



# Cereplast

January 2009 – World Future Energy Summit





# Safe Harbor Statement

Matters discussed in this Presentation contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this document, the words "anticipate," "believe," "estimate," "may," "intend," "expect" and similar expressions identify such forward-looking statements. These forward-looking statements are subject to risks, uncertainties, assumptions, and other factors that may cause the actual results, performance or achievements to differ materially from those contemplated, expressed or implied by such forward-looking statements. These factors include, but are not limited to, risks and uncertainties associated with: the impact of economic, competitive and other factors affecting the Company and its operations, markets, product, and distributor performance, the impact on the national and local economies resulting from terrorist actions, and U.S. actions subsequently; and other factors detailed in reports filed by the Company.



# Company Overview

- Cereplast, Inc. (cere: “from cereal”; plast: “from plastic”) is a leading specialty manufacturer of proprietary bio-resins
- Economically and ecologically sound substitute for petroleum-based plastics
  - Cereplast resins replace a significant percentage of petroleum-based additives with renewable resources such as starches made out of corn, wheat, tapioca and potatoes
- Unique two-pronged market approach

## Cereplast Product Offering

### Compostables Resins (Single-use applications)

100% renewable content

100% biodegradable and compostable

Can be used in all major converter processes

Applications:  
Foodservice ware and packaging



### Hybrid Resins (Durable applications)

Approx. 50% renewable content

Reduced petroleum content

Can be used in all major converter processes

Applications:  
Automotive, consumer goods, electronics, toys





# Long-Term Trends Driving Bioplastics Growth

## ■ Rising, Volatile Oil Prices and Energy Security Concerns

- Approximately 10% of oil is converted into plastics

## ■ Environmental Concerns

- Overfilling of landfills and degradability of plastic waste
- Health concerns about the use of certain plastics in food and human contact
- Lack of recycling of traditional petrochemical plastics
  - EPA estimates that less than 6% of waste plastic is currently recycled
  - Managing the carbon cycle

## ■ Favorable Regulatory Initiatives

- Federal government announced a major policy directive that designates products made from bio-based plastics as a preferred purchasing item
- Petroleum-based plastic bans / taxes

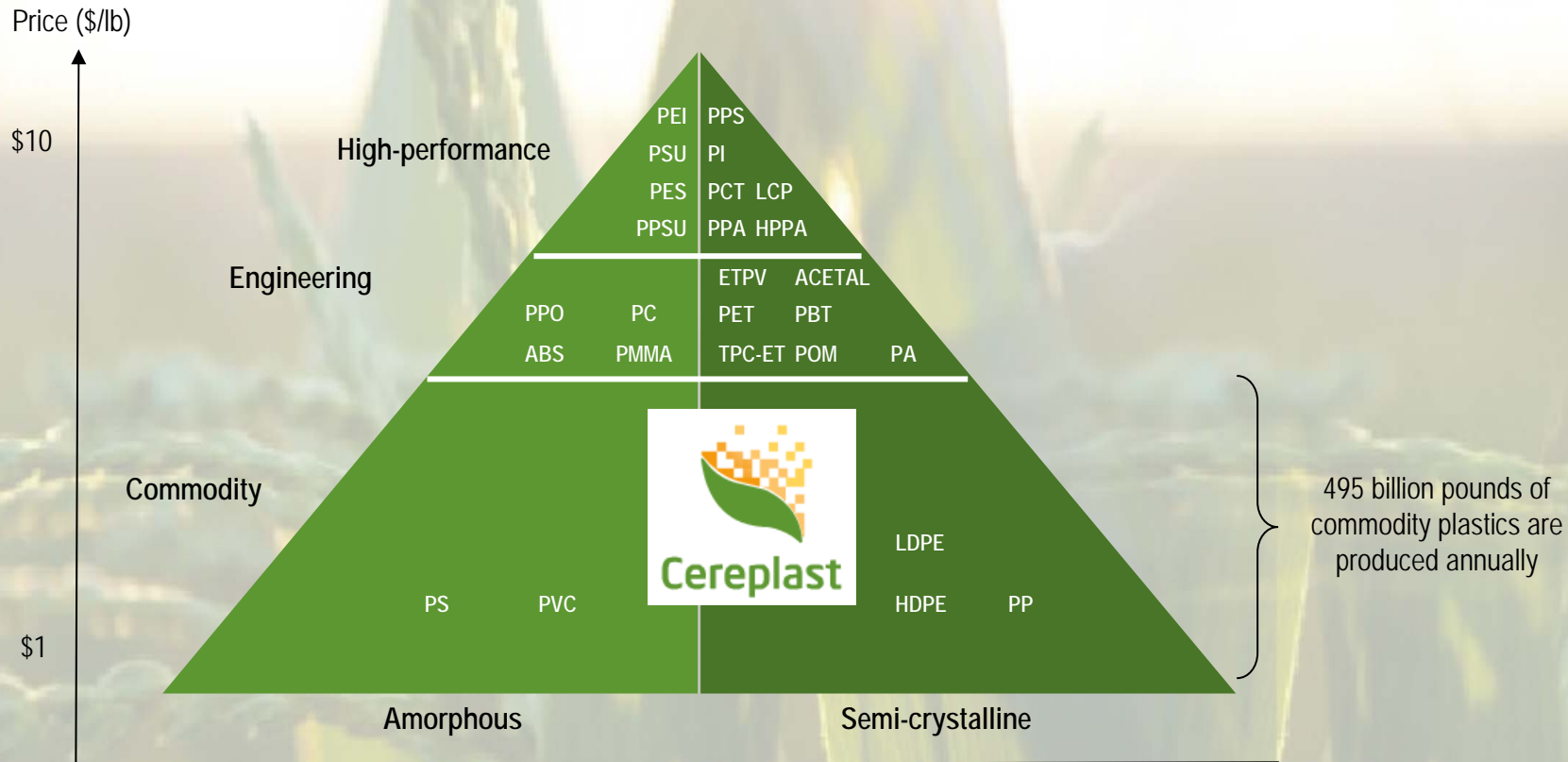
## ■ Improving Performance and Competitiveness of Bioplastic Resins

*Bioplastics will rapidly displace petroleum-based plastics as commercially feasible alternatives are offered to consumers*



# Market Opportunity

- Take market share from traditional petroleum-based plastic products through product attributes, predictable and competitive pricing, forced demand (legislation), and increased end-user demand



*Cereplast resins can address a large portion of the plastic industry*



# Bioplastics Market Sizing

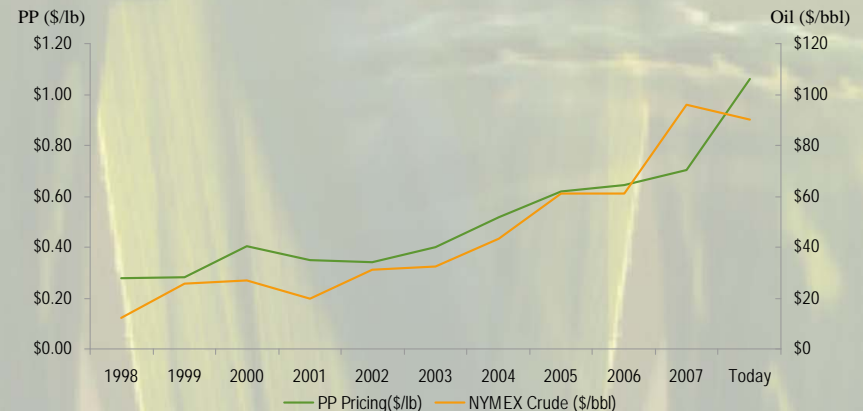
- BCC Research estimates that the global market for biodegradable plastics reached 541 million pounds in 2007 and is expected to reach 1.2 billion pounds by 2012
- Biopropylene™ Hybrid Resin Opportunity
  - Global polypropylene market is greater than 110 billion pounds
  - 1% penetration represents more than a \$1 billion market opportunity

## Market Opportunities

### Biodegradable Plastics Market Growth



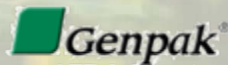
### Hybrid Resins: Increasing Opportunities





# Customer Value Proposition

- Full-service solution provider uniquely positioned to capitalize on the rapidly increasing demand for sustainable and environmentally friendly alternatives to traditional plastic products
  - ✓ Competitive, less volatile price structure versus petrochemical based resins
    - Opportunity for environmental benefit driven premiums
  - ✓ Customers process on conventional manufacturing equipment
    - No additional capital investment required by converters
  - ✓ Comparable or superior performance characteristics
  - ✓ Push and pull marketing approach
    - Formal relationships with the leading plastic converters in North America
    - Partnering with brand owners to introduce bioplastic products
    - Providing full support throughout customer adoption process



# Cereplast Business Model



Renewable Feedstock



Polymers



Resin Manufacturing



Hybrid & Compostable



Converters & Brand owners



PACE Industries, Inc.



csi / cosmolab

Finished Products





# Cereplast Management Team

## ■ **Frederic Scheer – Founder, President and CEO**

- Over 14 years of experience in the biodegradable plastic industry.
- Chairman Emeritus of the Biodegradable Products Institute.
- Doctorate of Law from the University of Paris, a Masters in Finance and Political Science from l’Insitut d’Etudes Politiques in Paris, France.

## ■ **Randy Woelfel – President and COO**

- Previously served as President at Basell International and Basell North America.
- Held a succession of management positions within Shell and Basell during his 29-year tenure, and led Basell’s dynamic growth internationally into the largest polypropylene manufacturer in the world.
- B.S. in Chemical Engineering from Rice University and Masters in Management from the Sloan School of Management at MIT.

## ■ **William Kelly – Senior Vice President of Technology**

- Over 26 years of experience in research and polymer product development and has been instrumental in the development of thermoplastic materials.
- Served in various technical service positions at Hycail and Chronopol.
- M.S. in Chemistry from the University of New York at Albany.

## ■ **Philippe Ravera – Senior Vice President Sales and Marketing**

- Over 26 years of experience with chemical and polymers leaders like DuPont, Neste and Borealis.
- Held several international management positions in sales, marketing, product development.
- B.S. in Chemical Engineering from Paris XI University, France and a M.S. in Polymers from IFOCA, Vitry, France. IMD, Lausanne, Switzerland.

## ■ **Mark Barton – Senior Vice President Operations**

- Previously Vice-President, Toray Resin Company (Toray Industries).
- Over 25 years of successful plastic compounding industry experience, succession of resin manufacturing leadership positions.
- Direction/implementation of lean manufacturing and continuous improvement systems including registration of quality (ISO 9001/TS16949) and environmental (ISO 14001) systems.
- B.S. in Management Science/Business Administration from Franklin University, Columbus, Ohio.

## ■ **Stephan Garden – Senior Vice President Finance & Business Development**

- Vice-President in the Financial Sponsor Group of Salomon Smith Barney in New York.
- Member of the investment team at Allied Capital, a \$4.0 billion private equity firm focused on debt and equity investments in middle market companies.
- M.B.A. from Columbia University and B.S. from Boston University.

# Cereplast Technical Advantages



## ■ Proprietary Resin Formulations

- 27 formulation patents and patent applications in the U.S. and worldwide
- Addressing an ever widening array of applications
- Work with portfolio of bio-based feedstock



## ■ Efficient Resin Processing

- High-speed and low cost manufacturing process requiring significant know-how
- Utilizes conventional resin compounding equipment

## ■ Ease of Use by Converter Clients

- Specially formulated to work on conventional equipment utilized by converters
- Lower temperature fabrication versus petrochemical based plastic products



## ■ Resin Properties

- Designed to deliver properties similar to traditional plastics
- Reduced environmental impact

## ■ Strong Technical Team

- Collectively over 75 years of bioplastic development experience





# Cereplast Manufacturing

- Currently manufacturing from scaled pilot plant in California
- Commercial production slated for Q1 2009 in Indiana
  - Initial capacity of 50 million pounds, site expandable to 500 million pounds
  - Transfer manufacturing pilot lines from California in 2 stages during 2009
- Offers capacity scale and cost competitiveness necessary to support major application development
- Centrally located with convenient rail and highway access, close to the feedstock sources and plastic converters
- Strong support from State and Local Government
  - Over \$1.0 million in financial incentives available to Cereplast
- Attractive Return on Investment opportunities
  - \$5.0 - \$6.0 million equipment costs for each additional 50 million pounds of capacity

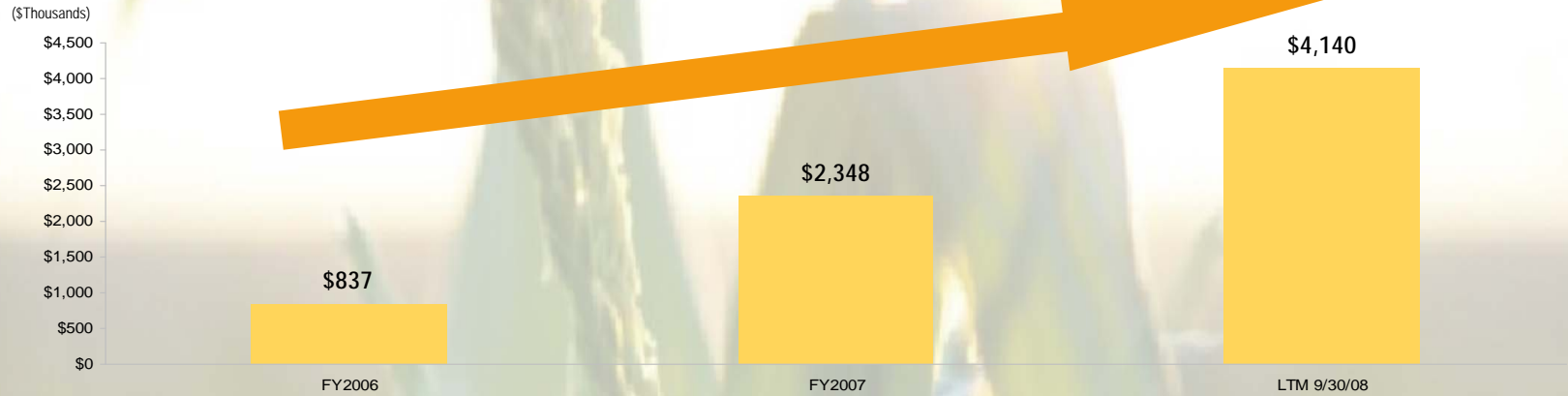




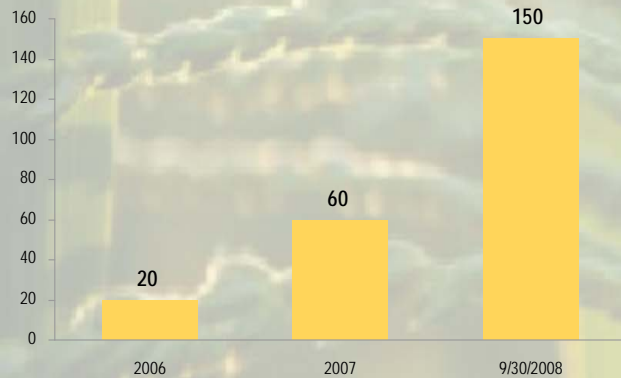
# Key Customer Development Metrics

## Gross Sales

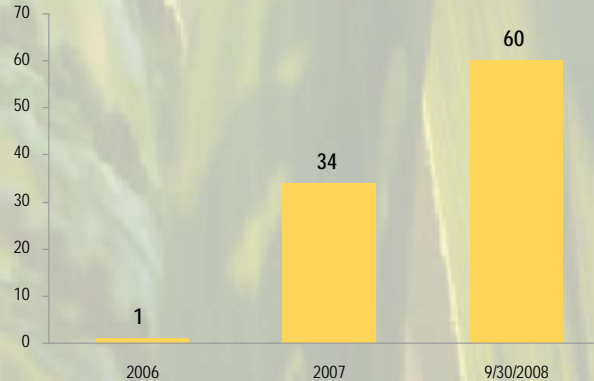
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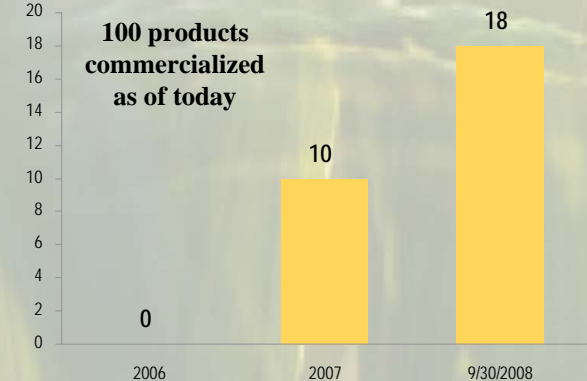
## Customer Relationships



## Customers at Proto-type Stage



## Customers with Commercialized Products



# Transaction Overview



Issuer:	Cereplast, Inc.
Offering Size:	\$10 million
Recent Closing Stock Price:	\$0.13
Basic Shares Outstanding (mm):	275.7
Market Capitalization:	\$35.0 million
Use of Proceeds:	Complete manufacturing and working capital
Ticker / Exchange:	CERP.OB / OTCBB



## Cereplast Capitalization Table as of September 30, 2008

### Cereplast Management and Directors

Frederic Scheer	114,262,351	41.4%
Management	8,781,837	3.2%
<b>Total Management</b>	<b>123,044,188</b>	<b>44.6%</b>

Cereplast Board of Directors	3,045,455	1.1%
<b>Total Insiders</b>	<b>126,089,643</b>	<b>45.7%</b>

<b>Restricted</b>	495,436	0.2%
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<b>Float</b>	149,101,496	54.1%
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<b>Total Shares Outstanding</b>	<b>275,686,575</b>	<b>100.0%</b>
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