals derived from renewable resources such as sugar, starch, or other carbohydrates, are sustainable alternatives to fossil-based chemicals. Many of those biochemicals may act as building blocks for other materials, also called platform molecules. Our biobased products are unique in the market, as they offer a mix of increased performance at a competitive price and a reduced carbon footprint. We are constantly searching for new building blocks and molecules in order to secure future revenue growth and remain competitive in the long term.

Our markets
We have organized our Biochemicals segment into three market units: Biochemicals, Bioplastics, and New Business Ventures. The Biochemicals market unit is the largest market unit, responsible for nearly all sales in this segment, and supplies our organic acids and derivatives to many markets. The Bioplastics market unit is active in developing applications based on our lactides to replace many fossil-based plastics. Although limited, sales levels are increasing. The market unit New Business Ventures is working on a longer horizon and developing new molecules for various markets. Corbion provides building blocks and additives for its main markets for biochemicals including packaging, home and personal care, automotive, pharma, electronics, and agrochemicals. In addition, we are gaining presence in the market for animal health additives.

With a long-standing position in medical biomaterials, Corbion is market leader in resorbable polymers for the medical device and pharmaceutical industries. We develop, manufacture, and market resorbable polymers and monomers for medical applications, and polymers for controlled drug delivery, medical devices, and parenteral and dialysis solutions. Corbion plays a leading role in developing the mass market for bioplastics in selected segments, including packaging, electronics, and automotive. The main growth driver is in poly lactic acid (PLA) bioplastics, where Corbion is leveraging its lactic acid and lactide technologies, as well as its downstream know-how (polymerization and conversion) to replace fossil-based plastics. Additional new market opportunities are being pursued in biobased succinic acid (through our joint venture with BASF) and in FDCA (2,5-furandicarboxylic acid).

Segment strategy
We will achieve growth in our biochemical markets by continuously improving our value propositions and moving into new market segments through innovation with a focus on application development to reinforce our product portfolio.

In Biochemicals we develop commercially attractive biobased alternatives using renewable and sustainable resources. We use our own core technology platforms, acquired or licensed adjacent technologies, intellectual property rights, and partnerships to establish significant positions in selected biochemical markets. Innovation is a key element in our Biochemicals strategy, but partnerships are equally important as they are closely intertwined. Partnerships are necessary for market access and technology.

Our lactic acid technology is key, but we have also identified business opportunities in adjacent organic acid platforms. Based on our core technology of fermentation and downstream processing, we will continue to develop alternatives for fossil-based chemicals. These attractive products will capture market share from the traditional fossil-based chemical market. The value of the global biochemical market is predicted to be worth between € 175 billion and € 420 billion by 2025*). A large part of this growth is estimated to come from a growing demand for bioplastics.

Bioplastics provide a sustainable alternative to their traditional, fossil-based counterparts. Bioplastics are defined as plastics that are biobased, biodegradable, or both. In the case of PLA, both these criteria are being met. PLA is made from renewable, biobased resources and has a much lower carbon footprint than other plastics.

Corbion was the first one to commercialize a high heat PLA variety that can withstand temperatures up to 180°C/356°F, thus creating opportunities for PLA in the automotive market amongst others. Corbion not only targets the higher value-added durable applications for PLA (e.g. for electronics and automotive), we also work with industry partners to develop the mass markets for PLA, such as packaging and disposables where biodegradability is a key requirement. The development of both high-end and mass market applications however requires time, as these applications undergo rigorous testing, must meet high quality standards, and their implementation may require modifications in the production process of our customers. We are confident, however, that PLA based on our lactides can compete with some of the most widely used traditional fossil-based plastics and will continue to replace polypropylene (PP), polystyrene (PS), acrylonitrile butadiene styrene (ABS), and polyamide (PA) in a multitude of applications. Our goal is to capture the PLA-market opportunity and substantially grow this business.

We produce polymers with a very high purity for the medical device and pharmaceutical industries among others, to make implants. An example of an exciting innovation in this respect is our FiberLive™ technology. This technology is a strong, fully resorbable material for human and veterinary implants, comparable to metal, with strength up to six times higher than cortical bone. FiberLive™ is a unique composite consisting of resorbable silica-based fibers and resorbable polymers. It will be a game changer in the orthopedic resorbable market, where high load-bearing properties are needed, in for example, trauma and spine applications. We expect to make the first sales in the veterinary market due to the very stringent and time consuming test procedures for human implants.

Partnering is essential

In replacing fossil-based chemicals we participate in an extensive value chain. In our view partnering is the key to success rather than developing competencies in all stages of the value chain. That is why it is essential that we selectively identify partnerships in the areas of, amongst others, biobased feedstock and adjacent technologies. Two examples of partnering are our joint venture with BASF called Succinity and our collaboration with Cargill Animal Nutrition.

BASF (Succinity)

In 2013 Corbion and BASF established a 50-50 joint venture called Succinity, to produce and sell biobased succinic acid. Succinic acid is a very promising molecule to cater to the needs of the biobased chemicals industry. It has a lower carbon footprint than fossil-based succinic acid. In Succinity, BASF and Corbion are pooling their strengths in market access and fermentation and purification technology in order to become a leading supplier of biobased succinic acid. Succinic

*) *Source: Arthur D. Little*

acid can be used in a variety of applications, ranging from chemical intermediates to bioplastics. A new plant is designed for an annual production of 10,000 metric tons of succinic acid and was commissioned at the end of 2013.

Cargill Animal Nutrition
In June 2013 we announced our collaboration with Cargill's Animal Nutrition business for the development and commercialization of biobased animal feed solutions under the Aloapur® brand. Cargill brings its animal nutrition expertise and global footprint to the partnership. Cargill's Provimi business will develop the application and offer Aloapur® to customers to help them improve animal health and nutrition. These solutions boost growth and make for better feed conversion in suboptimal conditions in poultry production and at the same time have the potential to bring about a significant reduction in the use of antibiotics. More and more countries are banning antibiotics as a growth promoter in the wake of reports about the potentially harmful effects on human health. Our first commercial product, Aloapur®, launched July 2013, is based on our core capability in lactic acid derivatives.

INNOVATION

Innovation is at the heart of Corbion. It is a key differentiator in our strategic positioning, an important element of our brand image, and fundamental to maintaining and strengthening our leading market position. The changing environment in which Corbion operates today underscores its importance. Innovation is crucial for deepening our relationships with customers and helping them to succeed in an evolving marketplace. Our commitment to innovation is deeply embedded in our strategy and culture.

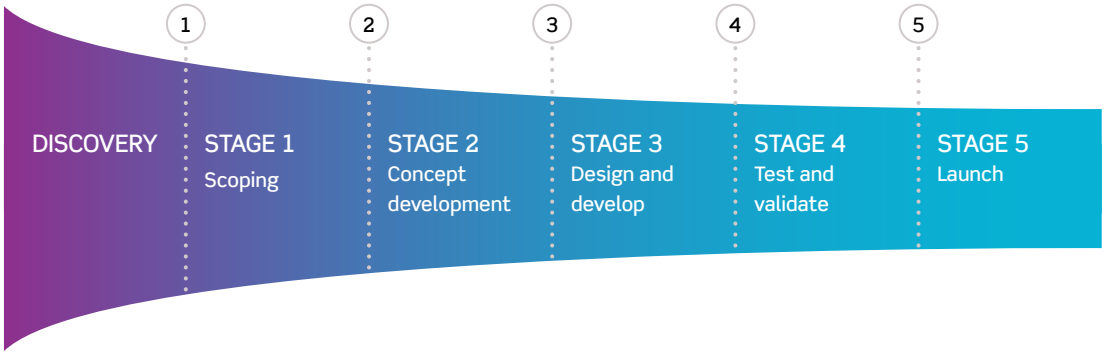
With 12% of Corbion's workforce directly engaged in R&D, scientific and technological excellence are the foundation upon which the company was built. What sets us apart, is our capability to turn science into biobased applications and innovations that meet customer and market needs. We expect to ramp up our R&D investments, increasing them by € 5 million annually in the next few years and enabling an even more strategically balanced and better-resourced approach to R&D, one that will establish the best combination of projects between application and formulation, new product development, and breakthrough innovations. In 2013 we increased our R&D investments by € 6.4 million. Our R&D investments as a percentage of net sales was 3.5%.

Innovation excellence

Innovation excellence focuses on the development of the capabilities to make and execute better choices for our growth strategy. We manage risks, prioritize projects, and optimally allocate resources to our project portfolio by applying a stage-gate process which comes up with a coherent set of choices about "where to play" and "how to win." Each project follows a well-defined, fixed sequence of developmental stages. During each stage an assessment is performed with a focus on the value proposition the project delivers to the market. At each stage gate, management decides whether to move on to the next stage or to revisit or terminate the project. Project risks are mitigated by phasing resources and investments in parallel in order to decrease risk as the project moves through the funnel. The commitment to the choices increases at each gate-pass, ultimately resulting in the decision to launch a new product. The best projects are advanced and resources are allocated by using a rigorous portfolio management approach.

We have integrated a sustainability assessment into our innovation stage-gate process. It is based on the most material aspects across our value chain and will also be used to evaluate our current product portfolio. The sustainability assessment enables us to understand where our solutions provide environmental and societal benefits, and helps us to identify areas of improvement.

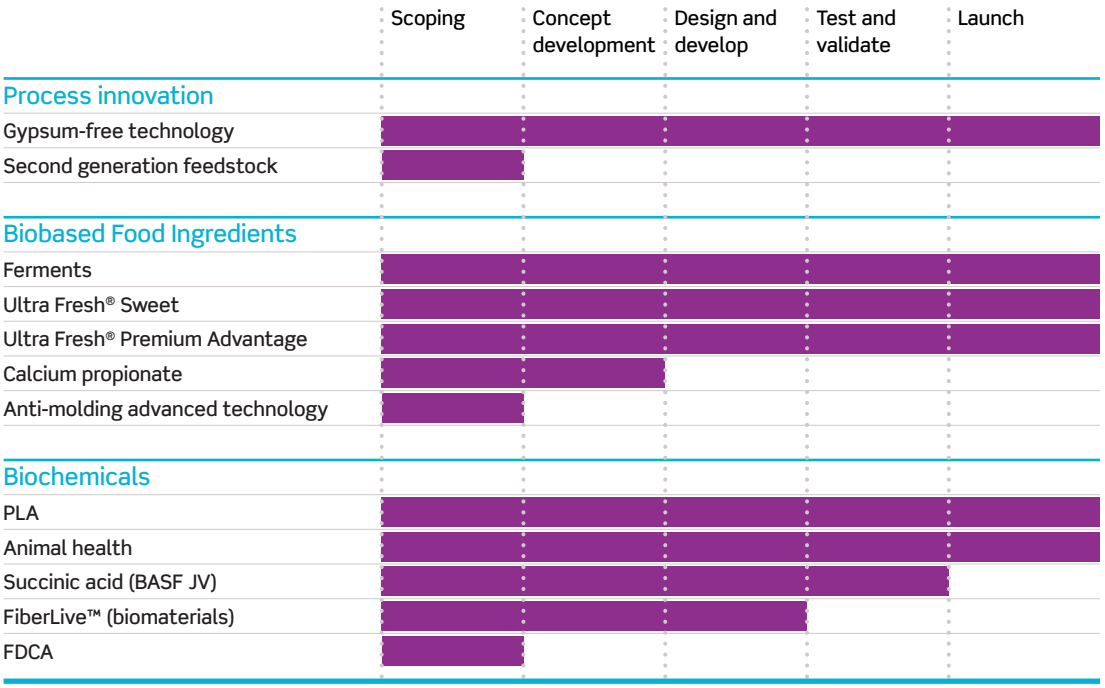
Stage-gate process



Key innovation programs supporting our growth

Corbion has a wide range of coherent innovation programs to enable our growth strategy. One overarching theme in these programs is the consideration of environmental, social, and economic aspects, which addresses resource depletion and food security for a growing population.

Innovation pipeline



The projects beyond the scoping stage are discussed in the chapters on Biobased Food Ingredients and Biochemicals.

Process innovation

Corbion has designed specific programs to increase resource efficiency. We have been developing a scalable, cost-effective, sustainable process for producing organic acids. What sets this new technology apart is that we recycle nearly all chemicals, and thus require fewer input materials. The formation of gypsum, a byproduct in the conventional process, is avoided. The new gypsum-free technology has been implemented on a small scale in the Netherlands in 2013. This technology is expected to be implemented in the intended capacity increase of our lactic acid plant in Thailand.

We are investing in advancing technology for the next generation of organic acid production in order to resolve the conflict between the limited availability of land for food production and the carbohydrate feedstock needs for biochemical production. From 2016, we intend to start replacing traditional agricultural raw materials, such as sugar cane and corn starch, with second generation feedstocks on a demonstration scale.

New building blocks and molecules: adjacent organic acid platforms

We are constantly searching for new building blocks and molecules to secure future revenue growth and remain competitive in the long term. Our selection process to determine which new building blocks and molecules we will explore focuses on:

- Strategic fit and financial reward
- Market attractiveness and product differentiation
- Fit with our technological capabilities
- Competitive advantage and risks

The molecules that have been selected are biobased succinic acid, calcium propionate, and FDCA (2,5-furandicarboxylic acid). Calcium propionate is used as a mold inhibitor in bakery products and animal feeds. It has a great fit with Corbion's capabilities, making use of our fermentation technology experience and access to markets we operate in. FDCA is a potential replacement for purified terephthalic acid (PTA), which is used mainly for the production of PET bottles and polyester fibers. Replacement of PTA with FDCA results in a polymer called PEF, which has superior barrier properties compared with traditional PET and a lower carbon footprint. FDCA production fits in well with Corbion's capabilities in fermentation and purification and builds further on our bioplastics portfolio. In general the molecules that Corbion is working on are all based on renewable resources and are considered to have the potential to be produced cost competitively compared to fossil-based alternatives.

OPERATIONS, SUPPLY CHAIN, AND PROCUREMENT

To successfully accomplish the delivery of our solutions and services to our customers and meeting their needs, we operate from a demand-driven perspective. By optimizing the operations and supply chain processes we were able to lower the working capital, and maximize service levels to our customers.

We have a worldwide supply chain with manufacturing facilities in the USA, Thailand, Brazil, Netherlands, and Spain. Our facilities in the Netherlands and Spain are smaller sites which are specialized in developing new products or processes and producing specialty ingredients. Our large scale facilities in the USA, Thailand, and Brazil are all strategically located close to their raw material source and/or their main sales markets.

Operations and supply chain

The operations and supply chain activities of Corbion have three key objectives:

1. To ensure the delivery of quality products to our customers, from our doors to the customers' floors. We do this in a safe, environmentally responsible, sustainable manner, and with a quality that meets our customers' expectations.
2. To reduce the manufacturing and supply chain costs from both a fixed and variable perspective in order to maintain cost competitiveness in the market.
3. To support the growth of existing and new products in the market and incorporate any acquired assets into the Corbion supply chain.

In the 2013-2016 period we have earmarked on average € 100+ million annually for capital expenditures, a significant part of which will be allocated to new production facilities and capabilities to specifically meet increasing demands. If contracts for PLA would fully utilize our lactides production capacity earlier than expected, additional capital expenditures of € 150 to € 200 million would be required.

Several focus areas have been defined in operations and supply chain:

- Safety – 'Zero' accidents is the standard of performance we work toward. We record and investigate all incidents, including those with contractors, by determining the root cause and implementing prevention measures.

- Quality – Our goal is to deliver the "perfect order" to the customer, as measured by on-time and in-full indicators, first time right, and complaints. We record incidents and complaints. In 2013 we had no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services during their life cycle.
- Efficiency – We have established technology platforms in various processes and in maintenance. Through these platforms, best practices are established and savings programs are initiated which help Corbion to stay competitive in the volatile markets we have experienced in the last 5 or 6 years. We strive for world class performance in maintenance and reliability, and through our efforts have ensured the reliability of our assets.
- Environment – Our aim is to have "zero" spills and reduce environmental impact. Environmental responsibility is practiced through the implementation of management systems and adherence to standards. We investigate all incidents and implement prevention measures. In 2013, we had zero reportable spills.

To meet these objectives, we maintain management systems that are designed to ensure continued compliance, while working toward ongoing improvement. We implement EHS (Environmental, Health and Safety) management systems, such as ISO 14001 and OSHAS 18001. All of our sites are BRC-certified and assessed through Sedex, the Supplier Ethical Data Exchange. Sedex, a not-for-profit membership organization is committed to the continuous improvement of ethical and responsible practices in supply chains through the sharing of information on health and safety, labor standards, business integrity, and the environment.

Procurement

We run our procurement activities through a centralized approach, with our sourcing strategies carried out by regional teams in Thailand, Brazil, the Netherlands, and the USA. Our global approach provides us with an efficient and agile procurement team which has built a deep understanding of our sourcing needs and the ability to respond swiftly to market developments. This has proven to be an effective way for capturing economies of scale on our purchased goods and services, for lowering our supply risks, and for deepening our market insights for the benefit of our customers.

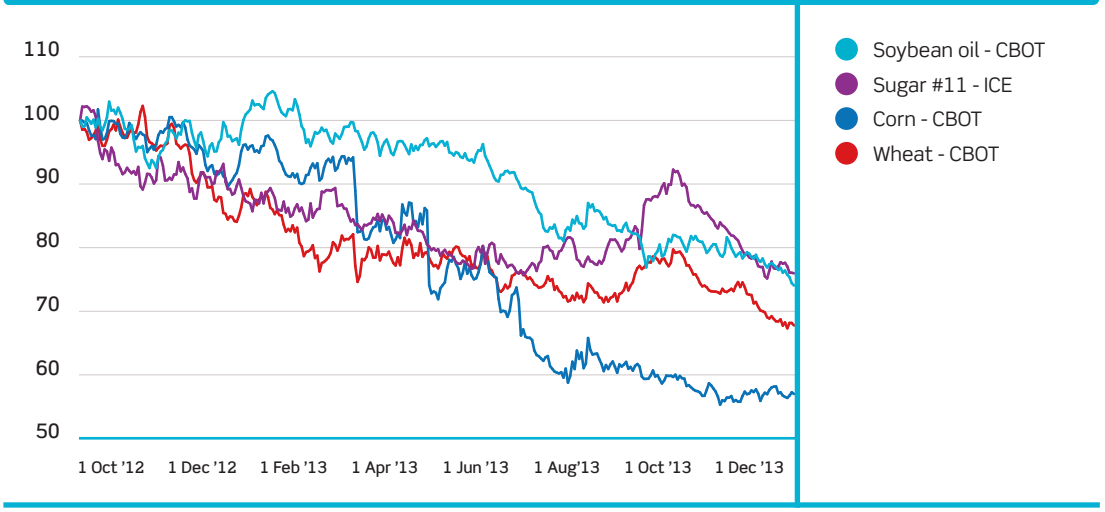
Our efforts in procurement create value through:

- Risk-management of our large commodity exposures (soy bean oil, sugar, corn, and wheat).
- Ensuring a safe supply of materials and services to our operations at all times, without disruptions.
- Reducing the cost base of our raw materials and services consistently through a highly professional process.
- Ensuring a sustainable raw material supply.

During 2013 we right-sized our organization, after the divestment of the Bakery Supplies businesses. This change has allowed us to focus even more on the performance drivers listed above. We took a major step to outsource our procurement of indirect materials to dedicated third-party providers in Europe and the USA, strengthened our team in the USA, and developed highly practical regional sourcing strategies, with one shared and coherent vision company-wide. All of this is now in place and we look with confidence to the years ahead to bring competitive advantages to our business through a highly professional procurement operation.

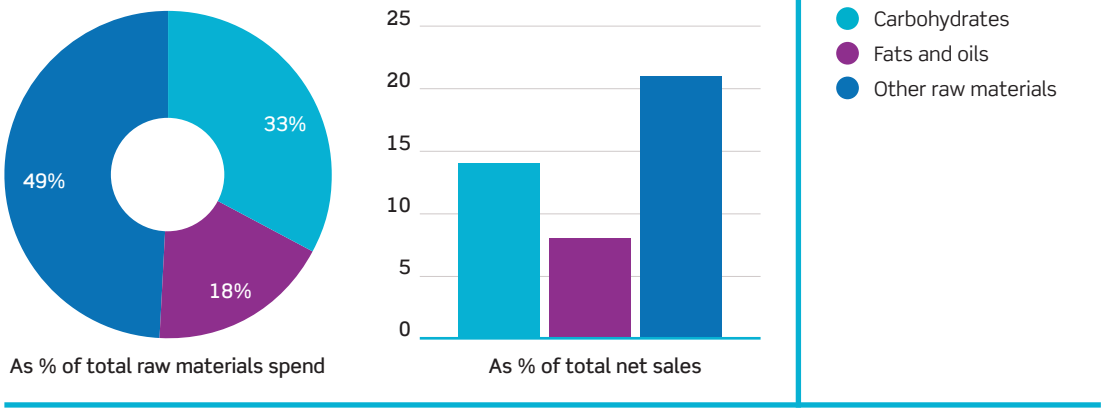
The commodity markets in which we procure were relatively stable during the year, without a great deal of the price volatility which we have seen in the previous years. Notable major crop events which have impacted our business were absent in 2013. Most of the commodities we use have reverted to global supply surplus situations, and prices have drifted down slowly and consistently over the year as a result. However, climate events, such as droughts, can have a deep impact on our supply costs. We are mitigating those risks actively by taking longer-term contract positions, by approving raw materials from other regions of the world, and on a longer-term horizon, considering second generation feedstocks.

Price index, second future contract - from October 2012 to December 2013



In periods of gradual decline in the commodity markets, we will see this impact on our cost levels with a lead-time, as we are obliged to carry some forward covers to secure our supplies and mitigate the effect of price fluctuations. For sugar, our main raw material, we had relatively long price covers at the start of 2013, all against committed sales volumes. On the other key commodities we saw lower raw material costs as a result of the declining markets.

Raw materials breakdown



Source: Company data

Sustainable supply

To produce biobased, sustainable products we must secure a sustainable supply and ensure environmental and social responsibility in our supply chain. We are aware that, as a company which procures much of its feedstocks from the agricultural industry, a great deal of the environmental and social impact in our value chain is upstream of our own operations, on farm level. Our impact, as just one company, to improve sustainability in our value chain is generally limited. That is why, in addition to direct engagement with our raw material suppliers, we work with multi-stakeholder initiatives such as Sedex for all our raw materials and Bonsucro for our key agricultural raw material, sugar cane. Our sustainable supply program is based on compliance with the Corbion Supplier Code, which is included in our purchasing agreements to embed sustainability in our supply relationships. We engage with suppliers and evaluate supplier performance through risk assessment and encourage our suppliers to use global standards and good agricultural practices. Finally, we train and engage our procurement team, who work toward our sustainable supply targets: to have 50% of our raw material supply (spend) assessed by 2015 and 90% by 2020.

Our performance

We want to improve the quality of life for people today and generations to come. We do this by addressing the megatrends driving our business, developing attractive and profitable solutions with our customers and engaging with our stakeholders. We measure and report on our financial, social, and environmental performance.

KEY FIGURES

Financial

Millions of euros	2013	2012 (restated)
Continuing operations		
Net sales	743.6	753.7
Operating result	39.0	37.6
EBITDA excluding one-off costs	99.2	99.0
Result after taxes	7.2	25.6
Earnings in euros [2) *)]	0.06	0.30
Diluted earnings in euros [2) *)]	0.06	0.30
Cash flow from operating activities	34.1	72.8
Cash flow from operating activities per common share, in euros [2) *)]	0.45	0.96
Depreciation/amortization fixed assets	41.0	43.2
Capital expenditure on (in)tangible fixed assets	75.5	55.8
EBITDA margin % [4)]	13.3	13.1
Result after taxes/net sales %	1.0	3.4
Number of employees at closing date	1,885	1,834
Total operations		
Balance sheet		
Non-current assets	435.5	1,374.3
Current assets excluding cash and cash equivalents	206.2	704.4
Non-interest-bearing current liabilities	134.2	489.6
Net debt position [1)]	-29.4	510.9
Provisions	31.7	219.5
Equity	505.2	858.7
Capital employed [5)]	475.7	1,304.8
Average capital employed [5)]	908.5	1,516.4
Key data per common share		
Number of issued common shares	71,939,942	69,914,711
Number of common shares with dividend rights	61,176,915	69,909,876
Weighted average number of outstanding common shares *)	70,114,838	71,902,593
Price as at 31 December	15.40	16.25
Highest price in calendar year	18.60	16.48
Lowest price in calendar year	14.41	10.49
Market capitalization as at 31 December	942	1,136
Earnings in euros [2) *)]	0.02	-0.96
Diluted earnings in euros [2) *)]	0.02	-0.96
Cash flow from operating activities per common share, in euros [2) *)]	0.10	2.69

Financial (continued)

Millions of euros	2013	2012 (restated)
Other key data		
Cash flow from operating activities	9.9	197.4
Depreciation/amortization fixed assets	41.0	109.6
Capital expenditure on (in)tangible fixed assets	75.5	76.2
Number of employees at closing date	1,885	9,650
Number of issued financing preference shares	2,983,794	2,983,794
Equity per share in euros [3]	7.87	11.78
Ratios		
ROCE % [6]	13.1	9.5
Net debt position/EBITDA [7]	-0.2	2.0
Interest cover [8]	13.5	10.1
Balance sheet total: equity	1:0.7	1:0.4
Net debt position: equity	1:-17.2	1:1.6
Current assets: current liabilities	1:0.4	1:0.4

Social

	2013	2012 (restated)
Total employees	**1.885**	**1.834**
Employees per region		
Asia	13%	13%
EMEA	37%	35%
Latin America	6%	7%
North America	44%	46%
Employees per unit		
Segments	15%	NA
- Biobased Food Ingredients	*63%*	*NA*
- Biochemicals	*37%*	*NA*
R&D	12%	NA
Operations	60%	NA
Support functions	13%	NA

Environmental

Category	Unit	2013	2012 (restated)
Volume	kt	419.0	401.4
Energy use, specific	GJ/t	5.8	5.8
CO_2 equiv, scope I	kt	99	88
CO_2 equiv, scope II	kt	94	92
CO_2 equiv, scope I, specific	Kt/kt	0.24	0.22
CO_2 equiv, scope II, specific	Kt/kt	0.22	0.23

1) Net debt position comprises interest-bearing debts less cash and cash equivalents.
2) Per common share in euros after deduction of dividend on financing preference shares.
3) Equity per share is equity divided by the number of shares with dividend rights.
4) EBITDA margin % is EBITDA divided by net sales x 100.
5) Capital employed and average capital employed are based on balance sheet book values.
6) Return On Capital Employed (ROCE) is defined by Corbion as EBIT excluding one-off costs for the year divided by the average capital employed based on balance sheet book values x 100.
7) EBITDA is "Earnings Before Interest, Taxes, Depreciation and Amortization, and impairment of (in)tangible fixed assets," including acquisition and divestment results for the full year and excluding one-off costs.
8) Interest cover is EBITDA as defined in Note 7 divided by net interest income and charges.

**) previous year is restated for stock dividend*
NA = Not available

FINANCIAL COMMENTARY 2013, DIVIDEND PROPOSAL, OUTLOOK FOR 2014

Markets

The global macroeconomic conditions continued to be challenging in 2013. Consumer confidence, especially in the USA and Europe, remained subdued. This held back demand in both of Corbion's segments, but particularly in the largest segment, Biobased Food Ingredients.

North America is our largest end market, representing 64.5% of sales. According to our data, consumption of bakery products in the USA declined by 0.5%, albeit with a slight improvement in the latter part of 2013. In 2013, according to the US Department of Agriculture, total USA meat and poultry production was stable compared to 2012. In Europe, data from the European Commission shows a drop in beef production which was offset by an increase in poultry production. Corbion performed well in the above mentioned markets, by growing revenues and volumes in both North America and Europe in 2013. One indicator of the challenging macroeconomic conditions has been the volatility in many global currencies. Despite the uncertainty in the euro-area, the euro appreciated against other currencies.

Results

Net sales

Net sales in 2013 decreased by 1.3% to € 743.6 million (2012: € 753.7 million). Exchange rate movements, especially the US dollar, Brazilian real, and Japanese yen, negatively impacted the sales figures by € 30.6 million (4.1%). Adjusted for reclassifications and for currency effects, organic growth was € 11.0 million (1.5%).

Full year 2013 compared to full year 2012

	Total growth	Currency	Total growth at constant currency	Acquisitions/ reclassifi-cations	Organic	Price/mix	Volume
Biobased Food Ingredients	-2.4%	-4.2%	1.8%	1.6%	0.2%	-0.7%	0.9%
Biochemicals	2.1%	-3.5%	5.6%	0.0%	5.6%	-5.3%	10.9%
Total	**-1.3%**	**-4.1%**	**2.8%**	**1.3%**	**1.5%**	**-1.5%**	**3.0%**

** Sales to divested Bakery Supplies businesses now reclassified as third party sales instead of intercompany.*

Organic growth in the Biobased Food Ingredients segment was the result of almost 1% higher volumes sold with increased demand for our biobased products in most geographies. This growth was achieved despite the continued weak economic climate, the bankruptcy of a major customer in the Bakery market unit, which we reported in the second quarter, and the ongoing impact of the earlier legislative change in the USA on the Meat and Culinary market unit. Volume growth was offset by lower average sales prices (-0.7%) reflecting the lowering of raw material prices during the year. In the Biochemicals segment volumes increased by 10.9% driven by product introductions and a widening geographical spread. The negative price/mix effect of -5.3% was mostly caused by a higher proportion of lower cost/lower price products sold.

Expenses

In line with our strategic priorities we increased our expenditure on R&D in 2013 substantially to € 25.8 million (2012: € 19.3 million), bringing R&D expenditure as a percentage of sales at 3.5% (2012: 2.6%). The majority of the increased expenditure was related to the Biochemicals segment where we are making significant investments in order to develop new organic acids (biobased succinic acid, FDCA) based on our leading edge fermentation capabilities. Partly offsetting these additional expenses, central costs were lower by € 3.6 million. As a result of the transformation of CSM into Corbion approximately 40% of central staff was released during 2013, which was a major contributor to the decrease in central costs.

Millions of euros	2013	2012
R&D expenses cash-out	**29.2**	**23.0**
Capitalization	-5.3	-4.8
Depreciation and amortization	1.9	1.1
Impairment	0	0
R&D expenses	25.8	19.3
R&D expenses before D&A	**23.9**	**18.2**

Operating result

Operating result excluding one-off costs increased by € 2.4 million, or 4.3%, to € 58.2 million in 2013 (2012: € 55.8 million). At constant currencies the increase was 11.5%.

Depreciation and amortization

Depreciation and amortization were € 41.0 million (2012: € 43.2 million); the slight decline is related to the currency impact.

EBITDA

EBITDA excluding one-off costs increased by € 0.2 million, or 0.2%, to € 99.2 million in 2013 (2012: € 99.0 million). EBITDA was negatively impacted by € 5.0 million as a result of currency translation and transaction effects. EBITDA including one-off costs of € 17.9 million (mainly related to the strategic transformation) amounted to € 81.3 million.

During 2013 there was a reduction in volatility in global agricultural commodity markets. Bumper crops in 2013 supported inventory levels, which, along with large export supplies, saw international prices of cereals and sugar fall to levels well below their highs in 2012 and early 2013. Our most important input cost is sugar; average sugar prices fell in 2013 for the third successive year. Given the time lag inherent to our cover positions, the positive effect on our margins was limited.

Millions of euros	2013	2012
EBITDA excluding one-off costs breakdown	**99.2**	**99.0**
- Biobased Food Ingredients	*105.7*	*106.9*
- Biochemicals	*15.9*	*18.1*
- Central costs	*-22.4*	*-26.0*
Depreciation and amortization	**-41.0**	**-43.2**
EBIT excluding one-off costs	**58.2**	**55.8**

Biobased Food Ingredients

Millions of euros	2013	2012
Net sales	566.0	579.7
Organic growth	0.2%	-1.0%
EBITDA excluding one-off costs	105.7	106.9
EBITDA margin excluding one-off costs	18.7%	18.4%

Biobased Food Ingredients as a whole showed limited volume growth in 2013. Net sales declined slightly, mostly because of currency effects.

Our largest market unit, Bakery, showed a slight volume decline in 2013, in line with or better than the North American bakery market. The bankruptcy of one of our largest baking customers, towards the end of 2012, caused some loss of volume. Over the course of 2013 this volume loss was mostly absorbed by other industrial bakers and from bankruptcy restarted company. In the second half of the year we shipped the first batches of our new Ultra Fresh® product line, which has generated positive feedback.

The other Biobased Food Ingredients market units, Meat and Culinary, and Foods, showed good volume developments in 2013. In meat in North America we grew our volumes again after two years of declines caused by the substitution with chemically derived preservation products following a legislative change in 2011. The sales of our low-cost-in-use product line which we introduced in response to this change is growing well, thereby mitigating the substitution effect. We also successfully expanded our premium ferments line, our clean label solutions.

Net sales of Biobased Food Ingredients declined from € 579.7 million to € 566.0 million; sales were stable year-on-year on an organic basis. The EBITDA margin before one-off costs increased from 18.4% to 18.7%. EBITDA before one-off costs declined by € 1.2 million to € 105.7 million (2012: € 106.9 million).

Biochemicals

Millions of euros	2013	2012
Net sales	177.6	174.0
Organic growth	5.6%	3.4%
EBITDA excluding one-off costs	15.9	18.1
EBITDA margin excluding one-off costs	9.0%	10.4%

Biochemicals showed strong volume growth in 2013 (10.9%). Net sales was negatively affected by currency effects and, more importantly, lower average selling prices. These lower average prices were mainly caused by a product mix effect due to the growth in the second half of 2013 of sales of lower cost/lower price acidifiers for the animal feed industry.

Bioplastics related contracts have been coming in slower than we expected. We did sign a sizeable contract for commercial lactide volumes, as communicated in May 2013. Lactides, a derivative of lactid acid, are a pre-cursor to bioplastic poly lactic acid (PLA). This partner is building a PLA plant with a capacity of 10,000 metric tons (start-up expected in the second half of 2014) where we are the exclusive supplier of lactides. We have made good progress, and saw increased activity from other potential partners in 2013, and we remain confident that this will translate in significant commercial contracts. Still, Bioplastics only made a small contribution to overall Biochemicals sales in 2013.

Margins were lower in 2013 because of the higher sales of lower price/cost products and especially higher R&D expenditures. The EBITDA margin before one-off costs decreased from 10.4% to 9.0%. EBITDA before one-off costs decreased from € 18.1 million to € 15.9 million, with the majority of this decrease being caused by negative currency effects.

One-off costs

One-off costs for the year amounted to € 17.9 million. These related mainly to advisory costs in connection with the divestment of the Bakery Supplies businesses, IT disentanglement costs, settlements with the pension funds, and severance payments.

Financial income and charges
Net financial charges decreased by € 7.9 million to € 16.6 million due mainly to the lower net debt position.

Taxes
Net taxes of our continuing operations in 2013 showed a cost of € 14.0 million compared to a credit of € 12.6 million in 2012. Our tax line has been impacted substantially by various one-off items related to the divestment of the Bakery Supplies businesses. Most relevant is the tax line from continuing operations before one-offs. This shows a tax expense of € 10.9 million, which as a percentage of net profit before tax is 27%.

Discontinued
The Bakery Supplies businesses sold on 3 July 2013, are included into our accounts until that date. The results are accounted for in the line result after taxes from discontinued operations. In the first half of 2013, the Bakery Supplies businesses delivered net sales of € 1,244.1 million, slightly down (0.4%) compared with the first half of 2012, while volumes were almost flat (+0.2%). EBITDA before one-off items increased by 10.8% from € 63.0 million to € 69.8 million mainly due to better cost control.

Balance sheet

Capital employed including goodwill decreased by € 829.1 million to € 475.7 million.
The main movements were:

Millions of euros	
Continued	
Capital expenditure on (in)tangible fixed assets	75.5
Depreciation/amortization/impairment of (in)tangible fixed assets	-42.3
Working capital increase	3.7
Exchange rate differences	-26.7
Other	-1.6
Discontinued	
Divestment	-837.7

Capital expenditure of € 75.5 million (2012: € 55.8 million) was significantly higher than depreciation and amortization of € 42.3 million. Major capital expenditure investments in 2013 were the preparation for a full-scale, leading edge technology lactic acid production unit, the installation of a commercial scale succinic acid plant, and a new medical biomaterials plant in the USA.

Working capital decreased by € 1.9 million to € 79.6 million. This decrease is the balance of an increase of € 3.7 million before currency effects and a currency effect of € -5.6 million. Our average cash conversion cycle decreased from 51.2 days in 2012 to 49.4 days in 2013, due mainly to good inventory control and a lower receivables position.

Equity before profit appropriation decreased by € 288.6 million to € 505.2 million.

The main movements were:
- The positive result after tax of € 4.2 million.
- A decrease of € 200.9 million due to the share buyback.
- A decrease of € 70.1 million in connection with the dividend for the financial year 2012 and the special interim dividend.
- Negative exchange rate differences of € 22.5 million due to the translation of equity denominated in currencies other than the euro.
- And a positive movement of € 5.9 million in the hedge reserve.

At the end of 2013 the ratio between balance sheet total and equity was 1:0.7 (2012: 1:0.4).

Cash flow

Cash flow from continuing operating activities decreased by € 38.7 million to € 34.1 million compared to 2012. This is the balance of lower operational cash flow before movements in working capital of € 4.5 million, a negative impact of working capital and provisions of € 31.4 million, and higher taxes and interest paid of € 2.8 million.
The cash flow used for investment activities increased by € 14.0 million to € 69.2 million in 2013. Capital expenditure accounted for most (€ 66.1 million) of this.
Cash outflow from financing activities amounted to € 786.4 million, up by € 663.0 million compared to 2012, predominantly due to the divestment of the Bakery Supplies businesses. The cash received was used for an interim dividend of € 50.4 million, a share buyback of € 200.9 million, and net repayments of loans amounting to € 515.4 million.

Financing

Our financing ratios have improved mainly due to the lower debt levels following the divestment of the Bakery Supplies businesses.

At the end of 2013, the net debt to EBITDA ratio was negative at -0.2x (2012: 2.0x), reflecting the net cash position at the year-end. The interest cover over the full year 2013 was 13.5x (2012: 10.1x). We continue to stay well within the limits of our financing covenants.

The net cash position amounted to € 29.4 million at the end of 2013, an improvement of € 540.3 million compared to the end of 2012. This is the net balance of the following major movements:

- A positive cash flow from operating activities before working capital and provisions of € 84.2 million.
- A net investment in tangible and intangible fixed assets of € 66.1 million.
- Cash dividend payments of € 70.1 million.
- Tax paid on profit of € 12.3 million.
- Interest payments of € 15.1 million.
- An increase of € 22.7 million in working capital and provisions.
- The cash flow and divestment of the discontinued operations for the net amount of € 841.5 million.

As at 31 December 2013, the interest-bearing non-current liabilities amounted to € 94.4 million (31 December 2012: € 615.0 million). The average effective interest rate on the non-current liabilities outstanding as at 31 December 2013 was 3.88% with an average remaining term of 3.1 years (31 December 2012: average interest rate 3.31% with an average term of 2.9 years).

Divestment of Bakery Supplies businesses

On 3 July 2013 we completed the divestment of our Bakery Supplies businesses for an enterprise value of € 1,050 million. We received a net cash proceeds of € 874 million.

Millions of euros	
Selling price	1,050
Sale of pension liabilities	132
Normalization of working capital	44
Net proceeds	874

Part of the proceeds was used to redeem short-term debt. To the holders of our US dollar denominated private placement (US$ 300 million), we proposed a voluntary repayment of the outstanding debt which was taken up by holders of US$ 173 million.

The other main use of the divestment proceeds was a € 250 million cash return program consisting of an interim cash-dividend of € 50 million, an open market buyback of € 45 million in common shares and € 10 million in financing preference shares, and a tender offer of € 145 million. The open market share buyback program ran from 29 July 2013 until 10 October 2013. A total of 2,479,185 common shares were repurchased at a volume-weighted average price of € 18.0854

per share. Under the tender offer, we repurchased 8,286,211 of our common shares at a price of € 17.50 per share. Corbion held 14.91% of its outstanding shares in treasury at year-end 2013. These treasury shares are without dividend rights. The necessary actions to cancel these treasury shares have been initiated.

The remaining funds are held in secure short dated Dutch government bonds, money market funds, and direct deposits with banks. By holding on to part of our original US dollar denominated private placement we retain access to that channel for potential future needs.

Reservation and dividend policy

The reservation policy is aimed at creating and retaining sufficient financial capacity and flexibility to realize our strategic objectives while maintaining healthy balance sheet ratios. Corbion intends to add or charge the profit or loss to the company reserves after payment of the statutory dividend on financing preference shares and after deduction of the proposed dividend on common shares. Issues such as financing requirements, acquisitions, divestments, reorganizations, or other strategic considerations can lead to adjustments in the reserves and the reservation policy.

The amount of dividend on common shares and the type of dividend that the company will pay to its shareholders depend on the financial results of the company, the market environment, the outlook, and other relevant factors. We have adjusted our dividend policy after the divestment of the Bakery Supplies businesses as the growth profile requires a higher profit retention rate to finance that growth. Corbion aims at a dividend payout of 35% of net profit adjusted for non-cash one-off items.

We will regularly review our financial position in relation to these investment plans, as we are committed to return any future surplus capital to shareholders. In view of our growth strategy, we expect to make major investments in production capacities, especially for our biochemical business. As at the end of 2013, our financial position is in line with our investment plans for the coming years.

Dividend proposal

Upon adoption of the financial statements holders of 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 12 May 2014.

The proposed dividend on common shares amounts to € 0.15 per share. This is 35% of our net profit from continued activities excluding the one-off costs. We have excluded the one-off costs as they reflect expenses related to the transformation of Corbion which should be seen in relation to the distribution of € 250 million to shareholders via the interim dividend and the share buyback. Shareholders will be able to choose between a cash and a stock dividend charged to the reserves. The stock dividend is exempt from Dutch dividend taxes.

Outlook 2014

2014 will be the first full year of Corbion operating as a biobased products company with a focused strategy, a new organizational structure, and a solid foundation given our 2013 results. In 2014 we foresee good progress in our current business. This will give us the right focus to further successfully execute our strategy and make progress towards our 2013-2016 targets. Growth in Bioplastics will be an important driver of our overall growth, especially at the end of the 2013-2016 planning period.

For 2014, we expect the current macroeconomic environment continuing to be challenging, including some headwind from the strong euro. On the positive side, we will see some benefits from the unwinding of our old raw material cover positions that will be replaced by new, lower costs contracts. As a result of the reduced net debt, interest expenses will come down substantially. Tax as percentage of profit before tax is expected to be between 20-25%.

SOCIAL PERFORMANCE

Our employees are a vital part of the company “capital”, creating the innovations and focused solutions that excite our customers, improving the health and well-being of people, and helping to sustain the environment we live in. Across our organization we share a unique entrepreneurial and innovative spirit and customer focus.

Our organization is designed to carefully mirror the dynamics in our business so that we are able to constantly adapt and shift to meet our customers’ needs and future market developments. In 2013 we built a market-driven organizational structure to support this. This has allowed us to build an integrated business with a shared strategy and with exceptional service. Underpinning all of this are our core capabilities - commercial, innovation, and technological excellence - that propel Corbion’s differentiation within our market segments. Our support functions enable our success by integrating the necessary tools, processes, and business support services within our organization.

Creating this new structure has meant considerable change for our employees and involved resizing the organization. The process of transforming requires a lot of adaptation, effort, and careful management, while at the same time, ensuring our continual drive for results.

For our people, this means we create space and opportunities to constantly feed their curiosity and grow their life-long knowledge. For our leadership, this requires deep collaboration and accountability. It means supporting and developing our people to process what opportunities are possible within the new space that has been created by growth. It is our culture, collaboration, and leadership that will ultimately enable Corbion to bring innovations and solutions that excite our customers and benefit society.

We have carried out a selection process to identify and integrate the key social performance indicators that best reflect the role our people, environment, and culture play in delivering on our strategic ambitions. These includes a clear breakdown of our workforce profile, hires and turnover, labor practices, and occupational health and safety.

Workforce profile

	Number of employees	% of workforce
Total workforce	**1,885**	
Per region		
Asia	243	13%
EMEA	689	37%
Latin America	123	6%
North America	830	44%
Per unit		
Segments	281	15%
- Biobased Food Ingredients	*185*	*66%*
- Biochemicals	*96*	*34%*
R&D	219	12%
Operations	1,138	60%
Support functions	247	13%
By gender		
Female	505	27%
Male	1,380	73%
By employment contract		
Full time	1,755	93%
- Permanent	*1,688*	*90%*
- Temporary	*67*	*4%*
Part time	130	7%
- Permanent	*118*	*6%*
- Temporary	*12*	*1%*

In 2013, our total workforce grew by approximately 6%, as a result of strategic investments, in the areas of technology expertise, new product commercialization, new partnerships, and key account expansions. The acquisition of BIRD also contributed marginally to workforce increases.

Hires and turnover

	Number of new hires	New hire rate	Number of leavers	Turnover rate
Total	**241**	**13%**	**190**	**10%**

	Number of new hires	% of new hires	Number of leavers	% of leavers
By employee category				
Staff	180	75%	133	70%
Middle management	61	25%	52	27%
Senior management	0	0%	5	3%
By region				
Asia	34	14%	28	15%
EMEA	104	43%	49	26%
Latin America	10	4%	10	5%
North America	93	39%	103	54%
By gender				
Male	177	73%	87	46%
Female	64	27%	103	54%

Our overall turnover rate of 10% together with our new hire rate of 13% reflects the profound transformation and change we went through as a company in 2013 as well as the highly dynamic market we operate in at Corbion.

Labor practices

Collective bargaining agreements	Number of employees	% of workforce
Total employees with agreements	**799**	42%

The majority of our workforce has no collective labor agreements. There are various alternatives to encourage employee involvement across our global company, from employee bodies in Thailand to works' councils in the Netherlands, ensuring high-level employee-management interaction and labor practices to enjoy a positive working environment. These are in addition to our Code of Conduct, which includes our strong commitment to responsible labor practices.

Safety

The safety of both our employees and our contractors is of utmost concern to us and we implement safety management systems to ensure our high standard is upheld. In 2013, we tracked the following safety KPIs for both employees and contractors: injury rate (LTI: lost time injuries), lost day rate (LDR), and occupational diseases rate (ODR), all per 200,000 hours worked, and fatalities. In 2013, we experienced an LTI of 1.0 and an LDR of 66, zero cases of occupational disease, and zero fatalities for our employees. Our employee absentee rate was 1.6% overall. For our contractors, we experienced zero cases of lost time injury, zero lost days, zero occupational diseases, and zero fatalities.

The most significant safety incident was a small explosion in one blending line at our Kansas Avenue plant in the USA in which three employees were treated, one for second-degree burns and the other two for smoke inhalation. The incident was communicated through a press release, was investigated and corrective measures have been implemented. Other injuries experienced in 2013 were of a minor nature, such as sprained shoulders and back strains, a shoulder dislocation and a hernia, and were also investigated and corrective measures have been implemented. Safety data

is collected for the company as a whole and on a per site basis. We have not recognized any significant differences on a regional level or on the basis of gender.

We aim to improve our safety KPI for employees in the future by strengthening the existing safety foundation through OSHAS 18001, establishing the right policies, procedures, processes and practices (4Ps) across Corbion and creating greater safety awareness among employees through behavioral based safety. Our target is to reduce both our injury rate (LTI) and lost day rate (LDR) to zero by 2020.

Business conduct

We uphold our business integrity, personal integrity, employment standards, assets, and sustainability and we are guided by the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. How we implement this is outlined in our Corbion Code of Conduct, and in our Insider Trading Rules, and Whistleblower Rules.
In accordance with our compliance program, we monitor our business conduct through various indicators. In 2013, we had no incidents of corruption or discrimination and no fines. We record, manage, and mediate all grievance incidents.

Stakeholder engagement

We identify and engage with stakeholders in order to understand their needs and expectations. This enables us to better align our actions with society and anticipate future developments. Important stakeholders for us are employees, customers, shareholders, suppliers, the community, NGOs, and society as a whole. We aim to build trust with our stakeholders through open dialog, and transparent actions and communications.

We identify and work with the most relevant stakeholder groups for the different parts of our business and along our value chain. This includes collaborating in multi-stakeholder organizations, such as those focusing on the biobased economy, second generation feedstocks, driving sustainable supply and agriculture, and the improvement of livelihoods.

Engagement partners and multi-stakeholder initiatives:

- BE-Basic (Biobased Ecological Economy)
- Bonsucro
- BPF (Bioprocess Pilot Facility)
- BPM (Biobased Performance Materials)
- CEFIC (European Chemical Industry Council)
- Commission Corbey (advisory body for the Dutch Government on the sustainable use of biomass)
- United Nations Global Compact's (Sustainable Agriculture Business Principles Core Advisory Group)
- DPI (Dutch Polymer Institute)
- EuropaBio (European Association for Biotechnology Industries)
- European Bioplastics (association representing the interests of Europe's bioplastics' industry)
- Institute for Societal Innovations (Instituut Maatschappelijke Innovatie, Food-Fuel Initiative)
- ICOS Cleantech Fund I and II (venture funds investing in early technology start-ups based in the Netherlands)
- IFFI (Ingredients for Food Innovators)
- IFPRI (International Fine Particles Research Institute)
- ISPT (Institute for Sustainable Process Technology)
- Leatherhead (Leatherhead Food Research)
- NL-GUTS (Netherlands Group of Users of Technologies for Separation)
- Roundtable for Product Social Metrics
- RSPO (Roundtable on Sustainable Palm Oil)
- Eco-Citizen project, Brazil
- March of Dimes, Feeding America, American Cancer Society, Salvation Army, Wounded Warriors, Blair Area Community Foundation
- TIFN (Top Institute for Food and Nutrition)
- VNCI (Vereniging Nederlandse Chemische Industrie)
- Wetsus (Center of Excellence for Sustainable Water Technology – Technological Top Institute Water)

ENVIRONMENTAL PERFORMANCE

Our products and solutions aim to reduce environmental impact for our customers. Also, we work continuously on reducing the environmental impact of our operations and upstream activities by focusing on resource efficiency and emissions. These are the areas with the greatest environmental impact, as confirmed by our impact assessment through Life Cycle Assessment (LCA) and our discussions with key stakeholders. Resource efficiency includes the aspects of energy and water use and waste produced. Emissions are determined for our manufacturing facilities and include scopes I, II and III as CO_2 equivalents. We measure and report on our performance and strive to implement best practices, as outlined below.

Category		Unit	2013	2012
Production volume		kiloton	419.0	401.4
Energy	Electricity	GJx10^3	451	445
	Heating	GJx10^3	1,472	1,379
	Steam	GJx10^3	497	492
	Total	**GJx10^6**	**2.42**	**2.32**
	Total, specific	**GJ/t**	**5.8**	**5.8**
Water withdrawn	Ground	m^3x10^3	363	419
	Municipal	m^3x10^3	1,010	1,034
	Surface	m^3x10^3	6,722	6,644
	Total	**m^3x10^3**	**8,095**	**8,096**
Water discharged	Treated sewer	m^3x10^3	660	742
	Non-treated sewer	m^3x10^3	782	791
	Treated surface	m^3x10^3	1,252	1,098
	Non-treated surface	m^3x10^3	5,054	5,090
Waste (non-hazardous)	Incinerated	kiloton	0.3	*
	Landfilled	kiloton	14	*
	Recycled	kiloton	11	*
	Total	**kiloton**	**26**	**32**
Waste (hazardous)	Incinerated	kiloton	0.04	*
	Landfilled	kiloton	0.04	*
	Recycled	kiloton	0.32	*
	Total (exported)	**kiloton**	**0.40**	**0.43**
Waste sub-total		**kiloton**	**26**	**32**
Usable byproducts		**kiloton**	**341**	**342**
Emissions	Scope I	kt CO_2 equiv	99	88
	Scope II	kt CO_2 equiv	94	92
	Scope III	kt CO_2 equiv	467	*
	Scope I, specific	Kt/kt	0.24	0.22
	Scope II, specific	Kt/kt	0.22	0.23
	Nox	ton	66	78
	Sox	ton	0.6	0.0
	Dust	ton	15	11

*not available

Resource efficiency: energy, water, and waste

Our resource efficiency KPIs measure the performance of all of our operations. In 2013, our specific energy consumption was 5.8 GJ/t, which is consistent with previous years. We implemented efficiency measures such as process improvements and improved lighting, while some energy requirements increased, primarily due to the startup of lactide production in Thailand. We are implementing energy-reduction projects, such as process optimization, improving insulation, and replacing inefficient equipment.

Water management is an important area of our operations. An improved water efficiency is realized by implementing concentration increases in various stages of our processes, more specifically the fermentation processes. In 2013, we successfully maintained the reduced water withdrawal level we achieved over the past two years.

Our waste is the sum of our hazardous and non-hazardous production waste, which is either sent to landfill, incinerated, or recycled and has decreased by 19% over the last year.
Through our anaerobic waste water treatment, we were able to avoid biomass waste and utilize biogas as renewable energy. Other efforts focused on increasing the recycling of packaging and pallets, re-use of production waste, and landfill avoidance.

Emissions

We report our emissions in carbon equivalents from cradle to gate in accordance to the Green House Gas Protocol. This includes scope I emissions from direct production (for natural gas, fuel oil, and biogas) and scope II emissions from purchased energy (for electricity and purchased steam). We manage our direct (scope I) and indirect (scope II) emissions through energy management systems. In 2013 our specific emissions remained consistent with previous years. Although continuous improvement is a strong focus in our operations, many of our facilities are already operating in a highly efficient manner. This presents a challenge in terms of identifying further reduction opportunities in current operations. Implementing new technologies, such as gypsum-free will provide an opportunity to reduce these emissions further.

In 2013, we started reporting our scope III emissions. These emissions related to purchased goods and services, fuel and energy-related activities, upstream transportation, business travel and employee commuting. Here, the largest component is purchased goods. It is unfeasible to include emissions related to the use, transport, and disposal of our products, as they are typically a small component in a wide range of products and applications. Assessing our scope III emissions enables us to identify opportunities to reduce impact in our upstream activities.

Environmental grievances

In 2013 we did not experience any fines or non-monetary sanctions for non-compliance with environmental laws and regulations. Also, we had zero reportable spills and zero dust complaints. We had four odour complaints at our Thailand facility and two noise complaints at our Brazil facility. We will continue to improve our production practices and implement technology to further mitigate these.

Economic relevance of environmental aspects

In 2013, we developed a new strategic tool to assess the economic costs and benefits of environmental aspects of key product groups. We use this tool to consider environmental externalities in our strategic process to evaluate our products against industry benchmarks.

Food waste

An important positive environmental as well as societal impact of our products is the reduction of food waste in the value chain. Corbion's preservation solutions help to reduce losses across the value chain, from processing, to distribution, and consumption. Translated for our current business, our products preserve an estimated six million tons of food annually, which if wasted, translates to almost 50 million tons of avoided CO_2 equivalents. For specific food preservation applications, we measure the positive impact of our preservation products and communicate these, both in economic and in environmental terms to our customers. For example, for our

Ultra Fresh® bread solution, we have developed a customer value calculator (CVC), an interactive tool which enables us to determine both economic savings and the reduction of emissions, land use, and energy demand based on our customers' recipe and logistical and manufacturing circumstances. This supports them in their efforts to move forward and reduce impact in bread production. Additionally, our Ultra Fresh® technology has been extended for fresh baked goods as Ultra Fresh® Sweet.

Circular economy for bioplastics

We regard the development of a circular economy for bioplastics as a material topic which is of strong interest to our stakeholders. The circular economy is most relevant for our business segment which is concerned with lactides for PLA, where we provide pure, natural materials which are suitable for re-use and recycling in a closed loop.

PLA offers great flexibility in terms of end-of-life options to enable a circular bioplastics economy. As such a successful circular economy would involve several players. We are addressing this topic through a multi-stakeholder initiative sponsored by the Dutch government.

Our governance

CORPORATE GOVERNANCE

Corbion recognizes the importance of good corporate governance and the principles contained within the Dutch corporate governance code (the "Code"), namely, that a company is a long-term partnership between various parties related to the company. Our management bears overall responsibility for balancing the interests of these parties, mostly with the aim of ensuring continuity of the company. At the same time, Corbion aims to create long-term value for its shareholders. Corbion is committed to embedding the Code principles within the company, thereby abiding by the core concepts of good business practices, integrity, openness, and transparent and well-supervised management. The full text of the Code can be viewed at: www.commissiecorporategovernance.nl.

Compliance with the Code

With the exception of the deviations outlined in the paragraphs below, Corbion endorses and adheres to the principles and best practices of the Code.
Important changes in the corporate governance structure are presented to the General Shareholders' Meeting for discussion. Our corporate governance policy, including the relevant regulations and reports, can be consulted on the Corbion website.

Deviations from the Code

Corbion departs from the provisions of the Code with regard to (a) the severance arrangements in the event of non-voluntary resignation by members of the Board of Management and (b) the possible financing of income tax on vested shares under the share plan by selling part of the vested shares.

Regarding its composition, the Supervisory Board always tries to strike the right balance between expertise and experience. A certain degree of age and gender variation may be instrumental in achieving the desired balance in the composition of the Board. In this respect, the profile of Corbion's Supervisory Board deviates from best practice provision III.3.1 of the Code. The required expertise and experience, as well as the availability of the right candidates, are decisive when proposing candidates for (re)appointment.

Therefore, although Corbion pays close attention to gender diversity in the profiles of new Board of Management and Supervisory Board members in accordance with section 2:166 subsection 2 of the Dutch Civil Code, Corbion does not strictly follow the recommendation for an explicit target on gender diversity and has not formulated concrete targets in this respect.

There are two other aspects in which Corbion departs from the Code. The members of the Supervisory Board and the Board of Management are appointed by the General Shareholders' Meeting on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Shareholders' Meeting can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The General Shareholders' Meeting may decide to suspend or dismiss a member of the Board of Management or the Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

Corporate governance statement

The information and statement pursuant to the Decree of 23 December 2004 as amended in March and December 2009, to determine additional regulations regarding the content of the annual report, have been published on Corbion's website, www.corbion.com (Investor Relations, Corporate Governance).

Structure

Corbion nv is an international holding company as described by section 153, subsection 3 under b, of Book 2 of the Dutch Civil Code. The "large company" regime therefore does not apply to Corbion nv. Corporate governance relates to the management and supervision of the company, accountability, and the influence of stakeholders on decision-making.

The Board of Management is responsible for developing objectives and the strategy, determining the risk profile, and implementing strategic and operational policies. The independent Supervisory Board oversees and advises the Board of Management. From among its members, the Supervisory Board has appointed an Audit Committee, a Nomination Committee, and a Remuneration Committee.

The Board of Management fulfills its duties by promoting the interests of Corbion and its businesses. These interests are understood as the interests of all stakeholders, including customers, shareholders, employees, suppliers, and financial partners. Corbion is aware of its corporate and social responsibilities and is deeply committed to protecting the interests of the community. Corbion works on the principle that corporate management should consistently develop and implement corporate policies taking into account the long-term and continuity perspective. Corbion endorses the importance of clear accountability for its policies and the results thereof.

Common shares in Corbion are listed on the NYSE Euronext Stock Exchange in Amsterdam. The financing preference shares are not listed. No restrictions apply for the transfer of shares. If a shareholder or group of shareholders acquires 30% or more of the share capital, the said shareholder or group of shareholders is required by law to make an offer for the entire outstanding capital. Shareholders have voting rights in proportion to the number of shares held. The Annual General Shareholders' Meeting will be held within six months of the close of the financial year. At this meeting, the annual report and financial statements drawn up by the Board of Management will be presented for adoption, amongst other things. If requests are received from shareholders who individually or collectively represent at least one percent (1%) of the issued capital to place items on the General Shareholders' Meeting agenda, these will be honored provided they are submitted to Corbion at least 45 days prior to the date of the meeting.

Extraordinary General Shareholders' Meetings will be held as often as the Board of Management and Supervisory Board deem necessary. An Extraordinary General Shareholders' Meeting will also be held if one or more shareholders who collectively represent at least 1/10 of the issued capital submit a written request to this effect to the Board of Management or the Supervisory Board enclosing a detailed list of agenda items. If neither the Board of Management nor the Supervisory Board – which have equal powers in this matter – responds in such a way that this Extraordinary General Shareholders' Meeting can be convened within six weeks of the request, the applicants are at liberty to convene the meeting themselves and appoint a Chairman.

With the exception of cases in which a larger majority is required by law or the Articles of Association, decisions at the General Shareholders' Meeting will be taken by an absolute majority of the votes cast. Decisions to amend the Articles of Association and/or dissolve the company may only be taken at a General Shareholders' Meeting in which at least two-thirds of the issued capital is represented and by a majority of at least three-quarters of the votes cast, unless the proposal has been submitted by all incumbent members of the Board of Management with the collective approval of all incumbent members of the Supervisory Board, in which case the decision may be taken by an absolute majority of votes, regardless of the represented capital.

RISK MANAGEMENT

Risk management and internal control

In an increasingly volatile world where events are more interlinked than ever before, Corbion, with its worldwide operations in various markets and jurisdictions, needs to ensure a timely identification and effective management of all significant risks inherent to the execution of its strategy and realization of its objectives. The Board of Management is responsible for the design, implementation, and operation of Corbion's risk management and internal control system. We have defined a governance model that identifies clear reporting and accountability structures in line with the Dutch corporate governance code (see the Corporate governance section).

Risk management approach

Our approach to risk management aims to achieve a reasonable level of assurance, in line with the Enterprise Risk Management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO – ERM). Our approach aims to embed risk awareness and risk management at all levels of Corbion to ensure risk decisions are taken and evaluated consciously and properly. Our risk management approach covers strategic/market, operational and financial/compliance risks, which can be illustrated as follows:

To embed risk awareness, constant attention and communication of management coupled with risk management workshops are essential to identify critical risks for all our business activities. Awareness, identification of risks, and action plans to mitigate the risks are at the heart of our risk management program. The progress in risk mitigation is discussed on an ongoing basis in the periodic meetings between the business management and the Board of Management.

Insurance

Insurance is an integral part of our risk management approach as it is an instrument to manage the financial consequences of risks. The choice to obtain external insurance cover depends on the cost efficiency of the instrument. The coverage of insurances is monitored and benchmarked regularly.

Key risk areas

The following tables summarize the main risks that have been identified for Corbion, with their possible impact and mitigation measures taken to address them. The risks have been grouped in Corbion specific risks, and those of a more generic nature, also applicable to Corbion.

Corbion specific risks

Type of risk	Possible impact	Mitigation
Strategic and market risks		
Being unable to execute Corbion's biobased strategy.	With our choice to divest the Bakery Supplies businesses and focus on biobased activities, we become more dependent on the success of this business segment. The further implementation of our growth strategy is likely to lead to large capital expenditures (and potentially acquisitions) whereby financial returns might only be visible in the longer term.	The strategic decision to focus on our biobased activities was taken after many years of success in this field, as illustrated by our strong positions in promising segments of the market. With the new focus and the funds which came available following the divestment of the Bakery Supplies businesses, we intend to continue and broaden this success. A fully aligned management team and effective professional support in the execution of our strategy should mitigate the risk of less fortunate choices in our capital allocation, and at the same time, increase the potential for of realizing attractive returns on our investments.
Generating insufficient returns on our R&D / Innovation spend.	We spend approximately 3-4% of net sales on our R&D/Innovation effort annually. These funds are spent with the intent to develop and introduce new and innovative products into the marketplace and to innovate our production processes. However, we might not generate the returns on our R&D/Innovation expenses to cover our cost of capital in all cases.	We seek to mitigate the risk of low returns on R&D/Innovation investments by requiring every innovation project to adhere to a structured innovation process, in which projects can only proceed to next phases upon meeting strict criteria (stage-gate process). A disciplined execution of this stage gate process should result in projects which are more likely to deliver the expected results in line with the business plan assumptions. It also enables us to discontinue projects at an early stage when investments are still limited in case they do not deliver according to plan. Additionally, we mitigate this risk by sharing the development risks of some of our major initiatives by entering into partnerships with reputable third parties.
PLA bioplastics developments not meeting expectations.	Lactide is the (lactic acid based) source material to manufacture PLA, which is one of the most promising bioplastics. Demand depends on the cost level of PLA relative to conventional fossil-based plastics, legislative progress benefiting bioplastics, and general producer and consumer interest in plastics made from renewable resources. We have made significant investments in PLA related production capacity and organizational structures which might not yield returns over our cost of capital.	We closely monitor competing technologies and are maintaining our competitiveness by continuously refining our offering in terms of product specification and cost. We continue to professionalize our organization to optimally meet the needs of our (potential) customers.

Type of risk	Possible impact	Mitigation
Inability to protect and enforce Corbion's intellectual property.	Intellectual property rights, including patents, trade secrets, confidential information, trademarks, and other forms of trade protection, are important to our business. We endeavor to protect our intellectual property rights in jurisdictions in which our products are produced or used and in jurisdictions into which our products are imported. However, we may be unable to obtain protection for our intellectual property in key jurisdictions.	We have designed and implemented internal controls to restrict access to and distribution of our intellectual property. Despite these precautions, our intellectual property is vulnerable to unauthorized access through employee error or actions, theft and cyber security incidents, and other security breaches. When unauthorized access and use or counterfeit products are discovered, we report such situations to governmental authorities for investigation, as appropriate, and take measures to mitigate any potential impact.
Operational risk		
Disruption of our supply chain as a result of calamities such as fire, floods, earthquakes, or due to contamination, strikes or major system breakdowns.	A major (natural) disaster would threaten our business continuity. Our focus on biobased activities has enhanced this risk because of a smaller base of operation.	Our risk management approach aims to detect and prioritize the most serious risk areas which might cause a discontinuation of our supply chain. We have developed appropriate back-up measures where possible and these measures are tested for effectiveness, where possible. Based on best practices and experiences, we continuously review and improve manuals and guidelines at our operations to support employees in preventing and limiting risk calamities and mitigating their impact.
Raw material and energy price volatility and availability.	As we have seen in previous years, sudden volatility in the price of our key raw materials can seriously impact the margins of our products sold. Scarcity of raw materials due to excessive demand or production interruption at suppliers can also impact our results due to sales declines and additional costs incurred to meet our raw materials needs.	We continuously invest in our relationships with customers and advise them on changes in product assortment, technology, and changes in consumer behavior. It is our belief that a relationship based on transparency and trust, in which true value is added, supports our ability to (partly) pass on increased costs via price increases or to redevelop products with lower cost ingredients in collaboration with our customers. As an important share of our raw materials is agriculturally based, longer term concerns about land use and food availability might become a concern for biobased chemicals production. We actively address this risk through our engagement and our innovation efforts to replace current agricultural raw materials by alternative (non-food) sources. Our procurement organization, globally organized with dedicated finance support, has developed adequate measures to secure contract positions and to obtain financial instruments to minimize or delay exposure to cost fluctuations in raw materials prices that could negatively impact our margins. These measures include early warnings of possible impact to our organization and our customers. Furthermore, we have implemented a multiple-supplier sourcing policy for our most critical raw materials.

Type of risk	Possible impact	Mitigation
Disruption of IT systems	IT systems are essential to our supply chain, customer fulfillment, and financial reporting processes. With the divestment of the Bakery Supplies businesses, we have had to disentangle two IT environments. The remaining IT infrastructure requires updating to match the current organization and could cause disruptions to our processes.	A program has started to harmonize the IT environment (both infrastructure and applications) so that it will optimally serve our organization. We will address this via a careful but thorough upgrade of both our IT infrastructure and some software applications. In recent years we have implemented various new systems, thus gaining a good understanding of how to execute such implementations in a successful way (including taking the necessary safety measures to avoid failures). Where possible, we try to limit the potential impact of system failures by avoiding "big bang" implementations.
Financial and compliance risks		
Exposure to liabilities related to divestment Bakery Supplies businesses.	In July 2013, we successfully completed the divestment of the Bakery Supplies businesses to affiliates of Rhône Capital. Following significant transactions such as the divestment of the North American and European Bakery Supplies businesses, we might eventually be exposed to liabilities arising from commercial agreements, regulatory matters, personnel, financing or taxation and others. These liabilities could have a significant negative impact on our financial situation.	The risk directly related to the buyer of the Bakery Supplies businesses is limited due to various thresholds in the share purchase agreement (besides being capped, any claims can only be made when certain amounts are exceeded). In preparing the financial statements, the impact of this potential exposure has been analyzed; where necessary, we have provided for those liabilities or made disclosures, as the case may be, at the current estimated outcome. Also, where necessary, we have obtained sufficient extra comfort by means of subject-matter expert advice from respectable legal and tax advisors.

Generic risks (also applicable to Corbion)

Type of risk	Possible impact	Mitigation
Strategic and market risks		
Worsening of economic conditions.	Despite being active on several continents, demand for our products is impacted by the cyclical market conditions that affect some of our customers and subsequently our financial results and potential inability to meet our strategic objectives.	We address part of the impact of an economic downturn through continued cost reduction and by adjusting our product offering to meet changing demand. We have built a degree of flexibility into our production costs by hiring temporary staff. We are also able to partly adjust our product offering because of our extensive R&D and procurement experience.
Loss of our competitive position.	We operate in highly competitive markets where it is vital to keep cost and service levels at least on par with competition. Failure to achieve this might lead to market-share erosion or to customers substituting our products with alternatives.	Our focus on a single activity, biobased products, will enhance our competitive position as all investments should support our competitive position in this field.

Type of risk	Possible impact	Mitigation
Operational risks		
Loss of large customers.	The loss of a large customer could have a disproportionate impact on the profitability of the company. We have a large customer base in which the five largest customers account for approximately 13% of our sales.	Intimate customer relationships based on a profound knowledge of our customers' needs and those of their end consumers; continuous new product development, where possible developed jointly with our customers; and excellent service and cost levels should limit the risk of large customers leaving. Our strategy is very much focused on improving these fundamental aspects of the relationship with customers, for which substantial investments have been and will be made.
Financial and compliance risks		
Legal and regulatory non-compliance.	Our business is subject to regulations by international, national, and local governmental authorities. Non-compliance with local laws, food safety regulations, human health, safety, and many other regulations could pose a serious threat. We could be exposed to substantial claims from various parties or permits might be cancelled.	Our Code of Conduct, policies, and procedures are properly maintained and made available to all staff via the Corbion intranet and are frequently communicated. Compliance is enforced by the local companies supported by the group.
Volatility in the currency exchange rates.	As we operate in various non-euro countries we are exposed to volatility in the exchange rates of a number of currencies versus the euro. We are particularly sensitive to the relation between the euro and US dollar. These fluctuations can have significant harmful impact on our financial results. This can be seen in the translation of the results and equity of foreign entities into euros and in the results of transactions when the currency of the production costs is different from the currency in which the sale of the product is being made. A stronger euro resulting in a decline in the €/US$ exchange rate of 0.01 would result in a net negative impact of approximately € 0.8 million in our EBITDA (relating to both transactional and translational effects).	We have a hedging policy in place to limit the impact of volatility in foreign exchange rates. Hedging the impact of the foreign currency translation risk is partly and indirectly effectuated through matching with liabilities denominated in foreign currency. 100% of our total external debt is denominated in US dollars, which partly offsets the large equity translation exposure we have against the US dollar. The exposure to transaction risks is partly hedged by offsetting the long/short foreign currency positions through a system of gradually selling and/or buying these currencies to mitigate the impact of sudden volatility of these currencies.
Non-compliance with International Financial Reporting Standards (IFRS).	Not informing our shareholders and other stakeholders in conformity with IFRS could lead to a lack of trust, reputation damage, a declining share price, and potential legal claims.	Our financial reporting systems and processes are geared towards our business requirements and support regular business reviews. For group reporting we deploy a standard consolidation tool. Our corporate accounting policies and procedures are properly maintained and made available to all our staff via the Corbion intranet and are communicated frequently to our finance community. A monthly review of finance reports is performed by corporate and business unit teams. Our global control framework should warrant adherence to IFRS.

Type of risk	Possible impact	Mitigation
Non-compliance with applicable tax laws.	Corbion operates in many countries and, therefore has to manage compliance with a wide variety of tax laws. Changes in tax laws or in their application could adversely affect our financial results.	We have an adequate quarterly reporting system in place, hold regular tax meetings, and visit our operating companies to monitor tax compliance. In addition, our global tax control framework should also warrant compliance. Transfer pricing policy and documentation are in place as well. Furthermore, we work with external tax experts who support our tax planning and returns and advise us in compliance matters.

Control measures

In order to prevent risks from occurring and to mitigate the impact of risks once they occur, Corbion has a number of control measures in place, the details of which are explained below.

Entity-wide controls

Our entity-wide controls are not limited to those outlined in this section, although various examples of policies and procedures can be found which are implemented by local operating companies.

Legal and regulatory review

Local management is responsible for compliance. Corporate Legal is consulted by local management on an ongoing basis. Every six months, local management reports legal issues exceeding € 100,000 to Corporate Legal and Corporate Finance.

Fraud prevention and Code of Conduct

Corbion has a continuous focus on fraud prevention. Our Code of Conduct is regularly updated and made available via the intranet to all our employees.

Whistleblower procedure

A whistleblower policy and reporting system are in place to enable our employees to report potential integrity issues or violations of our Code of Conduct. In 2013, no cases were reported. Where necessary, appropriate measures and/or actions will be taken by management.

Letter of Representation

Every six months, managing directors and finance directors of each reporting entity and, where applicable, other senior staff, provide a Letter of Representation to the Board of Management. This letter represents compliance with financial reporting and internal controls.

Financial control framework

As Corbion operates worldwide, it is committed to maintaining high-quality, reliable financial reporting and a sound control environment. All reporting entities assess operational effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS. Together with the Letters of Representation, this ensures the integrity of our financial reporting. During 2013 our main entities performed an assessment of the operational effectiveness of their key financial process controls. The assessments have been audited by the internal auditors and used by external auditors. The scope of our information security policy is fully aligned with the ISO 27002 standard and also meets our financial reporting requirements. Central assessments were completed both by an external party and internally by the IT security officer.

Monitoring and audits

Business planning, budgeting, and management review

Based on Corbion's strategy and plans, targets are set for the annual budget process. After determining the budgets, targets are rolled out to the responsibility areas (market units, operations, etc.) within Corbion and operational levels. Quarterly updated estimates are made based on a forecast until the end of the year. Forecasts are specifically discussed between responsibility area leaders and the Board of Management. The Board of Management monitors business performance on a monthly and quarterly basis using a defined set of key performance indicators and reviews of actual results versus budgets and the previous year. Local entities are visited frequently. Operational management meets at least once a month to discuss the strategy and related risks, the actual performance versus budget, and other significant matters.

Internal audit

Internal audit (CIAS) supports the organization in accomplishing its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control and governance processes.
The objective of CIAS is to provide a broad range of audit services designed to assist the Board of Management in controlling the business operations. It provides independent, risk based objective assurance, and consulting services designed to add value to the organization's operations. CIAS evaluates risks and ensures that the controls in place are adequate to mitigate those risks. Besides the assurance role, CIAS also provides value to the business through tailor-made operational audits, identifying best practices, and indicating improvement opportunities to management.

The focus of CIAS is evenly spread over the following areas:

- Compliance of the operating companies with the financial control framework.
- Value-adding audits (focusing on key business processes, strategic themes).
- Special projects (e.g. due diligence, post mortems, fraud prevention, review of business cases, quality assurance projects).

Internal audit at Corbion is based on a co-sourcing model: the Internal Audit Director, together with external parties, provides specialized knowledge and flexibility. In 2013, 14 audits were performed and reported.

Audit results are reported to the Board of Management, the business management in question, and the Audit Committee.

External audit

Our external financial audit engagement ensures that all main entities are audited by the external auditor either for statutory and/or group purposes. The focus of the external auditor's work is the financial reporting with the objective of providing a reasonable basis for the audit opinion on the fairness of the presentation of the financial position.

Management representation

Corbion's risk management and internal control systems are designed to identify in a timely manner the risks inherent to our strategic, operational, and financial business objectives and to determine appropriate risk responses as described above. Risk management and actions taken in the year under review were reported to and discussed by the Supervisory Board and Audit Committee. Internal representations received from management, regular management reviews, evaluations of the design and implementation of our risk management and internal control systems, and business and Audit Committee reviews are an integral part of the company's risk management approach. It should be noted that the above does not imply that these systems and procedures provide certainty as to the realization of strategic, operational, and financial business objectives, nor that they can prevent all misstatements, inaccuracies, errors, fraud, and non-compliance with laws and regulations. On the basis thereof, the Board of Management believes to the best of its knowledge that the internal risk management and control systems provide a reasonable level of security against inaccuracies of material importance in the financial reporting.

These systems operated adequately in the year under review; and there are no indications that the systems would not be adequate in 2014.

All in all, the Board of Management is of the opinion that it has fulfilled the best practice provision II.1.4 of the Dutch corporate governance code with due observance of the recommendations of the Corporate Governance Code Monitoring Commission.

Responsibility statement
To the best of our knowledge the financial statements give a true and fair view of the assets, liabilities, financial position, and earnings of Corbion and its consolidated companies. Further, to the best of our knowledge the annual report gives a true and fair view of the position of Corbion as at the balance sheet date, and of the development during the financial year of Corbion and its group companies included in the financial statements, together with a description of principal risks Corbion faces. The members of the Board of Management have signed the financial statements pursuant to their statutory obligations under section 101 subsection 2 of Book 2 of the Dutch Civil Code and section 25c subsection 2 sub c of Chapter 5 of the Financial Markets Supervision Act ("Wet op het financieel toezicht").

Diemen, the Netherlands, 24 February 2014

Board of Management Corbion nv
Gerard Hoetmer, CEO
Koos Kramer, CFO

Report of the Supervisory Board

FINANCIAL STATEMENTS, 1 JANUARY 2013 - 31 DECEMBER 2013

The financial statements prepared by the Board of Management for the financial year 2013 have been audited and certified by Deloitte Accountants B.V. The auditors' findings on the financial statements have been discussed with the Supervisory Board. The Supervisory Board has accepted the financial statements and recommends that they be adopted by the General Shareholders' Meeting. The members of the Supervisory Board have signed the financial statements pursuant to their statutory obligation under section 101 subsection 2 of Book 2 of the Dutch Civil Code.

STRATEGIC TRANSFORMATION

Corbion successfully completed the divestment of its Bakery Supplies businesses to affiliates of Rhône Capital LLC in July 2013. This divestment was an important step in the transformation into a biobased products company. Corbion returned € 250 million of the sale proceeds to its shareholders by means of an interim dividend and a share buyback program.
In June 2013, Corbion announced its revised strategy at the capital markets day. This new strategy will enable Corbion to further develop into a leading biobased products company.
At the Extraordinary General Shareholders' Meeting on 11 October 2013, the Articles of Association of the company were amended, including the name change into Corbion nv.
The name CSM has been sold together with the Bakery Supplies businesses.

MEETINGS OF THE SUPERVISORY BOARD

The strategic transformation of Corbion, the divestment of the Bakery Supplies businesses, and the review of the Board of Management succession planning had a strong impact on the frequency and the content of the Supervisory Board meetings in 2013.

During the report year the Supervisory Board held seven regular meetings with the Board of Management. The discussions at these meetings covered frequently recurring topics, such as strategy updates, the Corbion portfolio, developments in results, business developments in the market units and operating companies, trends in the markets where Corbion operates, key investments, group risks, internal risk management and control systems, the outcome of the Board of Management's evaluation of the set-up and operation of these systems, corporate governance, corporate social responsibility, succession planning, the organizational structure, management development, acquisitions and divestments, the financial statements, and the annual report. In addition to these regular meetings, five conference-call meetings were held to discuss in great detail the strategic transformation and divestment of the Bakery Supplies businesses as well as succession planning. The Supervisory Board has engaged external advisors to support them in their tasks and monitoring activities.

The Supervisory Board visited several production facilities of Corbion Caravan in Kansas, USA. Prior to its regular meetings with the Board of Management the Supervisory Board also meets in the

absence of the Board of Management to discuss, amongst others, developments in the results, and the profile, composition, and performance of the Board of Management. The Supervisory Board also evaluates its own performance, the performance of its committees, and that of its members. Focus points include expertise, independence, integrity, critical ability, and a balanced composition of the Supervisory Board. With the appointment of Mr. M. Vrijsen and the nomination of Mr. S. Riisgaard, stronger technical and industry expertise are brought into the Supervisory Board, as Corbion completes its transition to a biobased products company.

Attendance at the in-person meetings held in 2013 was almost 100%. In three instances one Supervisory Board member was not able to attend a meeting. In all those instances the member concerned had given his input to the Chairman prior to the meeting. Attendance at the conference-call meetings was also almost 100%. In one instance one Supervisory Board member was not able to attend a call and the member concerned had given his input to the Chairman prior to the call. The Chairman and Vice-Chairman of the Supervisory Board regularly met with the Board of Management, either in person or by phone. Also in this very intensive and important year for Corbion, all Supervisory Board members were able to make themselves sufficiently available to give adequate attention to the needs of Corbion.

Members of the Supervisory Board regularly met with the business leaders and members of the corporate staff.

Given the number of exceptional issues in 2013, the frequency and number of meetings was substantially higher than in previous years and the time commitment by each Supervisory Board member has been considerably higher than before.

COMPOSITION OF THE SUPERVISORY BOARD

Mr. M. Vrijsen was appointed as a member of the Supervisory Board.

Regarding its composition the Supervisory Board always tries to strike the right balance between expertise and experience. A certain degree of age and gender variation may be instrumental in achieving the desired balance in the composition of the Board. Required expertise and experience as well as the availability of the right candidates will be decisive when proposing candidates for (re)appointment.

In the judgement of the Supervisory Board all its members are independent as required by the corporate governance code.

The Supervisory Board highly appreciates and respects the continued efforts and commitment of Corbion management and all employees to the success of Corbion in the transformation into a biobased products company.

COMMITTEES OF THE SUPERVISORY BOARD

Audit Committee

The members of the Audit Committee are Mr. R. Pieterse (Chairman), Mr.J.P. de Kreij , and Mr. W. Spinner. In 2013 the Audit Committee met seven times in the presence of the CFO, the external auditor, the SVP Finance, and the Internal Audit Director. The agenda at these meetings covered, amongst others, the strategic transformation of Corbion and the divestment of the Bakery Supplies businesses, the annual and half-year figures, the interim management statements, accounting issues such as held for sale, the operation of the internal risk management and control systems, tax matters, the financing plan, treasury, information technology developments and organization, and the reports of the internal and external auditors. In addition to these regular meetings three conference call meetings were held to discuss the divestment of the Bakery Supplies businesses.

The Audit Committee closely monitors the independence of the external auditor. It evaluates the performance of the external auditor on a yearly basis and where appropriate recommends the replacement of the external auditor. Furthermore, approval of the Audit Committee is required with respect to the fees for all audit services to be performed by the external auditor as requested by the Board of Management. The Audit Committee will act as the principal contact for the external auditor in case of irregularities in the content of financial reports. The Audit Committee follows the revised 2013 regulations regarding the provision of non-audit services by the external auditor.

In 2014 Mr. G.M. Dekker of Deloitte Accountants B.V. will resign as the responsible partner for Corbion. Mr. Dekker has been the responsible partner for the past seven years and will be succeeded by Mr. B. Albers.

Nomination Committee

The Nomination Committee consists of Messrs. R.H.P. Markham (Chairman), M.P.M. de Raad, and M. Vrijsen. The Nomination Committee met four times in 2013. It discussed among other subjects the succession planning and the composition of and changes in the Supervisory Board. Together with the Board of Management it paid attention to the functioning of the Corbion executives and other senior managers. It also discussed the impact of the transformation of Corbion into a biobased products company on the organizational structure and the succession plans and implemented the extension of the Board of Management with a CTO-role.

The Nomination Committee met (either in person or by phone) ten times outside of the regular meeting schedule to specifically discuss succession scenario's, meet and interview potential candidates and prepare final candidates as proposed Board of Management members to the full Supervisory Board. Next to these formal meetings, there was regularly informal consultation between the members. Specifically with respect to the CFO succession, the Audit Committee was closely involved.

Remuneration Committee

The Remuneration Committee consists of Messrs. M.P.M. de Raad (Chairman), R.H.P. Markham, and M. Vrijsen. The Remuneration Committee met four times in 2013 and discussed among other subjects the level of achievement of the 2012 Short-Term Incentive Plan (STIP) targets for the members of the Board of Management, the progress of the STIP 2013 targets, and the target setting for STIP 2014. In light of the divestment of the Bakery Supplies businesses and the transformation into a biobased products company, the Remuneration Committee agreed with the Supervisory Board to set specific targets for this divestment and introduce a performance-based incentive tied to the LTIP. Further details are included in the Remuneration policy and report.

The Remuneration Committee met (either in person or by phone) ten times outside of the regular meeting schedule to discuss terms and contractual issues regarding the existing and proposed Board of Management members. Next to these formal meetings, there was regularly informal consultation between the members.

REMUNERATION POLICY AND REPORT

The aim of the remuneration policy for the Board of Management is to create remuneration packages and employment conditions, which are competitive and linked to the strategy, with a strong emphasis on performance-related pay. This policy has been approved by the Annual General Shareholders' Meeting in 2010. Since then no changes have been presented or executed.

Following the divestment of the Bakery Supplies businesses in July 2013, Corbion has become a focused biobased products company. The new company operates in different segments, geographies, and industries. Consequently, it is our intention to review the remuneration policy in 2014 and present it to the shareholders in 2015.

The total remuneration package for the Board of Management is benchmarked against companies in the Netherlands of comparable size and complexity as Corbion. This benchmark is set at the median level of this group of comparable executives based on various sources of market data on the remuneration for corporate executives in the Netherlands.

As per the employment agreement of the current Directors their base salary is adjusted annually on 1 May on the basis of the consumer price index for family expenditure as published by Statistics Netherlands (CBS). The adjustment as at 1 May 2013 amounted to 2.9%.

STIP (short-term employee benefits according to IAS 24.17)

Members of the Board of Management are entitled to a short-term "at-target" incentive. There are two target levels for this incentive. One applies to the CEO and the other to the CFO and if relevant to other Board members. The CEO is entitled to an at-target bonus incentive of 60% of his base salary in case of realization of the short-term targets. The CFO is entitled to an at-target bonus incentive of 50% of his base salary in case of realization of the short-term targets. Three financial targets – EBITA, organic growth and cash flow from operating activities – account for 75% of STIP, while 25% relates to personal targets. The extent to which these personal targets have been realized is determined by the Supervisory Board.

In case a target is exceeded members of the Board of Management are entitled to a higher STIP than the at-target incentive for that particular target. For the CEO a maximum STIP of 90% of his base salary may apply and for the CFO (and if relevant other Board members) a maximum STIP of 75% of his base salary may apply. Both the CEO and CFO can achieve the maximum bonus incentive in case all targets, financial and personal, are substantially exceeded (defined as 115% or more for each target). In case a target is not realized a smaller STIP than the at-target incentive will be paid out, with the understanding that no STIP will be awarded for substantially lower performance (defined as 85% or less for each target).

The Supervisory Board determines, at its full discretion, the STIP pay-out for the Board of Management. As a result of the fact that the financial targets for 2013 for the larger part have been achieved and the personal targets have been overachieved, the total short-term incentive is higher than the "at-target" level. In 2013 the short-term incentive payment was € 469,603 or 74% of base salary (2012: € 442,960) for the CEO and € 295,497 or 62% of base salary (2012: € 278,732) for the CFO.

LTIP (long-term employee benefits and share-based payments according to IAS 24.17)

The long-term incentive for the Board of Management is based on the Long-Term Incentive Plan (LTIP) linked to relative Total Shareholder Return (TSR).

Each year members of the Board of Management are entitled to an conditional grant of Corbion shares. There are two target levels for this incentive. One applies to the CEO and the other to the CFO and if relevant to other Board members. The CEO is entitled to a conditional share grant value of 60% of his base salary. The CFO is entitled to a conditional share grant value of 50% of his base salary. The total number of conditionally granted shares is determined by dividing the "at target" amount applicable for the respective Board member (as a percentage of base salary) by the (undiscounted) fair value average stock price over the month prior to the date of grant (April of any year). The performance criterion for the LTIP is Total Shareholder Return over a three-year performance period. After vesting and share delivery, the Board members according to the plan rules, are required to keep the shares in a blocked account for another two years. The total lock-up period therefore is five years.

Corbion's TSR is benchmarked against a peer group of ten comparable companies. Based on independent analysis the performance of Corbion versus this peer group is assessed at the end of the three-year performance period. According to the remuneration policy effective as of 2010, the target performance has been set at position 6 in the peer group based on detailed analysis. If Corbion delivers an outstanding performance (first or second in the peer group) over the three-

year reference period the LTIP will amount to 175% of the at-target grant. If the performance is below the threshold (below position 6 in the peer group) the shares do not vest. The total number of shares to be delivered upon vesting can vary between zero and 175% of the initial grant, depending on the TSR performance. According to the LTIP plan regulations it is at the full discretion of the Supervisory Board to determine the pay-out based on the TSR result.

The Remuneration Committee evaluates the performance of Corbion in relation to the peer group, using data supplied by a leading bank in the Netherlands. Upon vesting the members of the Board of Management will receive a number of additional Corbion shares to cover the dividend value, which is equal to the gross dividend that would have been paid on the shares in the period of conditional allocation. At the time of vesting the members of the Board of Management may sell as many shares as necessary to pay the related income tax. The vested shares will be blocked for two more years.

The Supervisory Board periodically determines the peer group. If, for whatever reason, companies in the peer group change, the Supervisory Board may decide to make one or more adjustments to the composition of the group.

In light of the transformation of Corbion into a biobased products company, the Supervisory Board decided to adjust the peer group in 2012. The current TSR peer group consists of the following companies: Balchem (USA), Chr. Hansen (DK), DSM (NL), Du Pont (USA), Kerry Group (IR), Nutreco (NL), Novozymes (DK), Sensient (USA), Solazyme (USA), and Tate & Lyle (UK). The TSR performance for the 2011 LTIP series (vesting in 2014) is still based on the previous peer group.

The number of performance shares conditionally granted to Mr. Hoetmer in 2013 (vesting in 2016) is 21,502 representing a value of € 370,910. The number of performance shares conditionally granted to Mr. Kramer in 2013 (vesting in 2016) is 13,530 representing a value of € 233,393. These shares will be delivered into a blocked account upon vesting. The lock-up period will end per May 2018. The performance against the peer group will be measured to determine the percentage of shares that will actually vest for the members of the Board of Management.

The shares conditionally granted in 2010 vested in 2013. Corbion ranked ninth in the peer group consisting of Aryzta (CH), Flower Food (USA), General Mills (USA), Greencore (USA), Grupo Bimbo (MEX), Kerry Group (IR), Novozymes (DK), Nutreco (NL), Ralcorp (USA), and Wessanen (NL). This position implies that the vested grant of 2010 did not result in any payout.

In 2013 Corbion divested its Bakery Supplies businesses to Rhône Capital for €1.05 billion. Because of the complexity of the transaction, and at the same time, the need to focus on ongoing business, the Supervisory Board set a number of business- and transaction-related targets to optimize successful conclusion of the divestment. The Supervisory Board determined after the close of the transaction that these targets have been fully achieved and decided to grant shares to both members of the Board of Management for their achievement. In respect of this the Supervisory Board decided to grant shares to encourage further shareholder value creation. The value of the grant and shares delivered was € 517,140 (33,087 shares; fair value € 15.63) for Mr. Hoetmer and € 294,334 (18,832 shares; fair value € 15.63) for Mr. Kramer. In 2013, as in previous years, the Board members did not use the option of selling any shares to compensate for income tax. The shares delivered are blocked for a minimum of two years.

There is no share option program in place for the Board of Management.

Commitment Award (long-term employee benefits and share-based payments according to IAS 24.17)

The members of the Board of Management are entitled to an annual Commitment Award in the form of Corbion shares amounting to 10% of their respective base salaries. This award was put in place for the current Board members in 2006 to compensate for a loss of early-retirement pension entitlements at the time. The shares are blocked until the end of their employment with Corbion, with the understanding that as many shares as necessary may be sold to pay the related income

tax. In 2013, as in previous years, the Board members did not use this option. An overview of the Commitment Award shares can be found in Note 30 to the financial statements.

Pension (post-employment benefits according to IAS 24.17)

The pension plan for the members of the Board of Management is a defined contribution plan, the contributions being paid by Corbion. The plan is within the fiscal boundaries (Table 2, Witteveen franchise) using 65 as the retirement age. The members of the Board of Management are also insured for a disability pension and death-in-service. In 2013 the total payment for these benefits amounted to € 199,000 for Mr. Hoetmer and € 118,500 for Mr. Kramer.

Other benefits and entitlements

Members of the Board of Management are provided with benefits in line with those applicable to other senior managers at Corbion (e.g. company car, expense allowance). The costs for these benefits provided in 2013 amounted to € 37,548 for Mr. Hoetmer and € 31,548 for Mr. Kramer.

Corbion does not grant loans to members of the Board of Management. Hence, there are no outstanding loans.

Employment contract

Members of the Board of Management are appointed for a period of four years and may be reappointed with the approval of the General Shareholders' Meeting.

Messrs. G.J. Hoetmer and N.J.M. Kramer have an employment contract for an indefinite period of time, which expires at the retirement age or earlier if terminated by either party. The notice period for all members of the Board of Management is three months. Corbion, being the employer, is required to give six months' notice.

A severance pay arrangement is included in the employment agreement of the current members of the Board of Management. This contractual severance pay arrangement deviates from provision II.2.8 of the Dutch Corporate Governance Code. This deviation originates from the time of appointment of the Board members in 2005/2006, at which time this was customary practice for board members of Dutch listed companies. Severance entitlement for any future Board members will follow legislation and customary practice for board members of Dutch listed companies at the time of the appointment.

The agreed severance pay for the current Board members amounts to a maximum of 1.5 times the sum of the annual base salary and the most recently determined short-term incentive (STIP). In addition, contributions to the base pension plan and the Commitment Award will be continued for a further two years.

As indicated new appointments to the Board of Management will be handled in accordance with the practice of good governance and regulations in force at the time of the appointment.

The members of the Board of Management may accept a maximum of two paid or unpaid positions on an outside supervisory board or any other such (advisory) position, provided they obtain the prior approval of the Supervisory Board.

Currently, only Mr. G.J. Hoetmer has an external unpaid position with the "Spieren voor Spieren" foundation (www.spierenvoorspieren.nl), a charity organization active for the benefit of children suffering from muscular diseases. He also serves as a non-executive director of Devro Plc.

Remuneration for the Board of Management

Total annual remuneration for the Corbion Board of Management amounted to € 3.2 million in 2013 (2012: € 3.0 million). The higher balance is due to the higher STIP payment following better business results and the discretionary LTIP grant related to the divestment of the Bakery Supplies businesses.

Breakdown remuneration Board of Management

Thousands of euros	IAS 24.7 category	Short-term employee benefits*		Share-based payments		Post-employment benefits	Other long-term benefits	Termination benefits	
	Year	Base salary	STIP	LTIP	Total	Pension benefits	Other benefits	Severance payments	Total
G.J. Hoetmer	2012	651	443	435	1,529	180			**1,709**
	2013	668	470	581	1,719	199			**1,918**
N.J.M. Kramer	2012	494	278	301	1,073	118			**1,191**
	2013	507	295	342	1,144	119			**1,263**

** Excluded from short-term benefits is a criss levy of € 204 thousand for Mr. Hoetmer (2012: € 121 thousand) and € 129 thousand for Mr. Kramer (2012: € 79 thousand)*

Considering the anticipated changes to the Board of Management that will take place, the company has provisioned for the costs relating to contractual commitments as existing per end of 2013. Details of these provisions are included in Note 30 to the consolidated financial statements.

Remuneration for the Supervisory Board

Total remuneration for members of the Supervisory Board in 2013 amounted to € 0.3 million (2012: € 0.3 million). The table below provides details on the various committees.

Every Supervisory Board member receives an annual base fee of € 45,000; the Vice-Chairman receives € 50,000 and the Chairman € 60,000. For membership of the Audit Committee an additional fee of € 5,000 applies; and for the Chairman € 10,000. A member of the Nomination Committee and the Remuneration Committee receives € 2,500; the additional fee for the Chairman of these Committees amounts to € 5,000. In addition, members receive reimbursement of expenses.

Breakdown remuneration Supervisory Board

Thousands of euros	Year	Base fee	Committee fee	Total*
R.H.P. Markham, Chairman	2012	55,000	7,500	**62,500**
(chairman Nomination Committee/member Remuneration)	2013	60,000	7,500	**67,500**
M.P.M. de Raad, Vice-Chairman	2012	55,000	7,500	**62,500**
(chairman Remuneration Committee/member Nomination Committee)	2013	50,000	7,500	**57,500**
R. Pieterse (chairman Audit Committee)	2012	45,000	5,000	**50,000**
	2013	45,000	5,000	**50,000**
W. Spinner (member Audit Committee)	2012	45,000	5,000	**50,000**
	2013	45,000	5,000	**50,000**
J. P. de Kreij (member Audit Committee)	2012	45,000	5,000	**50,000**
	2013	45,000	5,000	**50,000**
M. Vrijsen (member Remuneration Committee/ Nomination Committee),	2012	0	0	**0**
appointed per May 2013	2013	30,000	3,333	**33,333**

** Excluding expenses*

No loans or advance payments or any guarantees to that effect have been granted to the members of the Supervisory Board. None of the members of the Supervisory Board has shares in the company or any option rights relating thereto (as at 24 February 2014).

Diemen, the Netherlands, 24 February 2014

On behalf of the Supervisory Board
R.H.P. Markham

Sustainability statements

SUSTAINABILITY STRATEGY AND MATERIALITY

Sustainability is at the heart of our purpose - to improve the quality of life for people today and generations to come. This means we drive sustainability along our value chain in order to reduce our own impact and that of our suppliers and customers. We aim to achieve this through:

- Sustainable supply: ensuring the responsible environmental and social performance of suppliers.
- Sustainable processes: using innovative and resource-efficient technologies based on renewable resources, while ensuring the safety of our employees.
- Sustainable product solutions: enabling fresh, safe and healthy food, and biochemicals based on renewables.

This is reflected in our initiatives. Through our sustainable sourcing program we aim to assess the social and environmental responsibility of our raw material suppliers (50% by 2015 and 90% by 2020). We intend to introduce new technologies based on second generation feedstocks and based on our gypsum-free process in the coming years. To ensure the safety of our employees, we aim to achieve zero safety-related incidents by 2020. Our sustainability assessment is used to evaluate all new projects as well as our key product groups through Life Cycle Assessment (LCA) and in terms of our material issues.

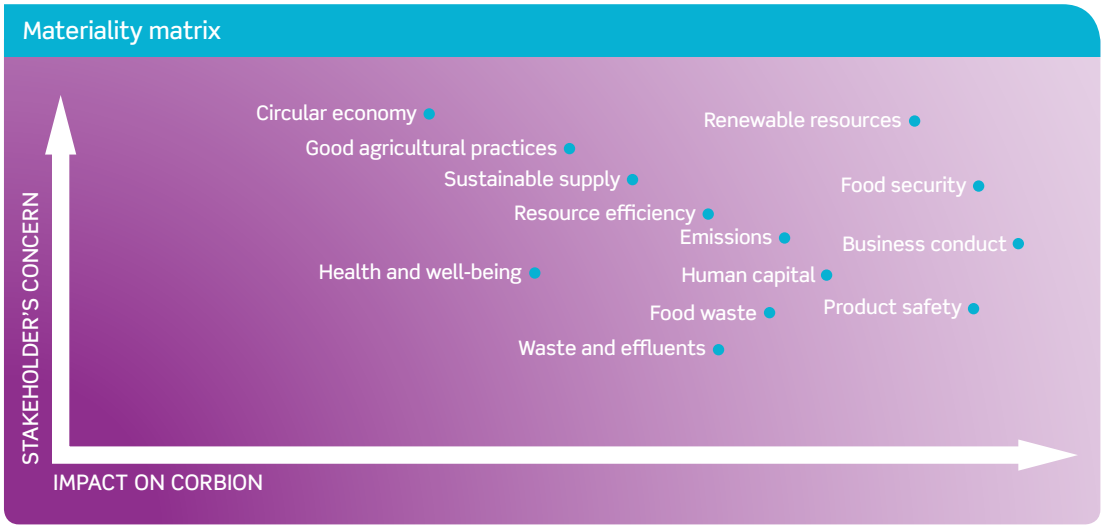
Embedding sustainability in our organization requires engagement from various parts of the organization, including procurement, innovation, operations, finance, marketing, and communications as well as our external stakeholders. Further, we drive sustainability through leadership commitment by our CEO as well as our Head of Sustainability and dedicated working groups.

We have evaluated megatrends presented in publications by thought leadership, such as the World Business Council for Sustainable Development, in order to identify the key forces impacting our business and stakeholders.
Aligning our business to address our most material issues helps us to serve the needs of a growing population in an increasingly resource constrained world. The megatrends of population growth, resource depletion, and food security have many related material issues which affect our business, our value chain, and our stakeholders.

In 2013, we conducted our annual evaluation to determine which issues are most relevant for our business and our stakeholders. This process comprised of identification, ranking, and evaluation of issues along our value chain. Internal stakeholders from different business and corporate functions were surveyed and interviewed. They also supported the process to identify and engage external stakeholders, including customers, suppliers, governmental agencies, business partners, NGOs, universities, and thought leaders, to respond to the issue survey and raise additional topics and concerns.

The resulting materiality matrix captures the relative importance of each issue for Corbion and our stakeholders. Understanding and strategically addressing our issues enables us to improve our performance and prepare for future developments. We report on the identified issues in various ways depending on the particular topic, ranging from how it relates to our business, to our value

contribution, to our performance. The use of renewable resources lies at the heart of our strategy. A sustainable supply, and in particular good agricultural practices are therefore important issues for Corbion, which we address through our sustainable sourcing program and engagement activities. The efficient use of resources such as energy and water, the reduction of carbon footprint, wastes and emissions, and the development of processes which do not interfere with the food value chain are key elements in our process development and operations to reduce our impact and optimize our performance. The integrity of our business conduct and the protection and development of our human capital are essential for us to ensure our long-term success as a responsible business. Finally, providing safe products which contribute to food security, health and well-being and a circular economy are priorities for both our ongoing business and the future viability of our business.



Renewable resources	Corbion's contribution to an economy based on the use of renewable resources as an alternative to fossil-based resources.
Business conduct	Business practices with regard to transparency, integrity and the prevention of corruption.
Circular economy	Providing pure biobased materials and addressing concerns related to the disposal of plastics, thus enabling a circular economy.
Emissions	Corbion's emissions, including carbon footprint and measures to minimize Greenhouse Gas emissions from cradle to gate.
Health and well-being	Contribution of Corbion products to human health and well-being through food nutrition/fortification and medical biomaterials.
Product safety	Health and safety impacts of Corbion's products and services during their life cycle.
Food security	Societal concerns about the use of food crops for the production of biochemicals (e.g. competition with food production).
Food waste	Corbion's efforts and solutions to reduce food waste along the value chain.
Good agricultural practices	Comprises Corbion's engagement to ensure sustainable agricultural practices to secure its supply and reduce impact.
Resource efficiency	Refers to the efficient use of energy, water, and resources in both the company's production processes and upstream processes.
Sustainable supply	Refers to the efforts of Corbion to engage the supply chain in order to manage risks and improve sustainability performance and working conditions.
Waste and effluents	Refers to the management and reduction of solid waste and effluents from Corbion's production processes.
Human capital	Refers to how Corbion treats its employees in terms of training, human rights, fair remuneration, and occupational health and safety.

GRI G4 TABLE

Our report is based on the Global Reporting Initiative G4 – Core and contains Standard Disclosures from the GRI Sustainability Reporting Guidelines. Our reporting boundary is defined per material aspect as follows.

Economic aspects refer to our company operations as outlined in our financial statements. Environmental aspects refer to our company operations. In the case of CO_2 emissions, these are determined based on the Greenhouse Gas Protocol and include upstream activities related to scope III.

The social aspects relate to human capital and business conduct: labor practices and decent work, human rights, and society (anti-corruption) are reported for the boundary of our company. We understand the importance of social and environmental aspects in our supply chain, are starting to assess these through our sustainable sourcing program, and will report on our supplier assessment as data becomes available, for 2013, this is an omission. The aspect of product responsibility extends to outside of our company boundary, to the use of our products by our customers, and we track any incidents and complaints concerning the health and safety impacts of our products during their life cycle.

Additional material topics identified through our materiality assessment: renewable resources, food security and food waste, involve stakeholders outside of our company boundary. How we address these topics is included in this report.

Due to the divestment of our Bakery Supplies businesses in 2013, the reporting boundary for our own company has changed relative to our 2012 report and includes only Corbion operations. Historical data are reported for the new Corbion boundary.

General Standard Disclosures

Core	#	Description	Location in report
Strategy and analysis	1	CEO statement on sustainability	Message form Gerard Hoetmer, CEO Corbion
	2	Description of key impacts, risks, opportunities	Addressing megatrends, Risk management
Organizational profile	3	Name	Corbion at a glance
	4	Brands, products, services	Corbion at a glance, Biobased Food Ingredients segment, Biochemicals segment
	5	Location of HQ	Corbion at a glance
	6	Countries	Corbion at a glance
	7	Ownership	Corbion at a glance
	8	Markets served	Our business
	9	Employees, operations, sales	Corbion at a glance
	10	Employee breakdown	Social performance
	11	Collective bargaining	Social performance
	12	Describe supply chain	Operations, supply chain, and procurement
	13	Changes in reporting period	Our strategy, Information on the Corbion share
	14	Precautionary approach	Risk management
	15	Charters and principles	Social performance, Sustainability statements
	16	Membership organizations	Social performance
Identified material aspects and boundaries	17	Entities	Financial statements
	18	Process on defining content and aspects	Sustainability statements
	19	List of aspects	Sustainability statements
	20	Boundary per aspect within company	Sustainability statements
	21	Boundary per aspect outside of company	Sustainability statements
	22	Restatements	Sustainability statements
	23	Significant changes in boundary	Sustainability statements
Stakeholder engagement	24	List of stakeholder groups	Social performance
	25	Basis for identification of stakeholders	Social performance, Sustainability statements
	26	Approach to stakeholder engagement	Social performance, Sustainability statements
	27	Topics and concerns raised through stakeholder engagement	Social performance, Sustainability statements
Report profile	28	Reporting period	Financial statements
	29	Date of last report	Financial statements
	30	Reporting cycle	Financial statements
	31	Point of contact	Contact
	32	GRI content index	Sustainability statements
	33	Policy on external assurance	Auditor's report
Governance	34	Governance structure	Corporate governance
Ethics and integrity	56	Values principles and standards	Sustainability statements

Specific standard disclosures

Category	Material aspect	DMA and indicator	Location in report
Economic	Economic performance	EC1	Financial commentary, Financial statements
Environmental	Energy	EN3, EN4, EN5	Environmental performance
	Water	EN8	Environmental performance
	Emissions	EN15, EN16, EN17, EN21	Environmental performance
	Effluents and waste	EN22, EN23, EN24, EN25, EN29	Environmental performance
	Environmental grievance mechanisms	EN34	Environmental performance
Social	Labour practices and decent work	LA1, LA6	Social performance
	Human rights	HR3	Social performance
	Society	SO4, SO5, SO8	Social performance
	Product responsibility	PR2	Operations, supply chain, and procurement

Please note that the material aspects of Supplier Environmental Assessment, Supplier Assessment for Labor Practices, and Supplier Human Rights Assessment are omitted, as the information is currently unavailable. Tracking of progress for our sustainable sourcing program will be initiated in 2014. External assurance has only been carried out for the aspect of economic performance.

UN GLOBAL COMPACT

"In 2013, Corbion became a signatory of the United Nations Global Compact. We are committed to align our operations and strategies with these ten principles in the areas of human rights, labor, environment, and anti-corruption. We will continue to support the principles and communicate our progress in terms of practical actions and outcomes." Gerard Hoetmer, CEO Corbion.

United Nations Global Compact Reference List

Topic	Principle	Location in report
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	Sustainable supply Social performance
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.	Sustainable supply Social performance
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Sustainable supply Social performance Second generation feedstock case
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Sustainable supply Social performance

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CONSOLIDATED INCOME STATEMENT

Millions of euros	*Note*	2013	2012 (restated)
Continuing operations			
Net sales	*4*	743.6	753.7
Costs of raw materials and consumables		-378.2	-389.6
Production costs		-122.8	-124.2
Warehousing and distribution costs		-39.6	-41.7
Gross profit		**203.0**	**198.2**
Selling expenses		-56.8	-53.1
Research and development costs		-25.8	-19.4
General and administrative expenses		-81.4	-88.1
Operating result		**39.0**	**37.6**
Financial income	*7*	0.2	1.4
Financial charges	*7*	-16.8	-25.9
Results from joint ventures and associates	*14*	-1.2	-0.1
Result before taxes from continuing operations		**21.2**	**13.0**
Taxes	*8*	-14.0	12.6
Result after taxes from continuing operations		**7.2**	**25.6**
Discontinued operations			
Result after taxes from discontinued operations	*9*	**-3.0**	**-90.9**
Result after taxes		**4.2**	**-65.3**
Per common share in euros	*10*		
Basic earnings from continuing operations		0.06	0.34
Diluted earnings		0.06	0.34
Basic earnings from continuing and discontinued operations		0.02	-0.96
Diluted earnings		0.02	-0.96

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Millions of euros	*Note*	2013	2012 (restated)
Result after taxes		4.2	**-65.3**
Other comprehensive results to be recycled			
Translation reserve	*18*	-22.5	-7.6
Hedge reserve	*18*	5.9	5.1
Taxes relating to other comprehensive results to be recycled	*18*	-7.0	-2.3
Total other comprehensive results to be recycled		**-23.6**	**-4.8**
Other comprehensive results not to be recycled			
Remeasurement defined benefit arrangements	*20*	0.8	-47.8
Taxes relating to other comprehensive results not to be recycled		0.2	13.5
Total other comprehensive results not to be recycled		**1.0**	**-34.3**
Total comprehensive result after taxes		**-18.4**	**-104.4**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Before profit appropriation, millions of euros	*Note*	As at 31-12-2013	As at 31-12-2012 (restated)	As at 01-01-2012 (restated)
Assets				
Property, plant, and equipment	*11*	310.2	303.0	583.0
Intangible fixed assets	*12*	97.5	93.4	912.4
Loans, receivables, and other	*13*	4.9	3.6	9.9
Joint ventures and associates	*14*	6.9	6.4	9.1
Deferred tax assets	*21*	16.0	21.4	44.5
Total non-current assets		**435.5**	**427.8**	**1,558.9**
Inventories	*15*	97.1	104.6	337.9
Receivables	*16*	97.1	94.4	376.5
Tax assets		12.0	20.0	26.0
Cash and cash equivalents	*17*	123.9	60.2	116.0
Assets held for sale			1,477.6	
Total current assets		**330.1**	**1,756.8**	**856.4**
Total assets		**765.6**	**2,184.6**	**2,415.3**
Equity and liabilities				
Equity	*18*	**505.2**	**793.8**	**919.3**
Provisions	*19*	12.0	19.6	127.9
Deferred tax liabilities	*21*	10.1	21.2	134.5
Non-current liabilities	*22*	94.4	614.0	726.9
Total non-current liabilities		**116.5**	**654.8**	**989.3**
Interest-bearing current liabilities	*23*	0.1	2.4	4.7
Trade payables		57.7	60.4	311.9
Other non-interest-bearing current liabilities		73.4	60.5	144.6
Provisions	*19*	9.6	13.6	23.5
Tax liabilities		3.1	5.1	22.0
Liabilities directly associated with assets held for sale			594.0	
Total current liabilities		**143.9**	**736.0**	**506.7**
Total equity and liabilities		**765.6**	**2,184.6**	**2,415.3**

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 2012 (as previously reported)	**17.6**	**74.1**	**53.9**	**802.7**	**948.3**
Impact implementation IAS 19R				-29.0	-29.0
Balance as at 1 January 2012 (restated)	**17.6**	**74.1**	**53.9**	**773.7**	**919.3**
Result after taxes 2012				-65.3	-65.3
Other comprehensive result after taxes 2012			-4.8	-34.3	-39.1
Transfers to/from Other reserves			1.2	-1.2	
Total comprehensive result after tax 2012			**-3.6**	**-100.8**	**-104.4**
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 (restated)	**18.2**	**73.5**	**49.9**	**652.2**	**793.8**
Result after taxes 2013				4.2	4.2
Other comprehensive result after taxes 2013			-23.6	1.0	-22.6
Transfers to/from Other reserves			-12.6	12.6	
Total comprehensive result after tax 2013			**-36.2**	**17.8**	**-18.4**
Cash dividend				-70.1	-70.1
Stock dividend	0.5	-0.5			
Acquired company shares				-200.9	-200.9
Share-based remuneration transfers			-1.1	1.1	
Share-based remuneration charged to result			0.8		0.8
Total transactions with shareholders	**0.5**	**-0.5**	**-0.3**	**-269.9**	**-270.2**
As at 31 December 2013	**18.7**	**73.0**	**13.4**	**400.1**	**505.2**

For more information on equity see Note 18.

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of euros	*Note*	2013	2012 (restated)
Cash flow from continuing operating activities			
Result after taxes		7.2	25.6
Adjusted for:			
• Depreciation/amortization of fixed assets	*6*	41.0	43.2
• Impairment of fixed assets	*11/12*	1.3	7.9
• Result from divestments of fixed assets		2.1	-0.9
• Share-based remuneration		0.8	0.9
• Interest income	*7*	-0.2	-0.1
• Interest expense	*7*	12.7	25.3
• Exchange rate differences	*7*	-2.5	-0.3
• Fluctuations in fair value of derivatives	*7*	6.3	-0.6
• Other financial income and charges	*7*	0.3	0.2
• Results from joint ventures and associates	*14*	1.2	0.1
• Taxes	*8*	14.0	-12.6
Cash flow from continuing operating activities before movements in working capital		**84.2**	**88.7**
Movement in provisions		-20.9	3.1
Movements in working capital:			
• Receivables		-12.9	1.7
• Inventories		2.4	7.8
• Non-interest-bearing current liabilities		8.7	-3.9
Cash flow from continuing business operations		**61.5**	**97.4**
Interest received		0.2	0.1
Interest paid		-15.3	-26.2
Tax paid on profit		-12.3	1.5
Cash flow from continuing operating activities		**34.1**	**72.8**
Cash flow from discontinued operating activities		**-24.2**	**124.6**
Cash flow from operating activities		**9.9**	**197.4**
Cash flow from continuing investment activities			
Acquisition of group companies	*24*	-2.0	-8.0
Investment joint ventures and associates	*14*	-1.7	-5.0
Investment other financial assets		-1.5	-0.9
Repayment other financial assets			10.5
Capital expenditure on (in)tangible fixed assets		-66.1	-53.1
Divestment of (in)tangible fixed assets		2.1	1.3
Cash flow from continuing investment activities		**-69.2**	**-55.2**
Cash flow from discontinued investment activities		**865.7**	**-25.6**
Cash flow from investment activities		**796.5**	**-80.8**
Cash flow from financing activities			
Proceeds from interest-bearing debts		81.0	
Repayment of interest-bearing debts		-596.4	-101.4
Acquisition of company shares	*18*	-200.9	-0.4
Paid-out dividend		-70.1	-21.6
Cash flow from financing activities		**-786.4**	**-123.4**
Net cash flow		**20.0**	**-6.8**
Effects of exchange rate differences on cash and cash equivalents		-2.7	-2.6
Increase/decrease cash and cash equivalents		**17.3**	**-9.4**
Cash and cash equivalents at start of financial year		106.6	116.0
Cash and cash equivalents at close of financial year		123.9	106.6

For more information on the cash flow statement see Note 29.

Notes to the consolidated financial statements

1 ACCOUNTING INFORMATION

General

On 11 October 2013, CSM nv changed its legal name to Corbion nv.
Corbion nv is the global market leader in lactic acid, lactic acid derivatives and lactides, and a leading company in functional blends containing enzymes, emulsifiers, minerals, and vitamins. The company delivers high performance biobased products made from renewable resources and applied in global markets such as bakery, meat, pharmaceuticals and medical devices, home and personal care, packaging, automotive, coatings, and resins. Its products have a differentiating functionality in all kinds of consumer products worldwide.

Corbion is based in Amsterdam and listed on NYSE Euronext Amsterdam.

The consolidated financial statements drawn up by the Board of Management have been discussed by the Supervisory Board on 24 February 2014. They will be presented to the General Shareholders' Meeting for adoption on 12 May 2014. The Supervisory Board will give a preliminary recommendation regarding the consolidated financial statements to the General Shareholders' Meeting.

In compliance with Section 2:402 of the Dutch Civil Code the income statement of Corbion nv is presented in a summarized form as it is incorporated in the consolidated financial statements.

Discontinued operations

On 3 July 2013, Corbion announced the successfull completion of the divestment of its Bakery Supplies businesses to affiliates of Rhône Capital. The Bakery Supplies businesses have been divested for an Enterprise Value of € 1,050 million. For more information on the divestment see Note 24. For more information on discontinued operations see Note 9.

Acquisition

The following acquisition influenced the 2013 consolidation:

BIRD Engineering bv

On 7 March 2013, Purac, a subsidiary of Corbion, announced that it had entered into an agreement to acquire BIRD Engineering bv, the Netherlands. BIRD Engineering is a biotech contract research company, specifically in the field of industrial microbiology. BIRD Engineering has experience with various micro-organisms, mostly bacteria and yeasts, and has expertise in the development of new strains and fermentation processes. The acquisition includes the intellectual property and seven key employees of BIRD Engineering. BIRD Recruitment, a division of BIRD Engineering bv was not part of the acquisition.
The transaction has no material impact on Corbion's financial position.

For more information on the acquisition see Note 24.

Reported amounts

Unless stated otherwise all amounts in the financial statements are reported in millions of euros.

Exchange rates of main currencies in euros

	Average exchange rate 2013	Average exchange rate 2012	Exchange rate 31-12-2013	Exchange rate 31-12-2012
US dollar	1.33	1.28	1.38	1.32
Japanese yen	129.49	102.45	144.50	113.50
Brazilian real	2.87	2.51	3.25	2.70
Thai baht	40.72	39.86	45.05	40.25

2 ACCOUNTING PRINCIPLES

General

The consolidated financial statements of Corbion 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 (see Note 9, Discontinued operations).

In 2013, Corbion 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 Corbion and were effective as at 1 January 2013.

The main effective changes applied by Corbion at 1 January 2013 are:

-IAS 19: Employee benefits revised

Corbion 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 had a significant impact on amounts reported in respect of the group's results and equity. The revised standard had a negative effect (excluding tax effects) of € 88 million on equity, € 25 million of which related to continuing operations and led to an increase in the pension provision by the same amount.
The total continued pension costs in 2012 increased by € 2.2 million as a result of the adopted standard.

- 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. The application of the new standard resulted in more extensive disclosures in the financial statements.

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

The main effective changes after 1 January 2013 are:

- 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 2015. Corbion 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 2014, with earlier application permitted. Corbion currently anticipates that none of the standards will have a significant impact on amounts reported in the consolidated financial statements.

Corbion 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 Corbion financial statements.

Consolidation

The consolidation includes the financial data of Corbion nv and its group companies (together "Corbion"). All inter-company receivables, debts, and transactions have been eliminated. Group companies are companies in which Corbion nv exercises control. The results of acquisitions and divestments are recognized from the moment that control is obtained or transferred.

Foreign currency

The consolidated financial statements are in euros. The euro is Corbion nv's functional and presentation currency. The functional currency is the currency of the primary environment where the group company operates and may therefore differ from one company to another. Transactions in other than the functional currency are translated at the exchange rates that apply on the transaction date. Any monetary assets and liabilities resulting from such transactions are translated at the exchange rates on the balance sheet date. Any exchange rate differences are recognized in the income statement or deferred in equity in case of hedge accounting.
The assets and liabilities of consolidated foreign group companies and the long-term foreign-currency loans, which have been taken out to finance these subsidiaries, are converted into euros on the balance sheet date, taking taxes into account. The subsequent currency translation differences are incorporated in the translation reserve in equity. The results of the foreign group companies are translated into euros on the basis of average exchange rates. The difference between net profit on the basis of average exchange rates and net profit on the basis of the exchange rates as at the balance sheet date is incorporated in the translation reserve in equity. If a foreign operation is divested or scaled down the associated cumulative currency translation differences are recognized as result in the income statement.

Property, plant, and equipment

Land, buildings, machines, installations, and other operating assets are valued at the acquisition price or the cost of production, subject to straight line depreciation calculated over the estimated economic life and the estimated residual value. The cost of production includes the cost of materials and direct labor and an attributable part of the indirect costs. Land is not depreciated. Grants are deducted from the acquisition price or the production costs of the assets to which the grant relates. Property, plant, and equipment are tested for impairment if there are indications for this. Impairment is the amount by which the book value of the property, plant, and equipment exceeds the recoverable amount. The recoverable amount of an asset is the higher of (a) value in use and (b) fair value less cost to sell.

Intangible fixed assets

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.
Goodwill is valued at cost less impairment. Goodwill is tested for impairment annually – or more often if there are indications for impairment. Impairment is the amount by which the book value of

the goodwill of a cash-flow-generating unit exceeds the recoverable amount, being the higher of (a) value in use and (b) fair value less cost to sell. The value in use is the present value of the cash flows which the unit is expected to generate. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. If impairment is incurred, the impairment is charged to the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods.
When an entity or activity is sold or closed down the goodwill allocated to the entity is included in the calculations for the result of the sale.

Customer base
The customer base comprises the part of the paid acquisition sum which, upon acquisition, is allocated to the value of the acquired customer base. It is valued at fair value as at the acquisition date and amortized using a straight line method over the estimated economic life. Amortization charges arising from the customer base are recognized in selling expenses. The value of the customer base is tested for impairment whenever there is an indication that the assets may be impaired.

Brands and licenses
Brands and licenses comprise the part of the paid acquisition sum which is allocated to the value of the acquired trademarks and product licenses. Brands and licenses are valued against the fair value per acquisition date and are subject to straight line amortization calculated over the estimated economic life. Amortization charges arising from brands and licenses are recognized in selling expenses. The value of the brands and licenses is tested for impairment whenever there is an indication that the assets may be impaired.

Research and development costs
Research and development costs comprise the part of the paid acquisition sum which is allocated to the value of the acquired research and development costs. These costs are valued at fair value as per the acquisition date. Own research costs are not capitalized, but charged to the income statement. Own development costs are capitalized if the appropriate criteria are met. Research and development costs are valued at cost and amortized using a straight line method over the estimated economic life. Amortization charges arising from research and development costs are recognized in research and development costs. The value of the development costs is tested for impairment whenever there is an indication that the assets may be impaired.

Non-compete agreements
Non-compete agreements comprise the part of the paid acquisition sum which is allocated to the value of the acquired non-compete agreements. Non-compete agreements are valued against the fair value per acquisition date and are subject to straight line amortization calculated over the estimated economic life. Amortization charges arising from non-compete agreements are recognized in selling expenses. The value of the non-compete agreements is tested for impairment whenever there is an indication that the assets may be impaired.

Other intangible fixed assets
Other intangible fixed assets consist primarily of capitalized or acquired third-party software and licenses.
Other intangible fixed assets are valued at historical cost if capitalized or at fair value if acquired and amortized on a straight line basis over the estimated economic life. Software and licenses amortization charges are recognized in general and administrative expenses. Emission rights are not recognized in the balance sheet as cost is zero. The value of the other intangible fixed assets is tested for impairment whenever there is an indication that the assets may be impaired.

Financial fixed assets

Loans, receivables, and other
Loans and receivables with fixed or determinable payments (generally, with a duration of more than one year) are valued at amortized cost less provisions where necessary.

Derivatives
Derivatives are valued at fair value.

Joint ventures and associates
Joint ventures and associates are accounted for using the equity method.

Deferred taxes

Deferred taxes concern tax loss carry forward and liabilities and assets arising from temporary differences between the tax bases and their carrying amounts in the consolidated financial statements of (in-)tangible fixed assets, inventories, and provisions. Deferred taxes are determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax is realized or the deferred tax liability is settled. Deferred tax assets are recognized if and insofar that is probable that future taxable profit will be available against which the temporary difference and tax loss carry forward can be utilized.
Tax assets and liabilities are netted when there is a legal right and the intention to offset. Deferred tax assets and liabilities with the same term and relating to the same fiscal unities are offset against each other.

Inventories

Inventories of raw materials, consumables, technical materials, and packaging are stated at the lower of cost (first in, first out) and net realizable value. Inventories of work in progress and finished products are stated at the lower of production cost and net realizable value. Total cost of production includes payroll costs and materials and an attributable part of the indirect production costs. A valuation adjustment is deducted for non-marketable inventories.

Receivables

Receivables are valued on the basis of the amortized cost using the effective interest rate method less provisions deemed necessary for non-collectability.

Cash and cash equivalents

Cash and cash equivalents comprise cash in bank, cash in hand, current deposits, money market funds, and highly liquid treasury bonds with original maturities of no more than three months. Bank overdrafts are presented as current interest-bearing liabilities.

Equity

Corbion runs a share plan for the Board of Management and share-based plans for Senior Management. The fair value of the right to shares on the date of allocation is recognized in the income statement as payroll costs over the vesting period. Liabilities arising from share-based plans with payment in shares are included in equity and valued only initially. Liabilities arising from share-based plans with payment in cash are included in provisions and revalued every period.

Provisions

Pension and early retirement schemes
Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding interest), are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other

comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurements

The first two components of defined benefit costs are presented in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation in the consolidated statement of financial position represents the actual deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.
A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Other long-term employee benefit commitments
The other long-term employee benefit commitments relate mainly to anniversaries, years of service, termination packages, and medical costs. The commitments arising from these benefits are accounted for similarly as the defined benefit pension plans.

Reorganization, restructuring, and other
These provisions relate to reorganization, restructuring, and other, and represent a legal or constructive obligation as a result of a past event, the amount of which is uncertain but which can be estimated reliably and of which it is more likely than not that an outflow of resources is required to settle the obligation. The provisions are measured at the present value of the expected cost to settle the obligation.

Liabilities

Interest-bearing liabilities are recognized initially at fair value and subsequently at amortized cost using the effective interest method. Upon sale or settlement of interest-bearing liabilities any profits or losses are directly recognized in the income statement.

Leases

Lease agreements in which the lessor transfers substantially all the risks and rewards of the ownership of an asset to the lessee are classified as financial leases. All assets and liabilities of a financial lease are capitalized at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease agreements that do not meet the conditions for a financial lease are classified as operational leases. Payments made are charged to income on a straight-line basis over the period of the lease.

Net sales

Net sales comprises the proceeds of goods delivered to third parties less discounts and value-added tax.
Net sale of goods is recognized when Corbion has transferred the actual risks and rewards of ownership of the goods to the buyer, when the amount of the proceeds can be reliably measured, and when it is probable that the economic benefits of the sale will accrue to Corbion.

Costs of raw materials, packaging, and consumables

Costs of raw materials and consumables relate to the cost of consumption of raw materials, consumables, and packaging materials.

Production costs

Production costs are the costs relating to production operations.

Warehousing and distribution costs

Warehousing and distribution costs relate to the costs of warehousing and transport, including transport insurance.

Selling expenses

Selling expenses relate to the costs of marketing and sales.

General and administrative expenses

General and administrative expenses relate to the costs of administration, management, and IT.

Taxes

Tax on the result is calculated on the basis of the result before taxes, taking account of untaxed profit elements, non- and part-deductible costs, and fiscal facilities. The prevailing nominal tax rates are applied. Non-recoverable withholding taxes on foreign dividends are taken into account.

Financial instruments and hedge activities

Upon initial inclusion in the financial statements as at the start date of the contract derivative financial instruments are recognized at fair value. Subsequently, at each reporting date, they are measured at fair value. The recognition of any arising results depends on whether or not the derivative instrument can be qualified as a hedging instrument and the type of hedged item.
If no hedge accounting is applied the fair value fluctuations of the derivative financial instruments are recognized in the income statement.

Corbion designates certain derivative financial instruments as:

- Hedge for possible fluctuations in cash flows which can be attributed to a certain currency, interest rate or commodity price risk associated with a recognized asset or liability, or a highly probable expected future transaction (cash flow hedge), or
- Hedge for net investments in foreign operations (net investment hedge).

Upon entering into a transaction the relationship between the hedging instrument and the hedged position, as well as the risk management aims and the starting points for entering into various hedging transactions are documented. Corbion also documents its estimate as to whether the derivative financial instrument offsets the movements in the fair values or cash flows of the hedged positions effectively. The documentation process starts at the time of entering into such a contract and is updated continuously.

The fair value of derivative financial instruments which are used as hedging instruments and movements in the hedge reserve in equity are explained in Note 25.

Cash flow hedge

The effective part of changes in the fair value of derivative financial instruments which are designated and classified as cash flow hedge is recognized in equity. Gains or losses from the non-effective part are directly recognized in the income statement.

If a hedging instrument expires, is sold, or if the instrument can no longer be qualified as a hedging instrument, the cumulative gains and losses remain in equity until the expected future transaction is recognized in the income statement. If the expected future transaction is no longer probable the cumulative result is transferred immediately from equity to the income statement.

Net investment hedge

Hedges for net investments in foreign operations are handled in a similar way as cash flow hedges. Gains or losses from the hedging instrument which can be attributed to the effective part of the hedge are recognized in equity; any gains or losses which cannot be attributed to the effective

part are directly recognized as financial income and charges in the income statement. Cumulative gains and losses in equity are recognized in the income statement as soon as the foreign operation is partly divested or sold.

Discontinued operations and non-current assets held for sale

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 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. Discontinued operations are stated on the basis of the lower of carrying amount and fair value less cost to sell. Discontinued operations are presented separately in the income statement and cash flow statement.
In accordance with IFRS 5, fixed assets related to discontinued operations will no longer be depreciated and amortized after the classification as held for sale.
For more information on discontinued operations see Note 9.

Critical accounting estimates and judgments

Corbion makes use of accounting estimates and judgments. Described below are the estimates and judgments as at the balance sheet date that carry a substantial risk of a material adjustment to the book value of assets and liabilities in the next financial year.

Acquisitions
Corbion has a process in place to identify all assets and liabilities acquired, including intangible fixed assets. The judgments made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the results of operations. Estimated fair values are based on information available around the acquisition date and on expectations and assumptions of anticipated discounted cash flows that have been assessed as reasonable by Corbion. For more information on acquisitions see Note 24.

Goodwill impairment
Every year, Corbion tests the goodwill based on the higher of fair value less cost to sell and the value-in-use method. The value-in-use is calculated on the basis of estimates and judgments of the expected cash flows which are discounted on a WACC basis. For a description of the main estimates, valuation assumptions, and a sensitivity analysis of the applied assumptions see Note 12.

(In)tangible fixed assets
(In)tangible fixed assets are tested for sustained impairment if there is an indication of possible impairment. A key factor is the recoverable amount which is calculated on the basis of estimates and assumptions of anticipated discounted cash flows, on the one hand, and an estimate of the fair value less cost to sell, on the other.

Pension and early retirement schemes
Actuarial calculations are used to determine provisions for group personnel arrangements and net receivables or obligations from group pension plans. These calculations use assumptions in respect of future developments in salary, mortality, staff turnover, return on investments et cetera. Changes to these estimates and assumptions can lead to actuarial gains and losses which are recognized in the consolidated statement of comprehensive income. For more information on the applied assumptions see Note 20.

Taxes
Corbion is subject to various tax systems across the world. Estimates and judgments are used to determine the tax items in the financial statements. Interpretation differences in tax liabilities are also taken into account. For more information on taxes see Note 21.

3 CONSOLIDATED INCOME STATEMENT BEFORE ONE-OFF COSTS

The consolidated income statement for financial years 2013 and 2012 from continuing operations before one-off costs (non-IFRS financial measures) can be presented as follows.

	2013			2012 (restated)		
	Before one-off costs	One-off costs	Total	Before one-off costs	One-off costs	Total
Net sales	743.6		743.6	753.7		753.7
Costs of raw materials and consumables	-378.2		-378.2	-389.6		-389.6
Production costs	-122.7	-0.1	-122.8	-123.3	-0.9	-124.2
Warehousing and distribution costs	-39.6		-39.6	-41.6	-0.1	-41.7
Gross profit	**203.1**	**-0.1**	**203.0**	**199.2**	**-1.0**	**198.2**
Selling expenses	-55.6	-1.2	-56.8	-52.9	-0.2	-53.1
Research and development costs	-25.8		-25.8	-19.3	-0.1	-19.4
General and administrative expenses	-63.5	-17.9	-81.4	-71.2	-16.9	-88.1
Operating result	**58.2**	**-19.2**	**39.0**	**55.8**	**-18.2**	**37.6**
Less: depreciation/amortization/impairment (in) tangible fixed assets	41.0	1.3	42.3	43.2	7.9	51.1
EBITDA	**99.2**	**-17.9**	**81.3**	**99.0**	**-10.3**	**88.7**
Depreciation/amortization/impairment (in)tangible fixed assets	-41.0	-1.3	-42.3	-43.2	-7.9	-51.1
Operating result	**58.2**	**-19.2**	**39.0**	**55.8**	**-18.2**	**37.6**
Financial income	0.2		0.2	1.4		1.4
Financial charges	-16.8		-16.8	-25.9		-25.9
Results from joint ventures and associates	-1.2		-1.2	-0.1		-0.1
Result before taxes from continuing operations	**40.4**	**-19.2**	**21.2**	**31.2**	**-18.2**	**13.0**
Taxes	-10.9	-3.1	-14.0	8.0	4.6	12.6
Result after taxes from continuing operations	**29.5**	**-22.3**	**7.2**	**39.2**	**-13.6**	**25.6**

One-off cost items may occur up to and including the "Operating result" item. The one-off item "Taxes" relates to taxes on these one-off costs only.

One-off costs are considered whenever the operating performance is impacted by an incidental cause outside the normal course of business. In 2013, one-off costs were recorded for the strategic transformation. In 2012, one-off costs were recorded for head-office restructuring (€ 16.7 million) and for the Relevance restructuring program (€ 1.5 million).

4 SEGMENT INFORMATION

For its strategic decision-making process Corbion distinguishes between the Biobased Food Ingredients and Biochemicals segments. The unallocated item of the total continued operations mainly comprises central activities. As a result of the divestment of the Bakery Supplies businesses prior year segmentation has been restated.

In the Biobased Food Ingredients segment, our differentiated portfolio of biobased food ingredients combined with our leading edge fermentation technology, blending capability, deep end market understanding, and strong customer relationships make us a unique player in the industry. We hold leading positions in various markets such as bakery and meat, and are moving into leadership positions in other markets as well. Our portfolio is tailored around food integrity: natural solutions that enhance the consumer experience of products from creation to consumption, by prolonging freshness and providing safe, and healthy food.
In the Biochemicals segment, our biobased chemicals, chemicals derived from renewable resources such as sugar, starch, or carbohydrates, are a sustainable alternative to fossil-based chemicals in various applications. Our biobased products offer a mix of increased performance

at competitive prices and with a reduced carbon footprint. We are constantly searching for new building blocks and molecules in order to secure future revenue growth and remain competitive in the long term.

Segment information by business area

	Biobased Food Ingredients		Biochemicals		Unallocated (central activities)		Corbion continuing operations	
	2013	2012	2013	2012	2013	2012	2013	2012
Income statement information								
Net sales	566.0	579.7	177.6	174.0			743.6	753.7
Operating result	80.0	80.5	-1.5	2.1	-39.5	-45.0	39.0	37.6
One-off costs included in operating result	2.8	1.2	0.5	0.4	15.9	16.6	19.2	18.2
Alternative non-IFRS performance measures								
EBITDA excluding one-off costs	105.7	106.9	15.9	18.1	-22.4	-26.0	99.2	99.0
Ratios alternative non-IFRS performance measures								
EBITDA margin %	18.2	18.2	8.7	10.2			10.9	11.8
EBITDA margin % excluding one-off costs	18.7	18.4	9.0	10.4			13.3	13.1

Corbion 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 is presented. Management is of the opinion that these so-called alternative performance measures might be useful for the readers of these financial statements. Corbion 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:

- EBITDA is the operating result before depreciation, amortization, and impairment of (in)tangible fixed assets
- EBITDA margin is EBITDA divided by net sales x 100

Segment information by geographical region

	Net sales		Non-current assets	
	2013	2012	2013	2012
The Netherlands	83.4	59.4	135.2	109.2
Rest of Europe	57.0	75.1	36.0	18.3
North America	479.8	492.5	135.2	143.6
Other countries	123.4	126.7	113.1	135.3
Corbion total operations	**743.6**	**753.7**	**419.5**	**406.4**

The above information is based on the geographical location of the assets. Non-current assets exclude those relating to deferred tax assets.

5 PAYROLL AND SOCIAL INSURANCE

	2013	2012 (restated)
Payroll	110.2	104.1
Pension premiums – defined benefit pension plans	4.3	6.7
Pension premiums – defined contribution pension plans	9.2	3.8
Other social insurance	11.6	11.0
Share-based remuneration	0.8	0.9
Total	**136.1**	**126.5**

6 DEPRECIATION/AMORTIZATION OF (IN)TANGIBLE FIXED ASSETS

	2013	2012
Depreciation of property, plant, and equipment	36.2	37.2
Amortization of intangible fixed assets	4.8	6.0
Total	**41.0**	**43.2**

7 FINANCIAL INCOME AND CHARGES

	2013	2012
Interest income	-0.2	-0.1
Interest charges	12.7	25.3
Exchange rate differences	-2.5	-0.3
Fluctuations in fair value of derivatives	6.3	-0.6
Other	0.3	0.2
Total	**16.6**	**24.5**

8 TAXES

	Continuing operations		Discontinued operations		Total	
	2013	2012	2013	2012	2013	2012
Current tax	19.0	-8.3	12.7	19.3	31.7	11.0
Deferred tax	-5.0	-4.3	-0.1	-40.8	-5.1	-45.1
Tax charge (income)	**14.0**	**-12.6**	**12.6**	**-21.5**	**26.6**	**-34.1**

For calculation of taxes on discontinued operations see Note 9.

	Continuing operations		Discontinued operations		Total	
	2013	2012	2013	2012	2013	2012
Result before taxes	**21.2**	**13.0**	**9.6**	**-112.4**	**30.8**	**-99.4**
Applicable tax charge at average statutory tax rate	6.9	4.7	4.6	-27.4	11.5	-22.6
Income not subject to tax	-10.6	-10.1	-6.6	-1.1	-17.2	-11.2
Expenses not deductible for tax purposes	7.3	3.5	8.6	1.7	15.9	5.2
Effect of the reversal of tax assets	6.3	2.0	6.5	0.7	12.8	2.7
Additions/releases of tax provision	3.4	-2.3		-0.4	3.4	-2.7
Prior years effects	0.8	-10.4	0.4	-4.6	1.2	-15.0
Effects of recycling	-0.1		-8.4		-8.5	
Effects of goodwill impairment			7.5	9.5	7.5	9.5
Tax charge (income)	**14.0**	**-12.6**	**12.6**	**-21.5**	**26.6**	**-34.1**
Average tax rate on operations	**66.0%**	**-96.9%**	**131.3%**	**19.1%**	**86.4%**	**34.3%**

The average statutory tax rate is the average of the statutory tax rates in the countries where Corbion operates, weighted on the basis of the result from ordinary activities before taxes in each of these countries.

The realization of deferred tax assets depends on the expected future profitability. Based on management's expectations the valuation allowance has been increased.

The adjustment in respect of the effects of goodwill impairment reflects the effect of impairing goodwill which is not deductible for tax purposes.

The adjustment in respect of prior years reflects the effects of changes to relevant regulations, facts, or other factors compared to those used in establishing the current tax position or deferred tax balance in previous years.

Breakdown of the tax charge recognized in equity

	Continuing operations		Discontinued operations		Total	
	2013	2012	2013	2012	2013	2012
Tax liability due to loan-related exchange rate differences	18.7	-0.3	-10.0	1.1	8.7	0.8
Tax liability due to hedge results of financial instruments	-1.6	1.3	-0.1	0.2	-1.7	1.5
Tax charge due to remeasurement of defined benefit obligation	0.5	-3.8	-0.7	-9.7	-0.2	-13.5
Tax charge (income) recognized in equity	**17.6**	**-2.8**	**-10.8**	**-8.4**	**6.8**	**-11.2**

9 DISCONTINUED OPERATIONS

Divestment of the Bakery Supplies businesses

On 3 July 2013, Corbion announced the successfull completion of the divestment of its Bakery Supplies businesses to affiliates of Rhône Capital. The Bakery Supplies businesses have been divested for an Enterprise Value of € 1,050 million.

The Bakery Supplies businesses hold strong market positions in Europe and North America. However, in the current environment of expected continuation of volatility in raw material costs and pressure on consumer spending, further market consolidation in the bakery segment is essential for a prosperous future. The high-growth opportunities Corbion has identified for its biobased product activities require significant investments as well. In the longer term Corbion does

not have sufficient financial resources to exploit both opportunities. It is expected, given the current market environment and the requirement to maximize shareholder value, that the Bakery Supplies businesses will be of greater value to another owner, and as such better positioned to participate in this consolidation. The businesses divested were part of the Bakery Supplies Europe and Bakery Products North America segments.

Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in Note 24.

Profit for the year from discontinued operations

	2013 (6 months)	2012
Operations		
Net sales	1,244.1	2,562.0
Costs of raw materials and consumables	-773.4	-1,588.9
Production costs	-147.0	-328.7
Warehousing and distribution costs	-100.2	-207.5
Gross profit	**223.5**	**436.9**
Selling expenses	-92.6	-208.3
Research and development costs	-10.2	-22.2
General and administrative expenses	-82.4	-154.1
Impairment of goodwill		-165.0
Other proceeds		0.3
Operating result	**38.3**	**-112.4**
Financial income		0.1
Financial charges		-0.3
Results from joint ventures and associates	0.3	0.2
Result before taxes	**38.6**	**-112.4**
Taxes	-20.7	21.5
Result operations after taxes	**17.9**	**-90.9**
Divestment		
IFRS 5 remeasurement	-30.0	
Divestment result (gross)	6.2	
Recycled translation reserve	-5.2	
Taxes	8.1	
Result divestment after taxes	**-20.9**	
Result after taxes	**-3.0**	**-90.9**
Other comprehensive results to be recycled:		
Translation reserve	-9.8	-3.0
Hedge reserve	-0.3	0.9
Taxes relating to other comprehensive results to be recycled	10.1	-1.3
Total other comprehensive results to be recycled	**0.0**	**-3.4**
Other comprehensive results not to be recycled:		
Defined benefit arrangements	-2.7	-34.5
Taxes relating to other comprehensive results not to be recycled	0.7	9.7
Total other comprehensive results not to be recycled	**-2.0**	**-24.8**
Total comprehensive result after taxes	**-5.0**	**-119.1**

The income statement is based on a stand-alone situation of the discontinued operations adjusted for elimination of intercompany transactions and reallocation of other incremental expenses directly associated with the discontinued operations. Net effects are opposite presented in continuing operations. Taxes on these adjustments are adjusted as well and calculated on the basis of the applicable nominal tax rate. Also changes in overall deferred tax liabilities and assets positions as well as current income tax positions due to the classification as discontinued operations as at the end of 2012 and the associated legal restructuring are taken into account in taxes in the income statement.

Cash flows from discontinued operations

	2013	2012
Cash flow from operating activities		
Result after taxes	-3.0	-90.9
Adjusted for:		
• Depreciation/amortization of fixed assets		66.4
• Impairment of fixed assets	30.0	169.4
• Result from divestments of fixed assets		-1.5
• Result from purchase/sale of group companies and activities	-6.2	-0.3
• Interest income		-0.1
• Interest expense		0.2
• Exchange rate differences	5.2	0.1
• Results from joint ventures and associates	-0.3	-0.2
• Taxes	12.6	-21.6
Cash flow from operating activities before movements in working capital	**38.3**	**121.5**
Movement in provisions	-9.7	-6.0
Movements in working capital:		
• Receivables	-25.3	9.6
• Inventories	-15.3	4.0
• Non-interest-bearing current liabilities	2.2	5.3
Cash flow from business operations	**-9.8**	**134.4**
Interest received		0.1
Interest paid		-0.1
Tax paid on profit	-14.4	-9.8
Cash flow from operating activities	**-24.2**	**124.6**
Cash flow from investment activities		
Acquisition of group companies		-4.7
Sale of group companies	873.5	
Repayment other financial assets		0.4
Capital expenditure on (in)tangible fixed assets	-7.8	-21.4
Divestment of (in)tangible fixed assets		0.1
Cash flow from investment activities	**865.7**	**-25.6**

The cash flow statement is also based on a stand-alone situation of the discontinued operations with the following adjustments: the adjustments in the income statement are considered to be cashed immediately and the intercompany cash flows are eliminated.

10 EARNINGS PER COMMON SHARE

Earnings per common share and earnings per common share from continuing and discontinued operations are calculated by dividing the profit available for holders of common shares by the weighted average number of outstanding common shares in Corbion nv.
Diluted earnings per common share are calculated by dividing the profit available for holders of common shares by the weighted average number of outstanding common shares in Corbion nv adjusted for the effects of potential exercise of share rights by the Board of Management.

	2013	2012 (restated)
Result after taxes	**4.2**	**-65.3**
Minus: dividend financing preference shares	2.8	3.7
Total profit available for holders of common shares (A)	**1.4**	**-69.0**
Minus: profit discontinued operations (B)	-3.0	-90.9
Continuing operations profit available for holders of common shares (C)	**4.4**	**21.9**
Weighted average number of outstanding common shares (D)	**70.1**	**71.9**
Plus: common shares related to share rights	0.2	0.1
Weighted average number of outstanding common shares after dilution (E)	**70.3**	**72.0**
Per common share in euros		
Basic earnings from continuing operations (C/D)	0.06	0.30
Basic earnings from discontinued operations (B/D)	-0.04	-1.26
Basic earnings (A/D)	0.02	-0.96
Diluted earnings from continuing operations (C/E)	0.06	0.30
Diluted earnings from discontinued operations (B/E)	-0.04	-1.26
Diluted earnings (A/E)	0.02	-0.96

11 PROPERTY, PLANT, AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Other fixed assets	Under construc-tion	Not em-ployed in operations	Total
1 January 2012							
Acquisition prices	46.5	303.5	916.4	80.9	77.9		1,425.2
Cumulative depreciation		-129.6	-652.6	-60.0			-842.2
Book value	**46.5**	**173.9**	**263.8**	**20.9**	**77.9**		**583.0**
Movements							
Capital expenditure	3.3	14.4	18.1	4.1	27.0		66.9
Divestments		-0.1	-1.1	-0.5			-1.7
Exchange rate differences	-0.2	-0.8		-0.2	0.8		-0.4
Acquisition of group companies		0.2	3.5				3.7
Depreciation		-11.9	-59.7	-9.6			-81.2
Impairment		-6.8		-2.3			-9.1
Other	0.3	12.0	51.8	7.2	-71.3		
Reclassification as assets held for sale	-31.2	-85.0	-125.2	-9.4	-7.4		-258.2
Net movement in book value	**-27.8**	**-78.0**	**-112.6**	**-10.7**	**-50.9**		**-280.0**
31 December 2012							
Acquisition prices	18.7	164.8	499.1	42.8	27.0		752.4
Cumulative depreciation		-68.9	-347.9	-32.6			-449.4
Book value	**18.7**	**95.9**	**151.2**	**10.2**	**27.0**		**303.0**
Movements							
Capital expenditure		0.1	14.9	6.0	45.8		66.8
Divestments	-0.5	-1.7	-0.9	-0.5	-0.4		-4.0
Exchange rate differences	-1.1	-5.9	-9.3	-0.5	-1.5		-18.3
Acquisition of group companies			0.2				0.2
Depreciation		-4.9	-26.7	-4.6			-36.2
Impairment		-1.0	-0.3				-1.3
Other	1.3	0.3	7.6	0.7	-9.9		
Net movement in book value	**-0.3**	**-13.1**	**-14.5**	**1.1**	**34.0**		**7.2**
31 December 2013							
Acquisition prices	18.4	139.7	479.3	46.6	61.0		745.0
Cumulative depreciation		-56.9	-342.6	-35.3			-434.8
Book value	**18.4**	**82.8**	**136.7**	**11.3**	**61.0**		**310.2**
Depreciation rates		2.5 - 4%	6.7-12.5%	20-50%		6.7-12.5%	

The property, plant, and equipment item includes fixed assets with a book value of € 0.4 million (31 December 2012: € 0.4 million) which are financed through a financial lease.

The impairment recorded for buildings (part of the unallocated segment) relates to a lower fair value for office premises which are partly vacant.

12 INTANGIBLE FIXED ASSETS

	Goodwill	Customer base	Brands and licenses	Research and development costs	Non-compete agreements	Other intangible fixed assets	Total
1 January 2012							
Acquisition prices	1,036.8	194.8	39.8	32.7	16.9	25.6	1,346.6
Cumulative amortization	-355.3	-36.3	-9.7	-10.1	-12.6	-10.2	-434.2
Book value	**681.5**	**158.5**	**30.1**	**22.6**	**4.3**	**15.4**	**912.4**
Movements							
Capital expenditure			0.2	4.8		4.3	9.3
Acquisition of group companies	5.4	0.5	17.7				23.6
Exchange rate differences	-6.2	-1.5	-0.2	-0.3		-0.2	-8.4
Amortization		-12.3	-4.5	-3.5	-2.9	-5.2	-28.4
Impairment	-165.0					-3.2	-168.2
Reclassification as assets held for sale	-462.0	-137.9	-19.5	-17.2		-10.3	-646.9
Net movement in book value	**-627.8**	**-151.2**	**-6.3**	**-16.2**	**-2.9**	**-14.6**	**-819.0**
31 December 2012							
Acquisition prices	56.6	13.7	26.2	13.2	7.9	3.0	120.6
Cumulative amortization	-2.9	-6.4	-2.4	-6.8	-6.5	-2.2	-27.2
Book value	**53.7**	**7.3**	**23.8**	**6.4**	**1.4**	**0.8**	**93.4**
Movements							
Capital expenditure			3.3	5.3		0.1	8.7
Acquisition of group companies	0.3		2.6				2.9
Exchange rate differences	-2.1	-0.3	-0.3				-2.7
Amortization		-1.2	-1.0	-0.8	-1.4	-0.4	-4.8
Impairment							
Other			0.2	-0.2			
Net movement in book value	**-1.8**	**-1.5**	**4.8**	**4.3**	**-1.4**	**-0.3**	**4.1**
31 December 2013							
Acquisition prices	54.7	13.1	32.0	18.3	7.5	2.9	128.5
Cumulative amortization	-2.8	-7.3	-3.4	-7.6	-7.5	-2.4	-31.0
Book value	**51.9**	**5.8**	**28.6**	**10.7**		**0.5**	**97.5**
Amortization rate		7 - 10%	5 - 10%	33.3%	20-60%	33.3%	

Goodwill impairment test

Goodwill is allocated to Corbion's cash generating units (CGUs) identified as the operating segments. For Corbion the operating segments Biobased Food Ingredients and Biochemicals are the levels to which goodwill of Corbion should be allocated for the purposes of impairment testing.

Main reasons for this approach are:

- It represents a non-arbitrary, reasonable, and consistent basis for the allocation of goodwill.
- The allocation is also in line with the expected synergies at the time of an acquisition with benefits for more than one entity.
- The allocation represents the lowest level where goodwill is monitored by the Board of Management, while not being larger than the operating segments.

Breakdown of the book value of the goodwill by segment

	As at 31-12-2013	As at 31-12-2012
Biobased Food Ingredients	50	52
Biochemicals	2	2
Continuing operations	**52**	**54**
Assets classified as held for sale		462
Total operations	**52**	**516**

The recoverable amount of both segments is determined using a value-in-use method. The main assumptions used are derived from the financial and business plans for 2013 until 2017 which have been approved by the Board of Management. From 2017 onwards a stable growth of 1% is taken into account in combination with a relatively constant cost structure.

The future cash flows are discounted on the basis of WACC before tax.

Overview of the WACC used

	As at 31-12-2013		As at 31-12-2012	
	pre-tax	post-tax	pre-tax	post-tax
Biobased Food Ingredients	14.5%	10.7%	12.6%	9.7%
Biochemicals	13.1%	11.0%	12.6%	9.7%

In 2012, the WACC was calculated using different CGUs. The Biobased Food Ingredients and Biochemicals segments were partly included in the Bakery Products North America segment and partly included in the Purac segment. As a result of the divestment of the Bakery Supplies businesses, the CGUs changed significantly. The WACC for 2012 shown above reflects the Purac's WACC of 2012 and has been included for comparison purposes only.

In addition, sensitivity analyses have been carried out in respect of the assumptions using:
- A terminal value growth of 0%
- A discount rate of +1%.

Both assumptions applicable at the same time would not lead to any impairment.

Given the above assumptions and the outcome of analyses the Board of Management has concluded that the value-in-use of both segments is not lower than the book value of the segment including goodwill.

13 LOANS, RECEIVABLES, AND OTHER

	Long-term receivables and other
As at 1 January 2012	**9.9**
Investment	0.8
Income statement	-0.1
Repayments	-6.6
Reclassification as assets held for sale	-0.4
As at 31 December 2012	**3.6**
Investment	1.3
As at 31 December 2013	**4.9**

The book value of the long-term receivables does not significantly deviate from the fair value.

14 JOINT VENTURES AND ASSOCIATES

	Joint ventures	Associates	Total
As at 1 January 2012	**7.3**	**1.8**	**9.1**
Investment	4.5	0.5	5.0
Income statement	0.3	-0.2	0.1
Exchange rate differences	-0.4		-0.4
Reclassification as assets held for sale	-7.2	-0.2	-7.4
As at 31 December 2012	**4.5**	**1.9**	**6.4**
Investment	1.2	0.5	1.7
Income statement	-0.6	-0.6	-1.2
As at 31 December 2013	**5.1**	**1.8**	**6.9**

The group's share in the results of its principal joint ventures and associates, all of which are unlisted, and its aggregated assets (including goodwill) and liabilities, is as follows:

	Assets including goodwill	Liabilities	Net sales	Income statement	Interest % held
Succinity GmbH	1.8	0.5			50%
Bioprocess Pilot Facility bv	21.1	17.3	1.6	-0.6	31%
Total joint ventures	**22.9**	**17.8**	**1.6**	**-0.6**	
Dutch Technology Fund I bv	2.1	1.2		-0.3	33%
Icos Cleantech Fund II bv	1.3	0.4		-0.3	24%
Total associates	**3.4**	**1.6**		**-0.6**	
Total joint ventures and associates	**26.3**	**19.4**	**1.6**	**-1.2**	

15 INVENTORIES

	As at 31-12-2013	As at 31-12-2012
Raw materials, consumables, technical materials, and packaging	28.1	30.3
Work in progress	9.6	10.5
Finished product	60.5	66.0
Impairment provision	-1.1	-2.2
Total	**97.1**	**104.6**

Movements in inventories impairment provision

	2013	2012
As at 1 January	**-2.2**	**-11.1**
Additions	-0.2	-1.3
Releases	1.5	0.9
Use	-0.2	1.7
Reclassification as assets held for sale		7.6
As at 31 December	**-1.1**	**-2.2**

16 RECEIVABLES

	As at 31-12-2013	As at 31-12-2012
Trade receivables	85.8	83.6
Impairment provision	-2.0	-2.1
Other receivables	6.2	4.9
Derivatives	0.2	1.7
Prepayments and accrued income	6.9	6.3
Total	**97.1**	**94.4**

Remaining term of receivables is less than one year. The face value of the receivables (excluding derivatives) does not significantly deviate from the fair value.

The credit risk associated with trade receivables is managed by the local finance managers. Periodically, each entity reports the expired credit terms and the movements in the provisions for trade receivables to the Board of Management. The maximum credit risk in respect of trade receivables is € 85.8 million (2012: € 83.6 million).

Trade receivables are not interest-bearing and generally have an average term of credit of 30-90 days. The impairment provision is based on expired terms of credit and defined individually. The trade receivables item includes an amount of € 7.1 million in receivables with expired terms of credit which are expected to be received and are therefore not provided for.

Breakdown of expired credit terms

	Total	< 30 days	30-60 days	60-90 days	> 90 days
Biobased Food Ingredients	5.4	4.3	0.5	0.2	0.4
Biochemicals	1.7	1.3	0.2	0.1	0.1
Total	**7.1**	**5.6**	**0.7**	**0.3**	**0.5**

Movements in trade receivables impairment provision

	2013	2012
As at 1 January	**-2.1**	**-12.6**
Additions/releases	0.1	-4.0
Use	-0.1	3.6
Exchange rate differences	0.1	
Reclassification as assets held for sale		10.9
As at 31 December	**-2.0**	**-2.1**

The additions/releases of the trade receivables impairment provision are recognized as general and administrative expenses.

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes € 50.0 million in Dutch treasury certificates, € 23.0 million money market funds, and € 10.0 million short-term deposits (31 December 2012: € 0 million). The cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

18 EQUITY

Share capital

As at 31 December 2013 the authorized share capital totaled € 50 million, consisting of 182 million common shares with a nominal value of € 0.25 each and 18 million financing preference shares with a nominal value of € 0.25 each, divided into three series of six million named FPA, FPB, and FPC.

The series of financing preference shares have the following dividend percentages and dividend review dates.

Finprefs	Dividend	First dividend review date	Review interval
FPA series	2.67%	1 August 2017	five years
FPB series	2.67%	1 August 2017	five years
FPC series	6.40%	1 August 2017	five years

Holders of financing preference shares have priority over holders of common shares regarding dividend payments and liquidation proceeds.
The average dividend until the first dividend review date on outstanding financing preference shares is 3.93% as at 31 December 2013.

Movements in number of issued shares

	Common	FPA	FPB	FPC
As at 1 January 2013	**69,914,711**	**852,512**	**852,512**	**1,278,770**
Stock dividend	2,025,231			
As at 31 December 2013	**71,939,942**	**852,512**	**852,512**	**1,278,770**

Movements in number of shares with dividend rights

	Common	FPA	FPB	FPC
As at 31 December 2012	**69,909,876**	**852,512**	**852,512**	**1,278,770**
Acquired shares	-10,819,685			-409,513
Share-based remuneration	61,493			
Stock dividend	2,025,231			
As at 31 December 2013	**61,176,915**	**852,512**	**852,512**	**869,257**

Movements in treasury stock common shares

	Number	Nominal amount (in euros)
As at 1 January 2013	**4,835**	**1,209**
Acquired shares	10,819,685	2,704,921
Share-based remuneration	-61,493	-15,373
As at 31 December 2013	**10,763,027**	**2,690,757**

As at 31 December 2013, Corbion has a treasury stock of 10,763,027 common shares at its disposal with a nominal value of € 0.25 each (representing 14.4% of the total share capital issued) at an average acquisition price of € 17.36. Further, Corbion has a treasury stock of 409,513 financing preference shares with a nominal value of € 0.25 each (representing 0.5% of the total share capital issued) at an average acquisition price of € 23.46.
Treasury stock shares have no dividend rights.

Share movement: acquired common shares
During the report year the company acquired a total of 10,819,685 common shares with a nominal value of € 0.25 each at a total acquisition price of € 200,910,064.
The costs of € 200,910,064 (2012: € 370,885) arising from the acquired shares during the report year, have been charged to the reserves.

Share movement: stock dividend
During the report year the company placed at the common shareholders' disposal a stock dividend totaling 2,025,231 shares (2012: 2,256,012) with a nominal value of € 0.25 each.
The total nominal value of € 506,308 (2012: € 564,003) arising from the stock dividend during the report year has been charged to the share premium reserve.

Share movement: share-based remuneration
During the report year the company transferred a total of 61,493 shares (2012: 98,800) with a nominal value of € 0.25 each pursuant to share-based remuneration arrangements.

Share-based remuneration arrangements: Board of Management
A share plan is in place for the Board of Management. Two current members of the Board of Management have a total of 177,776 unvested share rights in the company as at 31 December 2013 (2012: 160,517). The nominal amount of the shares which are claimable under unvested share rights equals € 44,444 per that date.

Share-based remuneration arrangements: management
Reward plans ("Phantom plan") are available for certain members of management. Participants in these plans are awarded a provisional cash payment. Depending on the Total Shareholder Return (TSR) of Corbion compared with the peer group and/or continued employment after a period of three to four years, the actual gross amount if any is determined and paid.

A share buying program is in place for managers who also participate in the "Phantom plan." On 1 October of the year following the calendar year in which participants have acquired shares, a gross cash payment worth 30% of the fair value on this date of the shares acquired is made to the participants.

Certain members of management receive a package of Corbion shares worth 9.5% of their fixed salary (commitment award). They may sell as many shares as needed to pay the income tax obligations. The acquired shares shall be held until the end of their employment at Corbion.

Movements in number of unvested shares: Board of Management

Year of allocation	Total as at 31-12-2012	Allocated in 2013	Vested and expired in 2013	Total as at 31-12-2013
2010	44,048		44,048	
2011	40,551			40,551
2012	75,918			75,918
2013		61,307		61,307
2013		7,871	7,871	
Total	**160,517**	**69,178**	**51,919**	**177,776**

Valuation allocated unvested shares 2013: Board of Management

The fair value of the above-mentioned performance-related shares allocated in 2013 was € 21.05 per share (2012: € 15.91). The fair value is estimated by using the Black & Scholes model and the assumptions set forth below.

	2013	2012
Risk-free interest rate	0.44%	0.98%
Expected dividend gains	0	0
Expected volatility in share price	32%	32%
Term	3 years	3 years

Movements in number of blocked commitment award shares: total management

	Total as at 31-12-2012	Allocated in 2013	Released in 2013	Total as at 31-12-2013
Total	**73,084**	**9,574**	**16,586**	**66,072**

Other reserves

	Movements in legal reserves				
	Translation reserve	Hedge reserve	Development costs	Share plan reserve	Total
As at 1 January 2012	**38.2**	**-8.2**	**22.6**	**1.3**	**53.9**
• Net investment hedge					
Exchange rate differences foreign currency loan	7.8				7.8
Tax effect	-1.9				-1.9
• Translation difference					
Foreign group companies	-15.4				-15.4
Tax effect	1.2				1.2
• Cash flow hedge					
Fluctuations in fair value derivatives		5.1			5.1
Tax effect		-1.6			-1.6
• Share-based remuneration charged to result				0.9	0.9
• Share-based remuneration transfers				-1.3	-1.3
• Movement in capitalization of development costs			1.0		1.0
• Other transfers				0.2	0.2
As at 31 December 2012	**29.9**	**-4.7**	**23.6**	**1.1**	**49.9**
• Net investment hedge					
Exchange rate differences foreign currency loan	3.6				3.6
Tax effect	-0.8				-0.8
• Translation difference					
Foreign group companies	-26.1				-26.1
Tax effect	-4.7				-4.7
• Cash flow hedge					
Fluctuations in fair value derivatives		5.9			5.9
Tax effect		-1.5			-1.5
• Share-based remuneration charged to result				0.8	0.8
• Share-based remuneration transfers				-1.1	-1.1
• Movement in capitalization of development costs			-12.9		-12.9
• Other transfers				0.3	0.3
As at 31 December 2013	**1.9**	**-0.3**	**10.7**	**1.1**	**13.4**

In specific circumstances legal reserves must be created in accordance with Part 9, Book 2 of the Dutch Civil Code. The legal reserves comprise the translation reserve, hedge reserve, and development costs reserve. In case a legal reserve has a negative value no payments can be made from the retained earnings up to the level of the negative value(s). The positive legal reserves as at 31 December 2013 amount to € 12.6 million.

A reserve for non-transferable profits is not applicable as Corbion has no restrictions to transfer profits from its operations in the different countries.

The effective portion of foreign exchange rate differences on loans is 100% and recorded in the translation reserve.

19 PROVISIONS

	As at 31-12-2013	As at 31-12-2012
Pension and early retirement schemes	10.9	18.1
Other long-term employee benefit commitments	1.1	1.5
Reorganization and restructuring	9.2	13.6
Other	0.4	
Total	**21.6**	**33.2**

Movements in provisions

	Pension and early retirement schemes	Other long-term employee benefit commitments	Reorganization and restructuring	Other	Total
As at 1 January 2013	**18.1**	**1.5**	**13.6**		**33.2**
Addition charged to result	5.8	0.3	8.5	0.4	15.0
Release credited to result	-1.5	-0.5	-3.6		-5.6
Equity movements	-3.5				-3.5
Withdrawal for intended purpose	-20.9	-0.1	-9.3		-30.3
Exchange rate differences	0.2	-0.1			0.1
Acquisition/divestments					
Liabilities directly associated with assets held for sale in prior year, but not sold	12.7				12.7
As at 31 December 2013	**10.9**	**1.1**	**9.2**	**0.4**	**21.6**
Short-term part included in provisions					
As at 31 December 2013			**9.2**	**0.4**	**9.6**

Pension and early retirement schemes
Pension and early retirement schemes relate to post-employment defined benefit arrangements. For more information on pensions see Note 20.

Other long-term employee benefit commitments
Other long-term employee benefit commitments relate mainly to anniversary commitments, past-service commitments, conditional incentive plans, and health insurance.

Reorganization and restructuring
This provision relates mainly to the Relevance restructuring program and the divestment project.

Other
The other provisions relate mainly to loss-making contracts, legal disputes, and other litigation risks.

20 PENSIONS

In 2013 three settlements of defined benefit plans took place. The pension liabilities and assets of the two Dutch pension schemes were transferred to the industry-wide pension fund "Pensioenfonds voor Grafische Bedrijven" (PGB). A UK plan was transferred to an insurance company. After these transfers, Corbion will only pay fixed amounts for these plans and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to cover all employee benefits relating to employee service in the current and prior periods. Pension calculations are performed by professional actuarial service firms. The input for the actuarial assumptions is based on advice from an independent actuarial service firm.

As per year-end, Corbion sponsors defined benefit pension plans in the USA and UK. Both plans are closed schemes. The plans are based on final pay and are wholly funded. All plans have been established in accordance with the legal requirements of the countries involved. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The board of the pension fund is composed of an equal number of representatives from both employers and (former) employees. The defined benefit obligation as per year-end consisted for the vast majority of the UK plan.

Summary of the main UK Scheme benefits:
- The Normal Retirement Age (NRA) is 65; however, Section 1 members are able to take their benefits in respect of pre 1 October 2003 service unreduced from age 60.
- Pensions in deferment increase in line with statutory revaluation with the exception of pre 1 October 2003 benefits for Section 1 members, which have an underpin linked to the level of pension increases in payment (which are linked to RPI).
- Pensions in payment increase in line with RPI capped at 5% for benefits in respect of pre 1 January 2006 service and RPI capped at 2.5% for benefits in respect of post 31 December 2005 service.

The UK pension scheme is in a deficit situation. For this plan a recovery plan has been agreed for which Corbion will contribute additional funding payments of GBP 1.1 million per year with an increase of 5% per year payable until 2021 or until the scheme is no longer in a deficit situation.

The plans typically expose the group to actuarial risks such as investment risk, interest rate risk, and longevity risk.

- Investment risk
  The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high-quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Currently the plans have a relatively balanced investment in mainly equity securities and debt instruments.
- Interest risk
  A decrease in the bond interest rate will increase the plan liability; however, this will be partly offset by an increase in the return on the plan's debt investments.
- Longevity risk
  The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Breakdown of the amounts recognized in respect of defined benefit pension plans in the income statement and statement of comprehensive income

	2013	2012 (restated)
Current service costs	1.5	14.5
Contribution by employees		-0.9
Net interest expense	0.5	4.5
Gains/losses from significant settlements	2.3	
Total pension costs recognized in income statement	**4.3**	**18.1**
Remeasurements on the net defined benefit liability:		
• Return on plan assets (excluding amounts included in interest income)	2.0	-39.7
• Actuarial gains/losses arising from changes in demographic assumptions		1.9
• Actuarial gains/losses arising from changes in financial assumptions	10.1	96.7
• Actuarial gains/losses arising from experience adjustments	-0.6	0.4
• Adjustments for restrictions on the defined benefit assets	-15.0	-11.5
Total pension costs recognized in other comprehensive income	**-3.5**	**47.8**
Total	**0.8**	**65.9**

The amounts recognized in the statement of financial position are determined as follows

	As at 31-12-2013	As at 31-12-2012 (restated)	As at 01-01-2012 (restated)
Present value of defined benefit obligations	74.1	435.7	581.7
Fair value of plan assets	64.0	432.8	498.3
Funded status	**10.1**	**2.9**	**83.4**
Restrictions on assets recognized	0.8	15.2	
Net liability	**10.9**	**18.1**	**83.4**

Movements in defined benefit obligation

	2013	2012 (restated)
As at 1 January	**435.7**	**581.7**
Current service costs	1.5	14.5
Interest charges	6.0	26.1
Pension payments	-10.4	-31.1
Remeasurement (gains)/losses:		
• Actuarial gains/losses arising from changes in demographic assumptions		1.9
• Actuarial gains/losses arising from changes in financial assumptions	10.1	96.7
• Actuarial gains/losses arising from experience adjustments	-0.6	0.4
Significant curtailments		
Significant settlements	-429.4	
Exchange rate differences	-0.7	1.5
Liabilities directlty associated with assets held for sale		-256.0
Liabilities directlty associated with assets held for sale in prior year, but not sold	61.9	
As at 31 December	**74.1**	**435.7**

Movements in fair value of plan assets

	2013	2012 (restated)
As at 1 January	**432.8**	**498.3**
Interest income	5.9	22.9
Pension payments	-10.2	-26.6
Contributions from the employer	20.7	14.9
Contributions from plan participants		0.9
Remeasurement gains/(losses):		
• Return on plan assets (excluding amounts included in interest income)	-2.0	39.6
Significant settlements	-431.7	
Exchange rate differences	-0.7	1.3
Liabilities directly associated with assets held for sale		-118.5
Liabilities directly associated with assets held for sale in prior year, but not sold	49.2	
As at 31 December	**64.0**	**432.8**

The actual return on plan assets was € 3.9 million positive (2012: € 62.5 million positive).

The investment srategy is based on the composition of the obligations of the pension schemes. Based on Asset Liability Management models analyses have been performed on a regular basis to define the investment portfolio. At year-end the asset allocation was as follows:

Asset categories of plan assets

	2013	2012
Quoted equity securities	43.6	97.1
Unquoted equity securities	0.2	
Quoted debt securities	17.6	323.5
Unquoted debt securities		
Quoted real estate		12.2
Unquoted real estate		
Other	2.6	
Total assets	**64.0**	**432.8**

The main weighted average actuarial assumptions

	2013	2012
Discount rate	4.3%	3.6%
Salary growth rate		2.7%
Pension growth rate	2.2%	2.7%

Sensitivity of the defined benefit obligation to changes in the weighted principal assumption is

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(8.0)	7.2
Salary growth rate	0.50%		
Pension growth rate	0.50%	3.3	(4.7)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

The strategic investment policy of the Scheme can be summarised as follows:
- A strategic asset mix comprising 70% in equities and 30% in bonds.
- Interest rate risk is managed through the use of government and corporate bonds of an appropriate duration.
- Currency risk is managed by implementing a 50% currency hedge on the global equity holding.

The average duration of the defined benefit obligation at 31 December 2013 is 23.6 years.

The expected contributions to the defined benefit pension plans in the coming year amount to € 1.7 million.

21 DEFERRED TAX

Breakdown of deferred tax assets and liabilities

	2013	2012 (restated)
Deferred tax liabilities	21.2	134.5
Deferred tax assets	-21.4	-44.5
As at start of financial year	**-0.2**	**90.0**
Tax charge in income statement	-5.1	-45.1
Translation differences foreign group companies	1.2	
Acquisition/sale of group companies	0.6	0.2
Tax charge movements in equity	-2.4	-12.2
Liabilities directly associated with assets held for sale		-66.0
Assets held for sale		32.9
As at close of financial year	**-5.9**	**-0.2**
Deferred tax liabilities	10.1	21.2
Deferred tax assets	-16.0	-21.4
As at close of financial year	**-5.9**	**-0.2**

Breakdown of deferred tax assets and liabilities by type

	As at 31-12-2013		As at 31-12-2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant, and equipment	-15.6	17.4	-15.7	20.5
Intangible fixed assets	-9.5	9.0	-10.1	5.9
Current assets/liabilities	-0.5	4.6	-0.7	6.3
Tax loss carry forward	-4.5		-0.2	
Provisions	-8.0	1.1	-9.0	2.4
Other		0.1		0.4
	-38.1	**32.2**	**-35.7**	**35.5**
Netting	22.1	-22.1	14.3	-14.3
Total	**-16.0**	**10.1**	**-21.4**	**21.2**

The short-term part of deferred tax assets, after write-down and netting with the short-term part of deferred tax liabilities, amounts to € 1.9 million (2012: € 1.5 million).

Depending on the term of anticipated realization of deferred tax assets and liabilities, these are netted. This may be the case for a legal entity or for a group of legal entities which are considered one fiscal unity. After netting deferred tax assets and liabilities are assessed and the possibilities of future realization are analyzed. Corbion has considered tax planning opportunities which provide convincing evidence to record the deferred tax assets. This may result in full or partial write-down of the relevant tax asset or liability.

Breakdown of deferred taxes due to tax loss carry forward

	2013	2012
Total tax loss carry forward	145.5	88.1
Tax loss carry forward not qualified as deferred tax asset	-127.5	-87.5
Tax loss carry forward qualified as deferred tax asset	18.0	**0.6**
Average tax rate	25.0%	33.3%
Deferred tax asset	**4.5**	**0.2**

Expiry date of tax losses carry forward not qualified as deferred tax asset

	2013	2012
Within 5 years	6.4	3.6
Between 5 and 10 years	40.6	3.0
10 years or longer	52.7	52.8
No expiry date	27.8	28.1
Tax loss carry forward not qualified as deferred tax asset	**127.5**	**87.5**

Breakdown of the tax charge arising from deferred tax assets and liabilities in the income statement by type

	2013	2012
Property, plant, and equipment	-2.3	-9.4
Intangible fixed assets	4.3	-38.1
Current assets/liabilities	-1.2	8.2
Tax loss carry forward	-6.6	-4.5
Provisions	1.0	
Exchange rate differences loans	2.9	-0.8
Financial instruments	-1.8	-0.5
Other	-1.4	
Total	**-5.1**	**-45.1**

22 NON-CURRENT LIABILITIES

			Effective interest %		Average term in years	
	As at 31-12-2013	As at 31-12-2012	As at 31-12-2013	As at 31-12-2012	As at 31-12-2013	As at 31-12-2012
Private placement 2010	92.2	227.7	3.89	3.93	3.1	5.3
Owed to credit institutions		375.4		0.63		1.5
Financial lease commitments	1.1	1.3	7.29	6.98	6.7	7.3
Derivatives		9.6		2.73		1.1
Other debts	1.1				7.0	
Total	**94.4**	**614.0**				
Weighted average			**3.88**	**3.31**	**3.1**	**2.9**

The weighted average term has been calculated on the basis of the remaining terms of the individual loans.
Repayments on the above amounts are due within five years (€ 81.5 million) and after five years (€ 12.9 million).

The fair value of the main long-term loans is as follows

	Balance sheet value as at 31-12-2013	Fair value as at 31-12-2013	Balance sheet value as at 31-12-2012	Fair value as at 31-12-2012
Private placement 2010	92.2	94.9	227.7	254.4
Owed to credit institutions			375.4	375.7

Private placement 2010
During 2013, the private placement loan was fully earmarked as a net investment hedge for all US dollar companies. Hence, exchange rate differences in respect of this liability are charged to the translation reserve in equity in 2013.

Owed to credit institutions
The revolving credit facility is completely repaid during 2013. The company still has the ability to use the facility (€ 250 million) until 6 July 2014.

23 INTEREST-BEARING CURRENT LIABILITIES

	As at 31-12-2013	As at 31-12-2012	Effective interest % As at 31-12-2013	Effective interest % As at 31-12-2012
Owed to credit institutions				
Financial lease commitments	0.1	0.1	0.83	1.24
Other debts		2.3		0.11
Total	**0.1**	**2.4**		
Weighted average			**0.83**	**0.14**

24 ACQUISITIONS AND DISPOSALS

Acquisition

BIRD Engineering bv

On 7 March 2013, Purac, a subsidiary of Corbion, announced that it had entered into an agreement to acquire BIRD Engineering bv, the Netherlands.

BIRD Engineering is a biotech contract research company, specifically in the field of industrial microbiology. BIRD Engineering has experience with various micro-organisms, mostly bacteria and yeasts, and has expertise in the development of new strains and fermentation processes.

The acquisition includes the intellectual property and seven key employees of BIRD Engineering. BIRD Recruitment, a division of BIRD Engineering bv was not part of the acquisition.

The transaction has no material impact on Corbion 's financial position.

Preliminary acquisition figures

	BIRD Engineering bv
Net sales per year	0.0
Number of employees	7
Opening balance:	
Property, plant, and equipment	0.2
Intangible fixed assets	2.6
Deferred tax liabilities	-0.6
Identifiable assets minus liabilities	**2.2**
Goodwill	0.2
Acquisition price	**2.4**

The goodwill generated as part of the transaction is attributable to the workforce of the acquired business and the synergies expected to arise after the acquisition.

Disposal

Bakery Supplies businesses

On 3 July 2013, Corbion divested the Bakery Supplies businesses to Rhône Capital. For more information see Note 9.

Divestment figures

	Bakery Supplies businesses
Consideration transferred	
Payment in cash	932.4
Total consideration	**932.4**
Property, plant, and equipment	264.7
Intangible fixed assets	618.5
Loans, receivables, and other	0.4
Joint ventures and associates	7.3
Deferred tax assets	43.1
Inventories	234.4
Receivables	289.9
Tax assets	1.1
Cash and cash equivalents	58.9
Total sold assets	**1,518.3**
Long-term provisions	135.5
Deferred tax liabilities	84.0
Non-current liabilities	0.9
Interest-bearing current liabilities	0.1
Trade payables	257.1
Other non-interest-bearing current liabilities	91.2
Short-term provisions	7.3
Tax liabilities	16.0
Total sold liabilities	**592.1**
Gross result from divestment	**6.2**
Consideration received in cash and cash equivalents	932.4
Less: Cash and cash equivalent balances disposed of	-58.9
Total consideration received	**873.5**

25 FINANCIAL INSTRUMENTS

General

Corbion uses various financial instruments in order to secure an optimal financing structure. It does so in accordance with a treasury policy approved by the Board of Management. Corbion also uses various financial instruments in order to reduce purchase price risks. It does so in accordance with a purchase policy approved by the Board of Management.

Capital risk management

Corbion manages its capital to ensure that entities in the Corbion group will be able to continue as going concerns while maximizing return to stakeholders through the optimization of the debt and equity balance. The group's overall financing strategy remains unchanged from 2012.

The capital structure of Corbion consists of net debt (interest-bearing debts as detailed in Notes 22 and 23 offset by cash and cash equivalents as detailed in Note 17) and equity.
The Corbion risk management committee reviews the capital structure of Corbion on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The main conditions for Corbion's credit facility are as follows: the net debt/EBITDA ratio may not exceed the factor 3.5 and the interest cover ratio may not be lower

than 3.5. These external conditions were met in 2013 as well as in 2012. In line with the new strategy, Corbion internally sets the net debt/EBITDA ratio at 1.5 with temporary increases in case of currently unforeseen large investment projects.

The table below shows the ratios at year-end

	2013	2012
Net debt position/EBITDA	-0.2	2.0
Interest cover	13.5	10.1

Currency risk management

Currency risk management distinguishes between translation risks and transaction risks.

Translation risks

The translation risk arises because Corbion is active on the international market, which means that it is exposed to risks arising from currency fluctuations, particularly in the US dollar, Brazilian real, Japanse yen, and Thai baht.

In principle, Corbion applies the matching principle. This means that capital employed in foreign operations is financed using the country's currency in order to avoid wide fluctuations due to translation effects.
For practical reasons a specific limit is defined for each currency.
Corbion does not hedge translation risks in respect of operating results. This means that currency fluctuations particularly in the US dollar can have a material effect on Corbion's income statement. US translation effects of the operating result are partially hedged by the interest paid on the US dollar loan.

Breakdown of the net amount of unhedged translation risk for each currency as at 31 December 2013

Millions of euros	Net risk position	
Currency	2013	2012
• US dollar	96.3	398.4
• Brazilian real	18.4	23.5
• Thai baht	110.7	139.0

Transaction risks

The currency transaction risk arises in the course of ordinary business activities. Corbion uses forward currency contracts and currency swaps in order to hedge the risk arising from purchase and sales deals and/or commitments from current purchase and sales contracts. Transactions that are highly probable are fully hedged and included in cash flow hedge accounting. Other reasonably probable transactions are partially hedged. For practical reasons a specific limit is defined for each currency.

Valued at fair value the forward currency contracts are recognized in the balance sheet as follows

	As at 31-12-2013	As at 31-12-2012
Receivables	0.2	1.7
Total	**0.2**	**1.7**

Hedge accounting is being applied to these contracts, so any unrealized fluctuations in the fair value are deferred in the hedge reserve of equity until the underlying hedged transaction is recognized in the result. All forward currency contracts expire within a year.

Sensitivity analysis of hedges in place
As a result of a fall of 10% in the exchange rate of the Japanese yen against the euro, the net result would not be significantly impacted and equity would be negatively impacted by € 0.3 million by the forward currency contracts.

Interest risk management
As the interest rate has been fixed (3.89% on average) for all of Corbion's long-term debt (approximately € 94 million) for a period of on average 3.1 years, the interest risk is limited.

Sensitivity analysis
If the interest rate would increase by 50 basis points the net result and equity would not change significantly.

Purchase risk management
Corbion uses commodity derivative contracts (swaps and collars) to reduce the risk profile of purchasing. The commodity derivative contracts concern the main commodities used by Corbion, which are wheat, oils, corn, and sugar.

Corbion entered into commodity derivative contracts to hedge the variable price risk of the main commodities used. The fair value of these contracts was € 0.2 million as at 31 December 2013 (31 December 2012: nil). Hedge accounting is applied for the major part of these commodity derivative contracts. Further analysis can be found in the section on hedge transactions.

Valued at fair value the commodity derivative contracts are recognized in the balance sheet as follows

	As at 31-12-2013	As at 31-12-2012
Receivables	0.2	
Total	**0.2**	

All commodity derivative contracts expire within a year.

Sensitivity analysis
If the purchase price of the involved commodities would increase by 10% the result and hedge reserve would not change significantly.

Valuation of financial instruments
Corbion measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements based on inputs other than level 1 quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements based on valuation techniques that include inputs for the asset or liability that are based on observable market data (unobservable inputs).

Breakdown valuation of financial instruments

31 December 2013	Level 1	Level 2	Level 3	Total
Derivatives				
• Foreign exchange contracts		0.2		0.2
• Commodity swaps/collars		0.2		0.2
Total assets		**0.4**		**0.4**

Breakdown fair values financial instruments

31 December 2013	Balance sheet value	Fair value
Financial fixed assets		
• Loans, receivables, and other	2.9	2.9
• Loans non-interest-bearing	2.0	2.0
Receivables		
• Trade receivables	83.8	83.8
• Other receivables	6.2	6.2
• Accruals and deferred income	6.9	6.9
Cash		
• Dutch treasury certificates, money market funds, and short-term deposits	83.0	83.0
• Cash other	40.9	40.9
Interest-bearing liabilities		
• Private placement 2010 (net investment hedge)	-92.2	-94.9
• Financial lease commitments	-1.2	-1.2
• Other debts	-1.1	-1.1
Non-interest-bearing liabilities		
• Trade payables	-57.7	-57.7
• Other payables	-73.4	-73.4
Derivatives		
• Foreign exchange contracts	0.2	0.2
• Commodity swaps/collars	0.2	0.2
Total	**0.5**	**-2.2**

Fair values are determined as follows

- The fair value of financial fixed assets does not significantly deviate from the book value.
- The fair value of receivables equals the book value because of their short-term character.
- Cash and cash equivalents are measured at nominal value which, given the short-term and risk-free character, corresponds to the fair value.
- Market quotations are used to determine the fair value of debt owed to private parties, credit institutions, and other debts. As there are no market quotations for most of the loans the fair value of short- and long-term loans is determined by discounting the future cash flows at the yield curve applicable as at 31 December.
- Financial lease commitments: the fair value is estimated as the present value of the future cash flows, discounted at the interest rate for similar contracts which is applicable as at the balance sheet date. This fair value equals the book value.
- Given the short-term character, the fair value of non-interest-bearing liabilities equals the book value.

- Currency and interest derivatives are measured on the basis of the present value of future cash flows over the remaining term of the contracts, using the bank interest rate (such as Euribor) as at the reporting date for the remaining term of the contracts. The present value in foreign currencies is converted using the exchange rate applicable as at the reporting date.
- Commodity derivatives are measured on the basis of the present value of future cash flows, using market quotations or own variable market price estimations of the involved commodity as at the reporting date.

Hedge transactions

The negative amount of € 0.3 million in hedge reserve (see Note 18) relates to the hedging of risks arising from future purchase and sales deals and/or commitments from current purchase and sales contracts amounting to € 27.0 million.
The amount of € 1.9 million in translation reserve (see Note 18) relates to currency fluctuations in respect of the net investments in foreign operations less the currency fluctuations of the corresponding net investment hedges. In case of divestment of a net investment in a foreign operation, the corresponding net impact of the currency fluctuations is moved from the translation reserve to the income statement.

In the past year no cash flow hedges were terminated due to changes to the expected future transaction. No ineffective parts were recorded in respect of the net investment hedge and cash flow hedge.

Derivatives

	Short < 1 year		Long > 1 year	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Derivatives receivables used as hedge instrument in cash flow hedge relations:				
Foreign exchange contracts	0.2	1.7		
Commodity swaps/collars	0.2			
Derivatives receivables used as hedge instrument in net investment hedge relations:				
Foreign exchange contracts				
Derivatives liabilities used as hedge instrument in cash flow hedge relations:				
Foreign exchange contracts				
Interest rate swaps		-3.9		-4.3
Total derivatives in hedge relation	**0.4**	**-2.2**		**-4.3**
Derivatives liabilities not used in a hedge relation with value change through income statement:				
Cancellable currency interest swap		-0.4		-1.0
Total derivatives through income statement		**-0.4**		**-1.0**
Total derivatives	**0.4**	**-2.6**		**-5.3**

Liquidity risk

Liquidity risk is the risk of Corbion not being able to obtain sufficient financial means to meet its obligations in time. Periodically, the Board of Management evaluates liquidity for the next 12 months.

The committed credit facilities at Corbion's long-term disposal amounted to € 250 million as at 31 December 2013. As at 31 December 2013 nothing had been drawn.

Corbion also has a private loan of US$ 127 million with American institutional investors.

The main conditions for the credit facility and the private loan are:

- The ratio of net debt position divided by EBITDA ("Earnings Before Interest, Taxes, Depreciation, Amortization and impairment of intangible fixed assets, and one-off costs") may not exceed the factor 3.5 (2012: 3.5)
- A minimum interest cover of 3.5.

These conditions were met during 2013 and as at 31 December 2013. As at 31 December 2012 the then applicable conditions were met.

To provide insight into the liquidity risk the table below shows the contractual terms of the financial obligations (converted at balance sheet date), including interest paid.

The table below analyzes Corbion's financial obligations which will be settled on a net basis, according to relevant expiration dates, based on the remaining period from the balance sheet date to the contractual expiration date. The amounts shown are contractual non-discounted cash flows.

	Effective interest %	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31 December 2013					
Private placement 2010	3.89	3.3	87.8	11.9	103.0
Financial lease commitments	6.75	0.1	0.5	1.0	1.6
Other debts		0.2	0.9		1.1
Trade payables		57.7			57.7
Other non-interest-bearing current liabilities		73.4			73.4
Liabilities directly associated with assets held for sale		225.6			225.6
Total		**360.3**	**89.2**	**12.9**	**462.4**
As at 31 December 2012					
Private placement 2010	3.93	8.9	203.7	63.9	276.5
Owed to credit institutions	0.63	2.4	376.6		379.0
Financial lease commitments	6.57	0.2	1.8	1.2	3.2
Derivatives	2.73	7.5	2.6		10.1
Other debts	0.11	2.3			2.3
Trade payables		301.2			301.2
Other non-interest-bearing current liabilities		165.6			165.6
Liabilities directly associated with assets held for sale		347.0			347.0
Total		**835.1**	**584.7**	**65.1**	**1,484.9**

Credit risk management

Corbion runs a credit risk in relation to financial instruments. This risk consists of the losses that would be incurred if the other party were to default on its contractual obligations. In respect of disbursed loans, other receivables, and cash and cash equivalents the maximum credit risk equals the book value (see Notes 13, 16, and 17). In respect of derivatives it equals the fair value shown in the table above.

Given the credit rating that it requires of its partners (at least single A) Corbion has no reason to assume that they will not honor their contractual obligations. Based on today's insights, the actual credit risk is virtually nil.

26 OFF-BALANCE SHEET FINANCIAL RIGHTS AND COMMITMENTS

Financial commitments
As at 31 December 2013 the nominal value of future commitments from operational lease contracts for property, plant, and equipment was € 6.2 million (2012: € 4.2 million), € 3.0 million of which expires within one year, € 3.0 million between 1 and 5 years, and € 0.2 million after 5 years.

Short-term commitments
The purchase and sales commitments from current orders amounted to € 151.5 million as at 31 December 2013 (2012: € 184.3 million).

The capital expenditure commitments not yet incurred amounted to € 6.0 million for (in)tangibles as at 31 December 2013 (2012: € 4.6 million).

Contingent commitments
Guarantees
Third-party guarantees amounted to € 9.8 million as at 31 December 2013 (2012: € 21.0 million). No significant future losses are expected from these guarantees.

Other
As the existing structure did not reflect the actual structural, management, and product-line organization of our business, we reorganized the legal structure of our company in 2012. The reorganization was complex involving several entities in various jurisdictions, and therefore could have tax consequences. Prior to carrying out the reorganization, we obtained appropriate outside professional advice confirming a limited tax risk associated with the reorganization. However, if tax authorities in the relevant jurisdictions would challenge the tax treatment of the reorganization and if they are successful in doing so, the tax consequences could be significant.

27 RELATED PARTY TRANSACTIONS

There were no significant related party transactions in 2013.

28 EVENTS AFTER BALANCE SHEET DATE

No significant events occured between the end of the reporting period and the date that the financial statements were authorised for issue that would affect the ability of users to make proper evaluations and decisions.

29 CASH FLOW STATEMENT

The consolidated cash flow statement is drawn up using the indirect method. The items in the consolidated income statement and consolidated statement of the financial position have been adjusted for changes that do not impact cash inflow and outflow in the report year. Working capital consists of inventories and receivables minus non-interest-bearing current liabilities, excluding payable dividend, interest, and income tax. The cash flow from the acquisition of group companies consists of acquisition price payments for the acquired companies less cash and cash equivalents of those companies.
The interest-bearing debts consist of non-current and current liabilities.
The effects of exchange rate differences on cash and cash equivalents are presented separately.

Cash flows from discontinued operations are shown separately in the cash flow statement presenting a single amount for cash flows from operating activities and cash flows from investment activities.

30 ADDITIONAL INFORMATION

Remuneration policy Board of Management

For more information on the remuneration policy see the Report of the Supervisory Board.

The number of conditionally granted shares per member of the Board of Management is as follows

	Granted in	"At target" number outstanding as at 31-12-2013	Maximum number outstanding as at 31-12-2013	Year of vesting
G.J. Hoetmer	2011	14,222	24,889	2014
	2012	26,627	46,597	2015
	2013	21,502	37,629	2016
N.J.M. Kramer	2011	8,950	15,662	2014
	2012	16,755	29,321	2015
	2013	13,530	23,678	2016
Total as at 31-12-2013		**101,587**	**177,776**	

The movements in the number of shares conditionally granted to members of the Board of Management are as follows

	Maximum number outstanding as at 31-12-2012	Maximum number granted in 2013	Expired in 2013	Vested in 2013	Maximum number outstanding as at 31-12-2013
G.J. Hoetmer	99,556	42,646		33,087	109,115
N.J.M. Kramer	60,961	26,532		18,832	68,661
Total	**160,517**	**69,178**		**51,919**	**177,776**

Breakdown of the number of commitment award shares, which are blocked until the end of employment of the member concerned

	Number as at 31-12-2012	Awarded in 2013	Released in 2013	Number as at 31-12-2013
G.J. Hoetmer	22,216	3,517		25,733
N.J.M. Kramer	15,779	2,656		18,435
Total	**37,995**	**6,173**		**44,168**

Breakdown remuneration Board of Management

Thousands of euros	IAS 24.17 category	Short-term employee benefits*)		Share-based payments		Post-employment benefits	Other long-term benefits	Termination benefits **)	Total
	Year	Base salary	STIP	LTIP	Total	Pension benefits	Other benefits	Severance payments	
G.J. Hoetmer	2012	651	443	435	1,529	180			**1,709**
	2013	668	470	581	1,719	199		2,673	**4,591**
N.J.M. Kramer	2012	494	278	301	1,073	118			**1,191**
	2013	507	295	342	1,144	119			**1,263**

*) *Excluded from short term benefits is a crisis levy of € 204 thousand for Mr. Hoetmer (2012: € 121 thousand) and € 129 thousand for Mr. Kramer (2012: € 79 thousand).*

**) *Excluded from termination benefits is an excessive levy tax of € 100 thousand for Mr. Hoetmer.*

Agreement has been made with Mr. Hoetmer to terminate his contract. Based on contents of his employment contract he is entitled to a severance payment (€ 1.7 million). The total termination amount further includes his contractual notice period, and contractual pension costs.

Breakdown remuneration Supervisory Board

Thousands of euros	IAS 24.17 category	Short-term employee benefits *)		Share-based payments		Post-employment benefits	Other long-term benefits	Termination benefits	Total
	Year	Base fee	Committee fee	LTIP	Total	Pension benefits	Other benefits	Severance payments	
R.H.P. Markham, Chairman (chairman Nomination Committee/member Remuneration)	2012	55	8		63				**63**
	2013	60	8		68				**68**
M.P.M. de Raad, Vice-Chairman (chairman Remuneration Committee/member Nomination Committee)	2012	55	8		63				**63**
	2013	50	8		58				**58**
R. Pieterse (chairman Audit Committee)	2012	45	10		55				**55**
	2013	45	10		55				**55**
W. Spinner (member Audit Committee)	2012	45	5		50				**50**
	2013	45	5		50				**50**
J. P. de Kreij (member Audit Committee)	2012	45	5		50				**50**
	2013	45	5		50				**50**
M. Vrijsen (member Remuneration Committee/Nomination Committee), *appointed per May 2013*	2012								
	2013	30	3		33				**33**

*) *Excluding expenses*

No loans or advance payments or any guarantees to that effect have been made or issued to the members of the Supervisory Board. None of the members of the Supervisory Board has shares in the company or any option rights relating thereto (as at 24 February 2014).

Fees auditors

Total fees charged by the auditor can be specified as follows.

Thousands of euros	Deloitte Accountants bv 2013	Deloitte Other 2013	Total 2013	Total 2012
Audit services	404	271	675	1,420
Audit-related services	245	125	370	33
Non-audit services				282
Total audit services	**649**	**396**	**1,045**	**1,735**

Company financial statements

COMPANY BALANCE SHEET

Before profit appropriation, millions of euros	*Note*	As at 31-12-2013	As at 31-12-2012 (restated)
Assets			
Financial fixed assets	*31*	502.4	1,174.0
Deferred tax assets		15.1	
Total non-current assets		**517.5**	**1,174.0**
Receivables	*32*	0.5	2.1
Tax assets			0.1
Cash and cash equivalents	*33*	101.9	25.0
Total current assets		**102.4**	**27.2**
Total assets		**619.9**	**1,201.2**
Equity and liabilities			
Common share capital		18.7	18.2
Share premium reserve		73.0	73.5
Other reserves		13.4	49.9
Retained earnings		400.1	652.2
Equity	*34*	**505.2**	**793.8**
Non-current liabilities	*35*	92.2	397.1
Total non-current liabilities		**92.2**	**397.1**
Interest-bearing current liabilities	*36*		2.3
Non-interest-bearing current liabilities	*37*	19.7	8.0
Provisions	*38*	2.8	
Total current liabilities		**22.5**	**10.3**
Total equity and liabilities		**619.9**	**1,201.2**

COMPANY INCOME STATEMENT

Millions of euros	2013	2012 (restated)
Result from group companies after taxes	-6.3	-70.7
Other income and charges after taxes*)	10.5	5.4
Result after taxes	**4.2**	**-65.3**

*) *Social security included in the income statement is rounded zero for 2013 as well as for 2012.*

Notes to the company financial statements

General

The separate financial statements of Corbion nv are drawn up in accordance with the principles referred to in Part 9, Book 2 of the Dutch Civil Code. By using the option in Section 2:362 (8) of the Dutch Civil Code the same accounting principles (including the principles for recognizing financial instruments as equity or debt) may be applied in the separate financial statements and the consolidated financial statements. Participations in group companies are valued on the basis of net asset value. Net asset value is determined by valuing assets, provisions and liabilities and calculating the result using the accounting principles applied in the consolidated financial statements (see Note 2).

A list has been filed at the Amsterdam Trade Register setting out the data on the group companies as required under Sections 2:379 and 2:414 of the Dutch Civil Code.

31 FINANCIAL FIXED ASSETS

	As at 31-12-2013	As at 31-12-2012 (restated)
Participations in group companies	-205.3	361.3
Loans to group companies	666.9	781.9
Joint ventures and associates	1.8	1.9
Owed to/by group companies	39.0	28.9
Total	**502.4**	**1,174.0**

The balance of participations in group companies and loans to group companies is positive in all participations of Corbion nv.
Amounts owed to or by group companies are long term.

For more information on joint ventures and associates see Note 14.

	2013	2012 (restated)
Movements in participations in group companies:		
As at start of financial year	361.3	483.7
Paid-in capital	150.0	25.1
Capital repayment	-18.0	-4.7
Sale group company	-657.3	
Result of group companies	-31.9	-70.7
Dividend group companies	-6.4	-9.4
Exchange rate differences	-3.0	-0.2
Other		-62.5
As at close of financial year	**-205.3**	**361.3**
Movements in loans to group companies:		
As at start of financial year	781.9	792.7
Exchange rate differences	-39.9	-10.2
Disbursements	35.1	26.9
Repayments	-110.2	-27.5
As at close of financial year	**666.9**	**781.9**

32 RECEIVABLES

The receivables relate to commodity and foreign exchange derivatives and prepaid costs.

33 CASH AND CASH EQUIVALENTS

The cash and cash equivalents were available and payable without notice in 2013.

34 EQUITY

See Consolidated statement of changes in equity and Note 18 to the consolidated financial statements. For an overview of the legal reserves see Note 18.

35 NON-CURRENT LIABILITIES

	As at 31-12-2013	As at 31-12-2012
Owed to credit institutions	92.2	387.6
Derivatives		9.5
Total	**92.2**	**397.1**

See Note 22 to the consolidated financial statements.

36 INTEREST-BEARING CURRENT LIABILITIES

	As at 31-12-2013	As at 31-12-2012
Other debts		2.3
Total		**2.3**

37 NON-INTEREST-BEARING CURRENT LIABILITIES

	As at 31-12-2013	As at 31-12-2012
Taxes and social insurance premiums	17.1	2.6
Other debts and accruals and deferred income	2.6	5.4
Total	**19.7**	**8.0**

38 PROVISIONS

The amount relates to a restructuring provision. The full amount has been charged to result, see Note 19.

39 OFF-BALANCE SHEET COMMITMENTS

Contingent liabilities

Under section 2:403 of the Dutch Civil Code the company accepts liability for the debts incurred by Dutch group companies. The relevant declarations have been filed for perusal at the office of the relevant trade register.

The company guarantees external loans of US$ 127 million drawn by group companies on the credit facility of the company.

Fiscal unity

Corbion nv and a number of subsidiaries in the Netherlands are part of fiscal unities for corporate income tax and value added tax. During the period the companies are part of a fiscal unity for whose liabilities they are jointly and severally liable.

40 PERSONNEL

On average, two personnel were employed by Corbion nv and were working in the Netherlands during 2013 (2012: 2 personnel).
For more information on remuneration see Note 30.

Diemen, the Netherlands, 24 February 2014

Supervisory Board
R.H.P. Markham, *Chairman*
M.P.M. de Raad, *Vice-Chairman*
J.P. de Kreij
R. Pieterse
W. Spinner
M. Vrijsen

Board of Management
G.J. Hoetmer, *CEO*
N.J.M. Kramer, *CFO*

Other information

STATUTORY ARRANGEMENT FOR APPROPRIATION OF PROFIT

The corporate articles of association lay down the following conditions regarding the appropriation of profit (summary).

Article 25.3

If possible, a dividend shall first be paid from the profit recorded in the adopted financial statements on each financing preference share in a specific series. This dividend shall be equal to a percentage calculated on the basis of the amount paid on the financing preference shares.

Article 25.4

If the profit is insufficient the dividend on the financing preference shares shall be paid from the company reserves, with the exception of the reserves which were formed as share premium reserve upon the issue of the financing preference shares. If the dividend cannot be paid from the company reserves, it shall be paid in arrear in the subsequent financial years.

Article 25.14

The Board of Management shall decide subject to the approval of the Supervisory Board which part of the profit is to be reserved after the above provisions have been applied. The remaining profit shall be at the disposal of the General Shareholders' Meeting.
The General Shareholders' Meeting may decide upon a proposal by the Board of Management with the approval of the Supervisory Board to pay dividends to shareholders from the distributable equity.

Proposed appropriation of profit

Millions of euros	2013	2012 (restated)
Result after taxes	4.2	-65.3
Available for dividend payment to holders of financing preference shares	2.8	3.7
Proposed addition to the reserves	-58.1	-84.6
Available for cash dividend to holders of common shares	59.5	15.6
Paid interim cash dividend on divestment proceeds	50.4	
Dividend*) of € 0.15 (2012: € 0.70) per common share with a nominal value of € 0.25	9.1	15.6

*) *2013: at the choice of the shareholders in cash or in stock.*
2012: at the choice of the shareholders in cash or in stock.

The dividend proposal is stated in the Report of the Board of Management.

INDEPENDENT AUDITOR'S REPORT

To: The General Meeting of Corbion N.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of Corbion N.V., Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as per 31 December, 2013, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information presented on pages 59-104 of this report. The company financial statements comprise the company balance sheet as per December 31, 2013 the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information presented on pages 105-109 of this report.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Management Board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Corbion N.V. as per 31 December, 2013 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Corbion N.V. as per 31 December, 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Board of Management, presented on pages 7-52, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed.

Further we report that the Report of the Board of Management, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, February 25, 2014
Deloitte Accountants B.V.

Signed on the original: **G.M. Dekker**

BRIEF RESUMÉS OF THE MEMBERS OF THE SUPERVISORY BOARD

As at 31 December 2013

R.H.P. Markham (1946, m), Chairman

Nationality	British
Previous position	Executive Director and Chief Finance Officer Unilever NV and Unilever Plc
Supervisory directorships	Non-Executive Director and Senior Independent Director of Legal and General Plc (UK) Non-Executive Director of United Parcel Services Inc. (USA) Non-Executive Director of Astra Zeneca Plc (UK) Non-Executive Director of Standard Chartered Plc (UK)
Additional position(s)	Chairman of the Board of Moorfield Eye Hospital NHS Foundation Trust (UK) Non-Executive Director of the Operating Board and of the Supervisory Board of the Foreign and Commonwealth Office (UK)
First appointed in	2010
Current term of office	2010 – 2014

M.P.M. de Raad (1945, m), Vice-Chairman

Nationality	Dutch
Previous positions	Member Board of Management Koninklijke Ahold nv Member Board of Management Metro AG Chairman Board SHV Makro nv Member Board SHV Holdings nv
Supervisory directorships	HAL Holding nv Metro AG Düsseldorf Vion Holding nv Vollenhoven Olie Groep bv TiasNimbas Business School, University of Tilburg Chairman Supervisory Board Jeroen Bosch Hospital
First appointed in	2004
Current term of office	2012 - 2016

J.P. de Kreij (1959, m)

Nationality	Dutch
Position	Vice-Chairman Executive Board and Chief Financial Officer of Royal Vopak nv
Supervisory directorship	Vice-Chairman Supervisory Board Evides nv
Additional position	Member Advisory Council of the Listed Companies of NYSE Euronext
First appointed in	2011
Current term of office	2011 – 2015

R. Pieterse (1942, m)

Nationality	Dutch
Previous position	Chairman Board of Management Wolters Kluwer nv
Supervisory directorships	Chairman Koninklijke Grolsch nv Chairman Mercurius Groep bv
Additional positions	Board member of various Foundations
First appointed in	2004
Current term of office	2012 - 2016

W. Spinner (1948, m)

Nationality	German
Previous position	Member Board of Management Bayer AG
Supervisory directorships	Member Altana AG, Wesel (Germany) Member The Zuellig Group International Hong Kong
First appointed in	2004
Current term of office	2011 – 2015

M. Vrijsen (1947, m)

Nationality	Dutch
Previous position(s)	Senior Vice President Global Operations and Engineering of E.I. du Pont de Nemours & Company (Du Pont) Various positions at Du Pont
Supervisory directorships	Broadview Holding Desso B.V.
Additional position	Senior External Advisor McKinsey
First appointed in	2013
Current term of office	2013-2017

BRIEF RESUMÉS OF THE MEMBERS OF THE BOARD OF MANAGEMENT

As at 31 December 2013

G.J. Hoetmer (1956), Chief Executive Officer

Nationality	Dutch
Previous positions	Senior Vice President Supply Chain Unilever Foods, member of Unilever Foods Executive, Leader of Unilever's global overheads and organization restructuring
Additional positions	Chairman Spieren voor Spieren foundation Non-executive Director Devro Plc.
First appointed in	May 2005
Current term of office	2013 - 2017

N.J.M. Kramer (1959), Chief Financial Officer

Nationality	Dutch
Previous position	CFO and member of the Executive Board Wessanen nv
First appointed in	April 2006
Current term of office	2010 – 2014

COMPANY SECRETARY

J.W.E. van der Klaauw (1955) (until 01-06-2013)

Nationality	Dutch
Employed since	August 1986

H.G. Noppers (1975) (as from 01-06-2013)

Nationality	Dutch
Employed since	January 2009

GROUP STRUCTURE

As at 24 February 2014

Corbion nv

Caravan Ingredients
Purac America
Purac Argentina
Purac Asia Pacific
Purac Biochem
Purac Bioquímica
Purac China
Purac France
Purac India
Purac Japan
Purac Korea
Purac Mexico
Purac Polska
Purac Russia
Purac Sínteses
Purac Thailand

A list has been filed at the Amsterdam Trade Register setting out the data on the group companies as required under sections 379 and 414 of Book 2 of the Dutch Civil Code.

FIVE YEARS IN FIGURES

Millions of euros	2013	2012	2011	2010	2009
Continuing operations*)					
Net sales	744	754	3,113	2,990	2,556
Operating result	39	38	-150	158	143
EBITDA excluding exceptional items/one-off costs	99	99	223	287	212
Result after taxes	7	26	-174	99	87
Earnings per common share in euros [1)]	0.06	0.30	-2.56	1.41	1.25
Diluted earnings per common share in euros [1)]	0.06	0.30	-2.55	1.40	1.25
Cash flow from operating activities	34	73	148	189	277
Cash flow from operating activities per common share, in euros [1) **)]	0.45	0.96	2.06	2.73	4.15
Depreciation/amortization fixed assets	41	43	103	107	69
Capital expenditure on fixed assets	76	56	92	83	47
EBITDA margin % [2)]	13.3	13.1	7.2	9.6	8.3
Result after taxes/net sales %	1.0	3.4	-5.6	3.3	3.4
Number of employees at closing date	1,885	1,834	9,843	9,664	8,430
Total operations					
Balance sheet:					
Non-current assets	436	1,374	1,559	1,791	1,330
Current assets	206	704	740	718	554
Non-interest-bearing current liabilities	134	490	479	483	386
Net debt position [3)]	-29	511	616	631	328
Provisions	32	220	257	277	171
Equity	505	859	948	1,117	998
Key data per common share					
Number of issued common shares	71,939,942	69,914,711	67,658,699	65,998,134	64,977,416
Number of common shares with dividend rights	61,176,915	69,909,876	67,580,372	65,873,803	64,828,082
Weighted average number of outstanding common shares **)	70,114,838	71,902,593	69,813,766	67,515,917	65,837,383
Price as at 31 December	15.40	16.25	12.08	26.19	18.38
Highest price in calendar year	18.60	16.48	26.88	26.27	18.68
Lowest price in calendar year	14.41	10.49	9.25	18.55	7.97
Market capitalization as at 31 December	942	1,136	816	1,725	1,192
Earnings in euros **)	0.02	-0.96	-2.56	1.41	1.25
Diluted earnings in euros **)	0.02	-0.96	-2.55	1.40	1.25
Other key data					
Cash flow from operating activities	10	197	148	189	277
Depreciation/amortization fixed assets	41	110	103	107	69
Capital expenditure on (in)tangible fixed assets	76	76	92	83	47
Number of employees at closing date	1,885	9,650	9,843	9,664	8,430
Number of issued financing preference shares	2,983,794	2,983,794	2,983,794	2,983,794	2,983,794
Equity per share in euros [4)]	7.87	11.78	13.44	16.22	14.71
Ratios					
Net debt position/EBITDA [5)]	-0.2	2.0	2.8	2.1	1.6
Interest cover [6)]	13.5	10.1	7.6	9.7	8.0
Balance sheet total: equity	1:0.7	1:0.4	1:0.4	1:0.4	1:0.5
Net debt position: equity	1:-17.2	1:1.6	1:1.5	1:1.8	1:3.0
Current assets: current liabilities	1:0.4	1:0.4	1:0.6	1:0.6	1:0.6

**) The previous years are not restated for discontinued operations later on.*

***) Only the preceding year is restated for stock dividend.*

1) Per common share in euros after deduction of dividend on financing preference shares.

2) EBITDA margin % is EBITDA divided by net sales x 100.

3) Net debt position comprises interest-bearing debts less cash and cash equivalents.

4) Equity per share is equity divided by the number of shares with dividend rights.

5) EBITDA is "Earnings Before Interest, Taxes, Depreciation, Amortization, and impairment of intangible fixed assets," including acquisition and divestment effects recalculated for the full year and excluding exceptional items/one-off costs.

6) Interest cover is EBITDA as defined in Note 5 divided by net interest income and charges.

INFORMATION ON THE CORBION SHARE

Share capital

Corbion is listed on NYSE Euronext Amsterdam.
As at 31 December 2013 71.939.942 common shares of € 0.25 each and 2,983,794 financing preference of € 0.25 each had been issued, including 10,763,027 common shares and 409,513 financing preference shares with Corbion.

Substantial shareholdings

Pursuant to the Financial Supervision Act, the following notifications of capital interest in Corbion as at 31 December 2013 were reported:

1.	ING Groep N.V.	10.59%
2.	J.O. Hambro Capital Management Limited	5.03%
3.	ASR Nederland N.V.	4.46%
4.	Lansdowne Partners Limited	4.19%
5.	Pimco Europe Limited	3.63%
6.	Norges Bank	3.35%
7.	RWC Partners Limited	3.07%

N.B: As at 24 February 2013 Corbion nv has a capital interest of 14.91%.

Other information

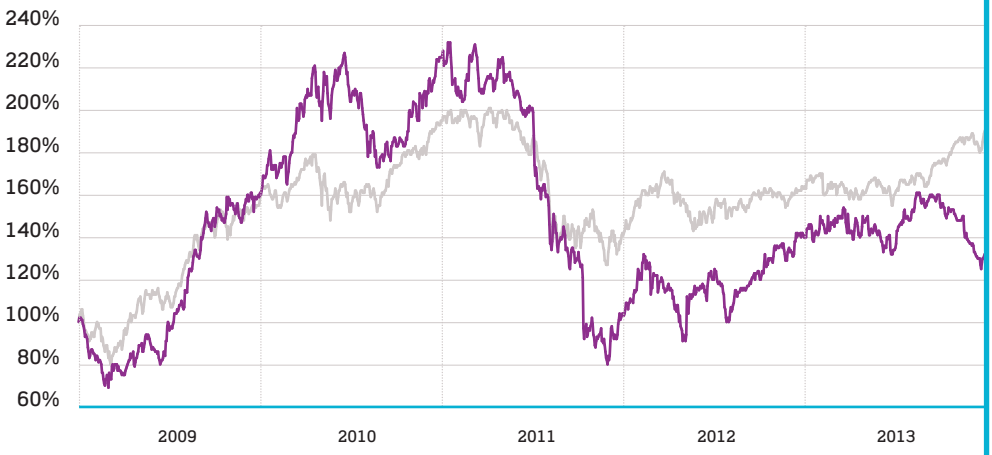
	2013	2012	2011	2010	2009
Number of common shares with dividend rights x 1,000 as at 31 December	61,177	69,910	67,580	65,874	64,828
Market capitalization in millions of euros as at 31 December	942	1,136	816	1,725	1,192
Highest share price	18.60	16.48	26.88	26.27	18.68
Lowest share price	14.41	10.49	9.25	18.55	7.97
Share price as at 31 December	15.40	16.25	12.08	26.19	18.38
Average daily turnover of shares	243,793	373,949	414,275	320,656	288,791

Important dates*)

25 April 2014	Publication of the interim management statement first quarter 2014
12 May 2014	General Shareholders' Meeting
14 May 2014	Ex date
16 May 2014	Record date
4 June 2014	Dividend payable for 2013
13 August 2014	Publication of half-year figures 2014
24 October 2014	Publication of the interim management statement third quarter 2014
12 May 2015	General Shareholders' Meeting

*) *Subject to change.*

Trends in share price



- Movement in price of Corbion shares from 2 January 2009 to 31 December 2013 (per share of € 0.25; 2 January 2009 = 100%)
- Midkap index (2 January 2009 = 100%)

Corbion

CASES

Contents cases

Designed by science

GYPSUM-FREE TECHNOLOGY

With its proprietary gypsum-free technology Corbion has tackled a major sustainability challenge in lactic acid production. All current lactic acid processes result in the formation of the byproduct gypsum. Although this gypsum can be put to good use at present in many different agro and technical applications the growing demand for lactic acid, generated by the growing demand for poly lactic acid, will push up the gypsum volumes to unsustainable levels.

What sets this new technology apart from the conventional processes is its clever use of auxiliary materials in the process and the optimal recycling of these materials, which avoids the formation of the byproduct gypsum.

Our technology is unique in combining improved sustainability with scalability to volumes of more than 100,000 metric tons a year, with more attractive manufacturing costs. We can therefore say that this process genuinely represents the next generation of our lactic acid production plants and significantly reduces our cradle-to-gate CO_2 footprint.

Another unique feature of Corbion's gypsum-free technology is its versatility, it can be integrated into all of our current and future organic acid production processes.

THE SECOND GENERATION: REPLACING SUGAR AND STARCH WITH ALTERNATIVE FEEDSTOCKS

Society is becoming increasingly concerned about our dependence on fossil fuels for the production of chemicals and materials. Meanwhile, innovative solutions based on renewable raw materials, or bio-based products, offer an alternative to fossil-based products. However, renewable raw materials are also not endlessly available, since more and more farmland will be needed to provide food for the world's growing population. It is therefore essential to find ways of producing biobased solutions not compromising food security. This is particularly relevant for our customers in the biochemicals and biopolymers markets, as they are seeking biochemicals based on feedstock which do not interfere with the food value chain.

Investing in research

At Corbion, we are investing in advancing technology for the next generation of organic acid production in order to resolve the conflict between the limited availability of land for the production of biomass and the biomass needs for the production of chemicals. Several years ago, we started a research program to develop processes to replace substrates derived from sugar and starch with second generation feedstocks, for the production of lactic acid and lactides. Second generation raw materials consists of existing biomass which is not used in the production of food and feed products, such as the agricultural byproducts corn stover, sugar cane bagasse, and woody biomass.
In this way, we are developing even more sustainable products which do not interfere with the food and feed supply chain.

Growing demand

One of the drivers for this initiative is the expected strong increase in the demand for lactic acid due to the rising interest in poly lactic acid. However, the use of second generation feedstocks for the production of chemicals such as lactic acid is a formidable challenge, since biomass needs to be fragmented into sugars before it can be used for further processing. To be viable such processes also need to be sustainable and highly efficient. Collaboration between industry and the public domain is accelerating progress in jointly addressing this challenge. Corbion does this by partnering with universities, institutes, and private industry and is a research member of the BE-Basic public-private partnership.

Besides participating in the BE-Basic knowledge network, we are involved in the establishment of the Bioprocess Pilot Facility (BPF) in Delft, the Netherlands which is equipped to pretreat, ferment, and process biomass into lactic acid. The derived information is crucial for testing and scaling up these new biotechnology processes to demonstration and commercial levels.

In 2013, through our collaborations we were able to successfully pretreat, ferment, and process various alternative feedstocks into lactic acid on laboratory and pilot level. As we progress in our development program for second generation feedstocks, we will secure the feedstocks, technologies, and strategic partners that are required to realize production on both demonstration and commercial level. Having achieved such promising results thus far, we are even more confident about moving on to production on demonstration level based on second generation feedstocks in 2015 and we have the ambition to move to full commercial scale production in the latter part of this decennium.

ULTRA FRESH SWEET: A SUCCESS STORY WORTH SAVORING

Ultra Fresh™ Sweet is Corbion's answer to the perennial question of how to keep sweet goods tasting as fresh and flavorsome as when they come out of the oven.

When our innovation center first started looking at extending freshness in small cakes, we knew that the current options for the industry were not really working. Gum starches and sugars are good tenderizers, but have only limited ability to deliver longer-term freshness, and enzymes currently on the market could not provide the activity needed for shorter baking or frying times.

Reducing stales while improving the eating experience

New enzyme solutions were needed to achieve better product quality, so the team went to work on extending our existing Ultra Fresh™ line to include sweet good products. We knew if we could come up with something to help Corbion's customers gain extra days of freshness, we would open up new distribution options and reduce stales at the retailers while improving the eating experience for the consumers.

The result was Ultra Fresh Sweet™, a complex new enzyme technology that helps sweet goods perform better throughout the freshness cycle and beyond 45 days. Ultra Fresh Sweet™ is available in the same Classic, Premium and Supreme product tiers as the original Ultra Fresh portfolio.

Collaborative approach

Launched in the spring of 2013, Ultra Fresh Sweet™ exceeded expectations for early adoption and continues to show great promise for long-term success. What set Ultra Fresh Sweet™ on the path to launch success? It is a success story worth savoring.

We took a collaborative approach to project management, which enabled simultaneous progress. One part of the team focused on project and process management while the other part focused on research and validation, which sped up time-to-market.

Consumer insights were used to gain broad validation with customers and were foundational to the development of our customer value proposition.

Ultra Fresh Sweet™ had full marketing support, including a media campaign, digital magazine, video, collateral, and public relations. The product was the main talking point at IDDBA and IBIE – ideal trade shows for our target audience – and drew in many leads and considerable interest from the live on-floor samples of sweet goods with and without Ultra Fresh Sweet™.

Ultra Fresh Sweet™ was launched on time and on budget. Three- and six-month post-launch reviews show continued progress and the approach has now become a crucial part of the planning for the launch of new products in the future.

Powered by nature

ANTIMICROBIALS: THE NEED FOR A SAFER ALTERNATIVE

In today's world, news about contamination travels almost as fast as the contaminants themselves. For example, people are quickly informed about outbreaks of influenza in the USA, the rise of the Noro-virus in Europe, or the H1N1 in parts of Asia.

Consumers across the globe are increasingly looking for antimicrobial benefits in their cleaning products. However, there is mounting pressure from lawmakers, consumer advocates, and other stakeholders who are concerned about the safety of some, more traditional antimicrobial actives. As a result of this growing concern, consumers and formulators are looking for alternatives which are considered to be safer and more environmentally-friendly.

What are antimicrobials?

An antimicrobial active is an agent that kills or inhibits the growth of microorganisms. People have been using substances with antimicrobial properties for more than 2000 years. Specific molds and plant extracts were used in Ancient Egypt and Ancient Greece to treat infections. Later, microbiologists such as Louis Pasteur and Alexander Fleming observed antagonism between some bacteria and discussed the merits of controlling these interactions in medicine. Nowadays, antimicrobial actives find their way into a wide range of industrial and consumer products, serving many different functions, from the preservation of manufactured products, to increase their shelf life, to delivering disinfection or sterilization benefits.

Biobased and readily biodegradable

Natural and biobased antimicrobials are a key pillar of the Corbion portfolio and strategy.
In the field of home and personal care, our products show an excellent fit with the required antimicrobial performance and market trends related to sustainability, safety, and natural claims. We produce a biobased, readily biodegradable antimicrobial agent, containing lactic acid, called Sanilac, which is applied as an active ingredient in a wide range of cleaning and disinfecting products in home care, industrial, and institutional applications.

Sanilac is not only antibacterial, it can also bring antiviral benefits to detergent formulations. Combining the antibacterial and antivirus action into one single ingredient makes Sanilac a unique ingredient with a wide range of antimicrobial efficacy. Our customers acknowledge the benefits that our products bring to their formulations and are increasingly applying them in many different applications.

We intend to strengthen our position further by actively developing novel biobased antimicrobial concepts for home and personal care products as well as biochemical applications.

COMMUNICATING THE SUSTAINABILITY OF BIOPLASTICS

Bioplastics provide a sustainable alternative to their traditional, fossil-based counterparts. Bioplastics are defined as being plastics that are biobased, biodegradable, or both. In the case of poly lactic acid (PLA), both of these criteria are met. As adoption rates increase and more and more bioplastic products are launched, the need for clear, understandable communication of these sustainability characteristics is growing. Corbion is chairing the board of the European Bioplastics Association, which takes a leading role in defining and clarifying sustainability claims that can be made about bioplastic products. Each bioplastic has its own set of sustainability data. For PLA, the benefits are as follows.

Reduced carbon footprint

Fossil-based plastics require fossil fuel as a key raw material. In addition, fossil-based plastics such as polypropylene (PP) and polystyrene (PS) require more energy during the development process than bioplastics. A Life Cycle Analysis (LCA) for a typical PP or PS plastic shows a carbon footprint of approximately 2.0 kg CO_2 equivalents per kg of plastic (from cradle to factory gate). These CO_2 emissions are four times higher than those for PLA resin. As consumers are becoming increasingly conscious of the environmental impact of CO_2 emissions, environmentally positive label claims can have a positive impact on product sales.

100% biobased

PLA is made from 100% biobased resources and, for those who require it, Corbion offers lactides for PLA based on GMO-free feedstocks. As a part of its sustainable sourcing initiative, Corbion is a member of Sedex, the Supplier Ethical Data Exchange, and Bonsucro, a global, multi-stakeholder, non-profit initiative dedicated to reducing the environmental and social impacts of sugar cane production.

Highly efficient use of feedstocks

PLA is one of the most efficient bioplastics in existence today. To make 1 kg of PLA requires just 1.6 kg of sugar. Other types of bioplastics can require significantly more natural resources to produce the same amount of end-product. In the future, it will be feasible to use non-food feedstocks such as the agricultural byproducts corn stover, sugar cane bagasse, and woody biomass for bioplastic production. Corbion is working to develop these second generation feedstocks for PLA production. However, bioplastics today are produced from crops rich in carbohydrates such as corn or sugar cane, which generate maximum yield with minimum land use. Corbion is actively involved in various fundamental research and development programs to develop cellulose-based, non-food feedstocks as an even more sustainable raw material for PLA.

Multiple end-of-life options

Bioplastics offer a range of end-of-life options, allowing the possibility to choose the most sustainable option for the specific application and available infrastructure. Industrial composters and commercial recycling companies are showing an interest in bioplastics and are anticipating a more substantial stream of bioplastics waste material. As the adoption of bioplastics increases amongst brand owners and manufacturers, local, national, and international end-of-life infrastructures can be further developed, whether in the form of composting facilities, take-back schemes, or recycling plants.

Biobased feedstocks: no competition with food

The discussion of whether the use of food crops for bioplastic production is ethically viable is close to our hearts. It is helpful, therefore, to take a critical look at the statistics (released by the European Bioplastics Association in 2013 together with the IfBB). The question concerns land use and the allocation of land to grow food crops for non-food purposes. Currently, less than 0.01% of our planet's agricultural area is used for the production of bioplastic feedstock. This is considered to be nowhere near the 98% of land used for pastures and growing food and feed. At the same time, the Food and Agricultural Organization of the United Nations has published statistics stating that around 33% of global food production is either wasted or lost, every year. Through its preservation technology Corbion is contributing to solve this massive problem which has much more impact in terms of resource conservation than the limited land use impact of bioplastics.

PUTTING SALT ON HOLD

Consuming too much sodium is considered a significant health threat. Reducing one of the most common sources of sodium, salt (sodium chloride), is a key challenge for the food industry. Overconsumption of sodium is linked to hypertension and can contribute to strokes and cardiovascular disease. The World Health Organization (WHO) recommends that the daily consumption of sodium should be limited to 2,000 mg, which equals about five grams of salt but many people exceed this amount.

Just taking it out won't do the trick

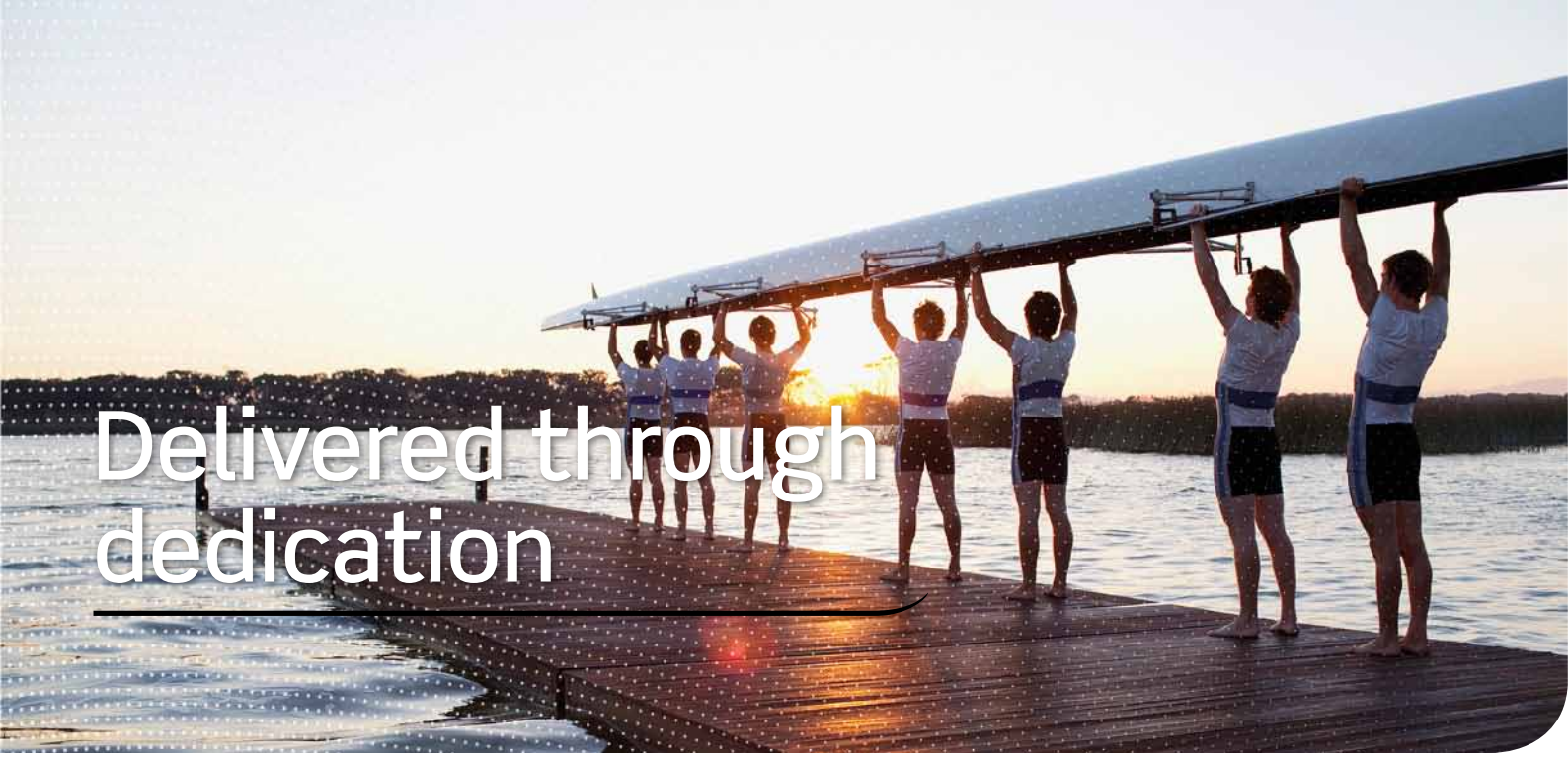
The role of salt in food varies per product. Sodium chloride has a salty taste, enhances flavors, has excellent preservative properties, stabilizes color and texture, and plays a functional role in the production processes of many food products. Maintaining a similar flavor, color, and texture are the highest priorities, as these are quality characteristics and key to consumer acceptability.

Other important properties of salt, such as its functional role in processing and as a preservative are usually noticed later in the development process when the new process is scaled up or when the product's shelf life is tested. So it is not just a matter of taking out the sodium chloride. Achieving a balanced low-salt formulation is easier said than done.

There is a solution!

Corbion offers solutions that can take over the role of salt in the flavor and food preservation products and we can share vast experience in the use of sodium-reduction solutions. Corbion's PURASAL® HiPure P Plus is a potassium salt which provides shelf life without adding sodium and a bitter taste. We also offer PuraQ® Arome NA4, a double award-winning sodium reduction solution and a natural building block for a savory flavor profile. Both these solutions can be valuable tools in the development of low-salt products.

Want to know more on how to put salt on hold? Read our white paper!
The white paper documents Corbion research into multifunctional, fermentation-based solutions and is a must-read for food manufacturers and processors who are looking to reduce sodium content while aiming for cleaner labels and retaining the original product quality.



Delivered through dedication

A WEALTH OF BAKERY KNOWLEDGE

Is baking an art or a science? Some might think it is a science, given the precise measurement of ingredients and chemical interactions. Others might believe it is an art, as it involves craftsmanship and the finished product has its own beauty whether it be a cake, cookie, or loaf of bread.

Those who grew up with baking in their blood, though, know it is a perfect combination of both.
Chris Bohm, Eric Spegler, and Ron Zelch all come from families with a long baking tradition. Each brings their wealth of knowledge to their roles at Corbion. Baking is personal, whether it is done at a large wholesale bakery or by a mom and pop shop in the city. These three Corbion colleagues understand the personal aspect of baking and use their backgrounds to make a difference every day.

Every baker touches the dough

Ron Zelch, Product Knowledge and Training Manager for Corbion, has over 40 years of experience in the baking industry as a retail baker, technical service manager, instructor, and consultant.

Ron is a fourth-generation baker and remembers baking his first pie at three and earning his first paycheck from his family bakery at thirteen. After years of running the family bakery in St. Louis, Ron was an instructor at the American Institute of Baking in Manhattan, Kansas. In fact, some of his students are now Corbion employees. In his role as Product Knowledge and Training Manager, Ron answers customers' questions by phone or email. He has also conducted seminars and participated in panel discussions at trade shows.

Ask Ron if baking is an art or a science and he will tell you it is both. "You try to define with science what is going on in the baking process. It is a combination of the right time, temperature, and mixture of the raw ingredients," says Ron.

The art, though, comes down to the feel. "Every baker touches the dough," Ron says. "Even at a wholesale bakery. I was with a customer at a large wholesale bakery and asked him what the temperature of the dough was. He reached in to touch the dough and said, '78 degrees'. I reached for my thermometer, stuck it into the dough, and yes, it was 78 degrees!"

Ron knows that bakers pride themselves on the finished product — the size, the shape, the look, and feel. For Ron, Corbion stays ahead of the competition through the legacy of great products and the creation of new technologies. This combined with our highly skilled sales and technical services ensures that bakers achieve a finished product of which they can be proud.

The moment

Eric Spegler, Developer, Product Development, quite literally grew up in a family bakery. His family's bakery in Allentown, Pennsylvania, was on the first floor of a terrace house and the family lived on the second floor.

His earliest memories are of playing with dough at a young age and cutting out Christmas cookies. Every baker, though, lives for "that moment" when their finished product goes into the case. For Eric, it happened when he was in second grade and his Christmas cookies made it to the sales floor.

At his family bakery, everything revolved around occasions, like weddings, graduations, and baptisms, as well as special holidays. Eric left the family bakery to attend

Oklahoma State University, then worked in the hotel and restaurant industry before attending the American Institute of Baking.

Prior to joining Corbion, Eric spent 12 years working for Interstate Bakeries Corporation, maker of Hostess Twinkies and Wonder Bread, along with other bakery products. In his role as a product developer at Corbion, Eric works with customer requests to help them make a "better cake." He believes that what sets Corbion apart from its competitors is its ability to bring together all the functional ingredients that enable a baker to make a better product.

Is baking an art or a science? Eric says it is both. "The creativity of developing a product is an art. How you develop a solution by using ingredients to create that product, though, is a science."

A passion for baking

Chris Bohm, Manager, Bakery Applications, is also a fourth-generation baker. With Corbion since 1989, Chris is responsible for project execution, from concept to final product. "It's not just about what we make," says Chris." It's about what the customer makes as well."

His earliest memories are of waking up at 3 a.m. and jumping into a cold station wagon to head to the family bakery. At a young age, he was responsible for making the coffee and panning rolls and donuts, as well as cleaning the bathrooms and all the pans and wares left over from of the day's production. By the age of 12 years, Chris knew his life path would be in baking. He was hooked on the pleasure and satisfaction of creating products with basic ingredients for people's enjoyment. As the "Cake Boss of the 1980s," he was winning contests for his cake decorating abilities and his work was featured in magazines and print ads.

Chris's family background in baking is a mix of old world and new world. His grandfather served his baking apprenticeship in Germany and believed in investing time and moving slowly in creating bakery products. His father learned baking in the USA and had assimilated the new world approach of finding ways to make baking more efficient.

Chris learned from both approaches and brings these life lessons to his work at Corbion: "There is value in the old way of investing time in creating products but we also need the new way if we are to shorten the baking time."

Ask Chris if baking is an art or a science and he will also firmly state it is both: "You need to understand the chemistry of baking in order to manipulate the ingredients to do what you want them to do. The art, of course, lies in creating a finished product that brings joy to others."

PARTNERING FOR BIOPLASTICS GROWTH

Corbion produces lactides from lactic acid, which are then converted to poly lactic acid (PLA) thermoplastic resin, by our customers. Our customers offer this bioplastic resin to product manufacturers who develop bioplastic applications for brand owners and retailers, from packaging items to automotive components. In order to stimulate the adoption of bioplastics throughout this supply chain and further develop tailored resins for specific applications, Corbion operates in a partnership model. We connect with strategic partners in multiple industries to bring a bioplastic product to successful fruition, whether as a novel item or as a replacement for existing fossil-based items. Once successful, the developed technology enables a drop-in bioplastic solution that can be multiplied over a multitude of related applications.

We invested in a team of in-house downstream processing specialists to assist our customers - and their customers - with their application development. While PLA bioplastic resin can, in most cases, be processed on existing production lines, certain optimizations are required to maximize processing efficiency. By joining forces with partners further down the supply chain, we can apply our processing expertise to help speed up this optimization process during the trial phase of a development project. This is critical for the wider adoption of bioplastics and also allows for further tailoring of each resin according to the specific application and processing requirements.

A typical example of such a partnership is the PLA bioplastic computer housing recently co-developed with SUPLA, whose 10 kiloton PLA production facility will be operational later this year. Together, we worked with their customer Kuender, a leading Taiwanese electronics original equipment manufacturer (OEM), and assisted with the injection molding trials: "In addition to the PLA blends, we have developed techniques for the injection process. Therefore we are glad to let our customers know that we are able to provide a total solution for making green products," said Dr. Wen-Jeng Kuo, President of Kuender. As a direct result of this successful development, the resin and the processing expertise can now be applied to a multitude of related applications, from phone housings and laptops to game consoles and tablets.

In food service ware our partner approach includes a joint development project with Huhtamaki, a global leader in their market, and Wageningen University's Biobased Research team. We tackled the challenge of a biobased PLA single-use coffee cup, which required the development of both the bioplastic resin and the

optimization of the thermoforming production process. The successful result of this joint development project enables other bioplastic high heat applications, such as microwave meal packaging, soup tubs, noodle pots, clamshells, disposable plates, and bowls. "Having a high heat PLA for thermoforming is a missing corner stone and will maximize the number of end use applications for which PLA could be the material of choice," says Timo Keski-Mattila, Vice President of Business Development at Huhtamaki Foodservice for Europe-Asia-Oceania.

And when it comes to automotive components such as under-the-hood and visible interior parts, our innovations have pushed the performance limits of PLA to new heights. Our partner, Röchling Automotive, has successfully developed a family of PLA-based materials that show improved hydrolysis and thermal resistance up to 140°C with fiber reinforcement. Impressive results were also obtained for scratch and UV resistance, which is crucially important for vehicle interior applications. So far, Röchling has demonstrated a PLA-based air filter box as well as high gloss dashboard panels, which have already passed the stringent testing required for automotive components. A testament to the unlocked potential for leading automotive brand owners seeking biobased solutions.

CREATING EXCEPTIONAL CUSTOMER EXPERIENCES

At Corbion, we are committed to delivering a consistently strong customer experience. Why? Because we know that every interaction a customer has with our products, people, and brand, defines our value in their eyes.

It is our ambition to cultivate a truly customer-centric organization through a deeper understanding of not only needs and values, but also of the market trends and forces that will impact business growth. As a result, we can create more relevant and more differentiated products and service solutions to better meet customers' needs.

Creating an exceptional customer experience embodies every interaction our customers have with our people, products, services, and brand.

"70% of buying experiences are based on how the customer feels they are being treated."

(McKinsey)

Delivering that customer experience will help us realize two critical, and interlinked, success factors:

- Customer loyalty
- Profitable growth

As an organization, we are working hard to build the metrics that will help us measure our success over time. Because loyal customers are generally more profitable customers, we have begun the process of identifying the key indicators of customer loyalty – based on both their words and actions.

Customer focus is deeply ingrained in our culture and behavior. How does this show? Through the responses of our customers for one thing: our NPS score (Net Promoter Score) is constantly among the highest in our industries. Our customers praise us for our product quality, our response time, and our genuine commitment to enduring relations and partnerships. We are glad our customers acknowledge our company values: Passion, Partnership, and Performance!

Customer loyalty can be measured in many different ways. And while we look to purchase behavior as one indicator, the other is in their personal assessment of our value to their business. Key indicators of customer loyalty include three critical evaluations:

At the intersection between strong customer satisfaction, likelihood to recommend, and likelihood to purchase in the future lie our most loyal customers. Through our customer insights initiatives, we will continually improve our understanding of the elements of customer experience that have the deepest impact on customer loyalty to Corbion. We can prioritize then our focus on the products, services, messaging, and thought leadership that will increase our share of loyal customers and which will, in turn, strengthen our share of spend and market!

Concept and design

Cascade - visuele communicatie bv, Amsterdam

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