



Dave Rosen

09/22/2005 12:21 PM

To: John Heffernan/CA/US/NA/IFF@IFF  
cc: Bob Czekanski/SB/US/NA/IFF@IFF, Chintan Patel/CA/US/NA/IFF@IFF, Francisco Fortanet/UB/US/NA/IFF@IFF  
Subject: Re: Conagra Sales - M.Falls

John, you are absolutely correct. All of the other butter flavors are the result of IFF not being able to sell butter flavors with diacetyl for use in popcorn. Unfortunately we could not supply a diacetyl free product that was acceptable. Our competition (we believe Givaudan) has won the business and is using diacetyl.

This most recent loss was unexpected since it does not contain diacetyl and in all of our discussions with ConAgra, throughout this very long process, was that they were not going to move away from this product. Jim Bergen, Jennifer Redding and I will be meeting with their procurement group but the damage has already been done. We also thought that ConAgra was now motivated to evaluate non diacetyl versions but that no longer appears to be the case based on discussions with their technical team.

Regards,

John Heffernan

John Heffernan

09/22/2005 12:15 PM

To: Dave Rosen/SB/US/NA/IFF@IFF  
cc: Francisco Fortanet/UB/US/NA/IFF@IFF, Bob Czekanski/SB/US/NA/IFF@IFF, Chintan Patel/CA/US/NA/IFF@IFF  
Subject: Conagra Sales - M.Falls

Dave:

I'm sure you are aware that we've just recently received noticed from Jennifer Redding that we have apparently lost the Conagra Cooked Butter 13628018 business, which is worth roughly \$700,000 per year. This is the second largest item produced in the M.Falls Dairy building. Apparently, we were not directly notified by Conagra that they were pulling this business. Based on the 2004 numbers, it appears that we have now lost close to \$5.1 million in sales to Conagra or about 92% of the Conagra sales coming out of M.Falls (the majority being the popcorn butter items).

IFF 0357939