



DSM
BRIGHT SCIENCE. BRIGHTER LIVING.

Continued Value Growth

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Capital Markets Days 2011

HEALTH · NUTRITION · MATERIALS

Innovate for customers and consumers



Food

- Health, wellness, longevity & healthy ageing through healthy nutrition, convenience, nutrition security



Feed

- Efficient animal & marine protein production: feed conversion, growth, health & low mortality, lactation, fertility, minimize impact on the environment



Personal care

- Protection and nourishment of skin and hair, slow-down & reversal of visible ageing, for wellness & positive self-awareness



- DSM's Human Nutrition and Health business is focused on advancing our understanding of the intricate relationship between nutrition and human health. At its heart is nutritional science supported by clinical studies aimed at improved micronutrition, based around the well-known vitamins and carotenoids as well as an array of new nutritional ingredients. The impact of micronutrition ranges from cardiovascular and muscular-skeleton health, to cognition, brain health, and vision.
- Increasingly, we understand not only the need for minimum dietary intake of vitamins, required to prevent illnesses, or even death in the case of gross deficiencies, but also the impact of dietary intake in relation to developing the human body and brain to its full potential, and on fertility and the healthy development of the unborn child. Our needs and potential deficiencies in micronutrition differ at every stage in life, as they may do with different lifestyles. Finally, our nutritional status also impacts how we age.
- Micronutrition plays a vital role in optimizing the production of animal and marine proteins. Through micronutrients and enzymes we can impact the conversion of feed to meat and the growth rate of animals, as well as their general health and well-being thereby reducing mortality and improving the quality of meat and eggs. Micro-nutrition also impacts milk production, fertility and breeding, and provides important solutions to minimize the environmental impact of animal and fish farming.
- In Personal Care, DSM is focused on hair and skin care. Skin protection (UV filters and vitamin E), as well as the nourishment and health of the skin are key to our overall health. The skin is the largest organ in the human body, exposed to and protecting us from a harsh environment, yet its needs for nutrition are often overlooked. Besides, the skin, as well as our hair, is central to outward appearance - and we know self-image and self-awareness play a key role in overall wellness.

Nutrition: leading through Values and Scale



Food

Values

- Addressing real Nutritional & Health needs
- Building on Science, Technology and Clinical Evidence
- Delivering with utmost commitment to Quality Management
- Living Sustainability



Feed

Scale

- Presence, Portfolio and People
- History, deep institutional know-how and broad IP
- Customers and Partnerships
- Strong technologies and assets base
- Revenue > € 3.5 bn



Personal care



- As the global leader in micronutrients, DSM Nutritional Products continuously seeks to differentiate itself from its competitors, not only through the excellence of its product and service offering, but through the Values that underpin its operations and the Scale it can bring to the marketplace.
- DSM Nutritional Products' business is founded on a set of strongly held values:
 - We address real and pressing nutritional needs in the context of human health and wellness.
 - We contribute to food and nutrition security, optimizing production of animal and marine proteins, optimizing feed conversion and minimizing environmental impact.
 - We advance nutritional science, and develop products and concepts which are solidly anchored in science, technology and clinical evidence.
 - We produce and deliver products with the utmost commitment to quality management, meaning quality assurance, traceability, and reliability.
 - We are improving our sustainability performance, not only because it is the right thing to do, but also because it is increasingly a value driver for our business.
- DSM Nutritional Products distinguishes itself in scale, which is reflected in its portfolio, its unequaled global presence and its people, with more than 7,000 professionals around the globe. We have a long history based in nutritional science and are committed to generating new knowledge and insights in the relationship between nutrition and health.
- Consequently, we are proud that leading players in the feed, food, beverage, infant nutrition, dietary supplement and personal care industries choose DSM as their partner. Moreover, DSM is seen as the 'partner of choice' in the nutrition industry for joint innovation, market development or channel building.
- The result is that DSM is the leading player in the nutrition industry, enabling us to deliver a CAGR of 6% over the last 5 years, with expected revenues approaching €3.5 billion in 2011.

Nutrition: Leading through Strength of the Core

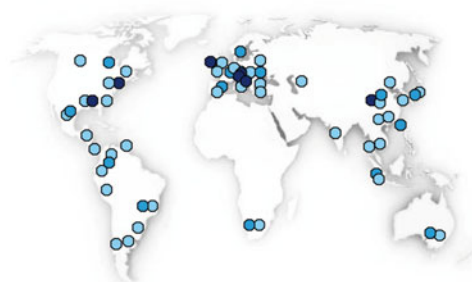
Active ingredients

Delivery Systems

Premixes

In the framework of our Values: - addressing real Nutritional & Health needs
- anchored in Nutritional Science
- commitment to Quality Management
- living Sustainability

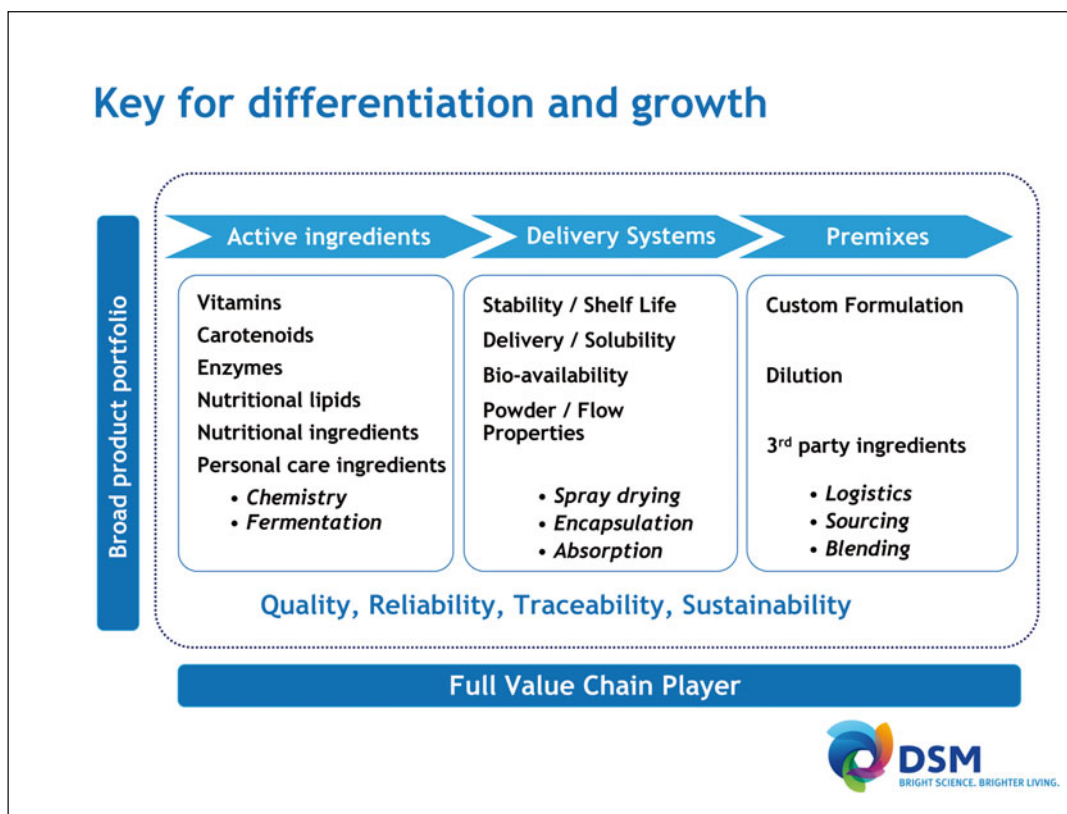
- Broad portfolio player
- Full value chain player
- Global footprint = Customer proximity
- Innovator and differentiator
- Committed to driving value



● Production Facilities
● Premix facility
● Main Sales Offices



- The 'Core' of DSM Nutritional Products is characterized by being a full value chain player and by having a broad portfolio of micronutrients, with product offerings fully anchored in nutritional science, and production and delivery executed in a tight framework of quality management.
- We offer the broadest range of vitamins, carotenoids, enzymes, and other nutritional ingredients in the marketplace. We not only produce the key ingredients but also build these into effective solutions for our customers. And our global footprint, with a strong presence in all international markets, means we are in close proximity to these customers too.
- Finally, we recognize that our growth comes from continuing to provide new solutions to changing needs - hence our focus on innovation, with an annual spend in excess of € 100 million.
- All of these elements combined are what differentiates DSM, driving value for our customers and, as a consequence, driving value for the communities and value chains in which they work and ultimately our shareholders.



- DSM is unique in being involved in all three of the main steps in our value chain: the production of pure active ingredients; their incorporation into delivery systems (also known as forms), and finally the production of tailored blends and premixes. Being the only fully integrated player allows DSM to differentiate itself all the way through the chain. Managing the interdependencies between active ingredients, forms and premixes, which have important implications for innovation, logistics and value delivery, is a core competence of DSM.
- In the production of active ingredients (untreated vitamins, carotenoids, enzymes and other nutritional ingredients), where cost is a more important factor, significant added value is also generated by differentiation, through for example quality management, traceability, reliability of supply, sustainable production practices, and physical product attributes such as polymorphisms, influencing stability and bio-availability.
- In the next step of the chain, where active ingredients are incorporated into delivery systems or so-called 'forms', DSM has an array of sophisticated technologies to deliver a range of application properties. Forms are single product formulations, which can be solid particles in which the active ingredients are dispersed or encapsulated in an inert matrix to provide stability, extended shelf life, bio-availability or dispersability - the ability to form stable suspensions in a liquid matrix, for instance for beverages.
- In the next step, a range of blends are produced in so-called premix operations. This is how DSM meets specific customers' needs through tailored solutions.
- Approximately 15% of DSM Nutritional Products' revenue is derived from sales of pure active ingredients; 85% of revenue is based on sales of higher value-added forms and premixes.

Nutrition: our growth strategy



Strengthen the Core

- e.g. - process innovation
- asset footprint optimization & restructuring



Leverage the Core

- e.g. - Martek
- Microbia
- Vitatene



Establish new growth platforms

- e.g. - other adjacent areas



- There are three key elements to DSM's growth strategy:
 1. To continue to strengthen our Core, building and strengthening capabilities to ensure we deliver more value, more efficiently.
 2. To ensure that we increasingly leverage our unique full value chain position by broadening the portfolio of active ingredients.
 3. To establish new growth platforms in adjacent areas that expand the breadth of our operations. Within our existing business Personal Care is a good example of this. Acquisition is seen as the vehicle to deliver other new growth platforms, but this is outside the scope of this presentation.

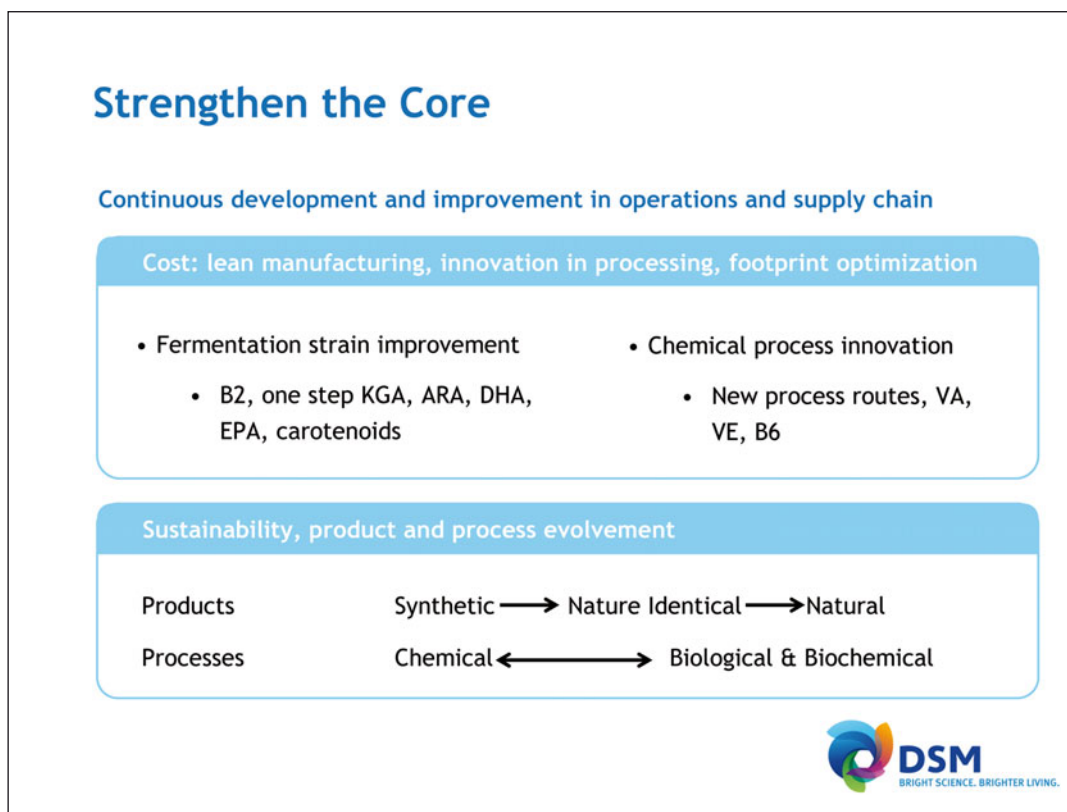
Strengthen the Core



- Continuous development/improvement in operations and supply chain
- Continuous development of delivery systems: forms technologies
- Expansion of premix network and services
- Nutritional science & advocacy
- Continuous development & improvement in quality management



- There are essentially five different areas on which DSM Nutritional Products focuses in order to drive increasingly more value from the core business. They are listed above.
- This Capital Markets' Day presentation focuses mostly on the first three of these.
- Nutritional science and advocacy is the subject of a separate briefing on 23 November 2011.



- Excluding Martek, 85% of DSM Nutritional Products' business comes from forms and premixes, but despite this focus on higher added-value products, DSM continues to pay close attention to process innovation to ensure the tightest focus on cost and the best possible asset utilization.
- A number of projects have been implemented or are being developed with the aim of achieving gains in efficiency of operating in our supply chain.
- In the field of fermentation technology some good examples are the following:
 - Our ongoing work on strain improvement in the production of vitamin B2, where we believe we have the most cost effective production in the industry.
 - Our breakthrough fermentation technology for the production of KGA - a critical intermediate in the production of vitamin C. Traditionally produced chemically, KGA is now manufactured using two separate fermentation steps - but our unique new process can reduce that to a single step, reducing cost and improving environmental footprint.
- In our recently acquired Nutritional Lipids business (Martek), we focus strongly on yield improvement to further reduce cost- but also to create new market opportunities in applications for which the cost of microbial PUFAs would currently be prohibitive, such as marine feed applications.
- A few examples from the field of chemical process technology:
 - DSM has developed a new process for the production of vitamin B6, addressing our adverse cost position in Grenzach, Germany. The process will also be used in China.
 - An exciting process development project in vitamin A, where we have developed new chemical routes involving fewer process steps, with potential to significantly reduce cost and contribute to our sustainability targets.
- DSM is also responding to evolving societal and market needs, leading the drive towards nature-identical and natural products. For this we bring together the best in sustainable chemical production on the one hand, with fermentation, biochemical and biological production processes on the other, driving sustainability across all technology platforms.

Strengthen the Core

Continuous development of delivery systems



Parsippany Innovation Center



Animal Nutrition Center China



Spray tower

Developing delivering systems in context of applications know-how

- Building/strengthening a network of regional nutrition application & innovation centers (Sao Paulo, Shanghai, Singapore, Parsippany, Kaiseraugst)
- Animal nutrition center for (clinical) feeding trial in China
- Expanding delivery (forms) manufacturing and technologies



- One of DSM Nutritional Products' strengths is its extensive technology platform in delivery systems as a means of impacting performance in end-use application and end-product formulation, shelf-life stability and bio-availability.
- Innovation in delivery systems is only possible in the context of a deep knowledge and understanding of end-applications. DSM continues to lead in the science of applying active ingredients to human foods, and is increasingly expanding its international network of Nutrition Application & Innovation Centers, which feature state-of-the-art application laboratories. These centers are pivotal in market development and in driving our delivery system/forms development programs. The example shown here is our new North American nutrition innovation center, officially opened in May of this year.
- Similarly, in the Animal Nutrition business, DSM continues to advance its understanding of how to influence the metabolism of different animals, optimizing growth and minimizing environmental impact. For this purpose DSM is in the design/planning phase of a state-of-the-art animal nutrition center for clinical/comparative feeding trials, to improve both farming outputs and animal welfare. This center in the Chinese province HeBei, about one hour from Beijing, is planned to be operational in Q1 2013.

Strengthen the Core

Expansion of premix network and services

- In last 2 years: 5 new plants built, 2 plants replaced, 1 additional plant acquired
- In coming 2 years 6 more plants to be built

Build

- China
- India
- Colombia
- Ecuador
- Russia



Innovate

- Modular premix facilities
- Chinese Franchise stores

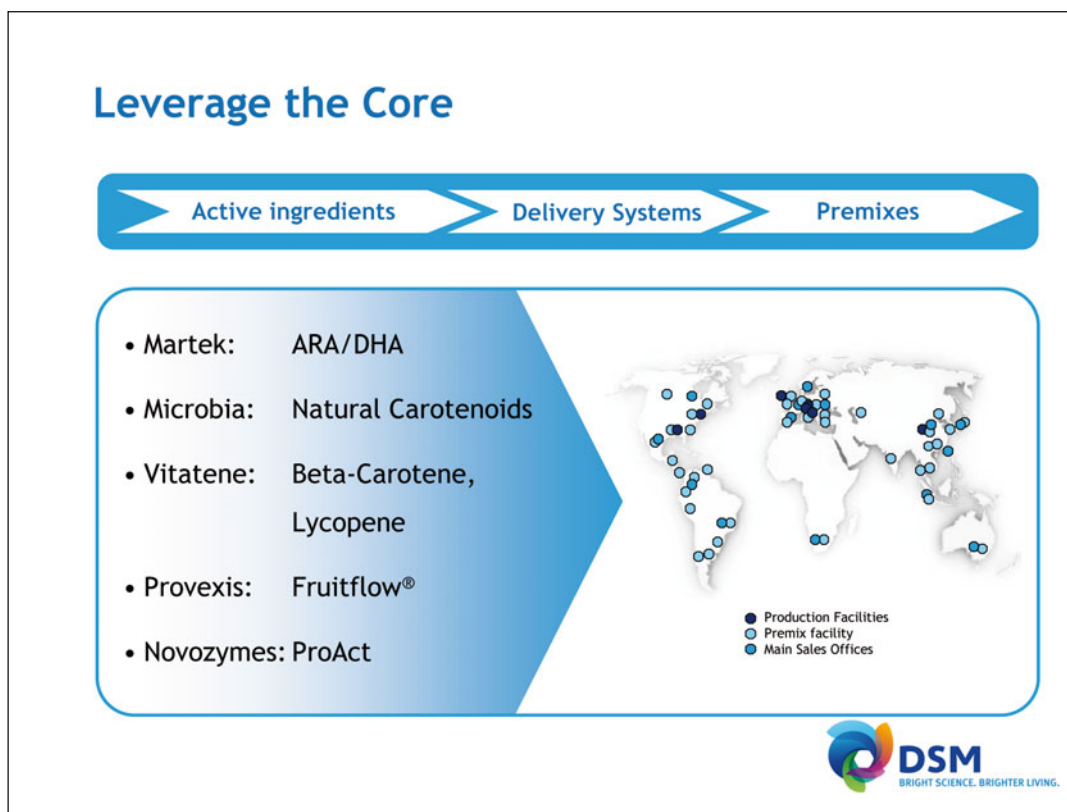


Acquire

- Rumania
- Korea



- Expansion of the premix network and services is an integral part of strengthening the core. In the last 2 years 7 new plants were built, of which 2 were replacements. The alternative to building is to acquire plants of the right quality such as our latest addition in Rumania.
- To reduce capital costs, to increase flexibility and to allow for expanding the network to smaller markets, DSM Nutritional Products, jointly with an engineering partner, has developed the concept of standardized, modular premix plants for Animal Nutrition. The modules (pre-assembled pieces) of the plant are skid mounted and put together on the production location. These lower cost plants facilitate market development in smaller potential growth markets and are an important element of our growth strategy. The first three modular ANH premix plants have been built in Ecuador, Colombia and India. We expect to construct 7 more modular plants in the coming 3 years.
- In larger markets DSM is expanding by building more traditional, larger premix facilities, such as our new site recently opened in the Russian Republic of Tatarstan, and the new facility to be opened in October in China.
- Acquisition is and will remain part of our growth strategy in expanding the premix network and services, such as the premix businesses recently acquired from Bayer Korea and Fatrom in Rumania.
- As part of expanding our services DSM continues to strengthen its ANH premix franchise business in China. Over the last 12-18 months focus has been on consolidation and we are pleased to have a reliable network of 140 franchise partners, to be expanded in China and seen as template for the Indian market.



- DSM Nutritional Products enjoys a unique position as a full value chain player. This means it not only creates the pure active ingredients, but incorporates them into delivery systems known as forms, and finally incorporates these into tailored premixes and blends.
- The second element of DSM Nutritional Products' growth strategy is to add to its portfolio of active ingredients (to 'fill the funnel') through acquisitions or partnerships so as to drive additional value through the next steps in the value chain: DSM's delivery systems and global network of premix facilities.
- A prominent example of this strategy was the acquisition of Martek. DSM is already using its global market reach, technology base and application skill capabilities to begin to channel and accelerate the growth of Martek's product portfolio (Nutritional lipids, notably ARA/DHA) into other regions, applications and market segments beyond its existing strong US-based position in infant formula ingredients, and growing position in food and beverage and dietary supplement applications.
- Martek itself has also recently acquired Amerifit, an attractive consumer business for branded dietary supplements with very specific health benefits (See also next presentation by Steve Dubin, CEO Martek). We have integrated our start-up business i-Nutrition (i-Flex®, i-Cool™, SLIMshots™) and consider this 'B2C' business as a strategic market development platform for new nutritional ingredients.
- We also recently completed the acquisitions of Microbia (a technology business, specialized in the development of carotenoids through fermentation) in the US and Vitatene (focused on extraction, marketing and sale of natural beta-carotene and lycopene) in Spain, which will form a new platform for growth in natural carotenoids and other micronutrients.
- DSM is also investing and partnering to grow. Through its Venturing Unit, DSM has taken a stake in Provexis, whose lead product Fruitflow® - a bioactive, patented extract from tomatoes that improves blood flow and hence heart health - is already attracting substantial interest from world leading food manufacturers.
- Novozymes and DSM also have a successful partnership in the development and marketing & sales of feed enzymes, which leverages the strengths of both companies. DSM contributes enzyme development and clinical testing, and a channel to market through its global network.

Nutrition: 2011 market & business dynamics



Food

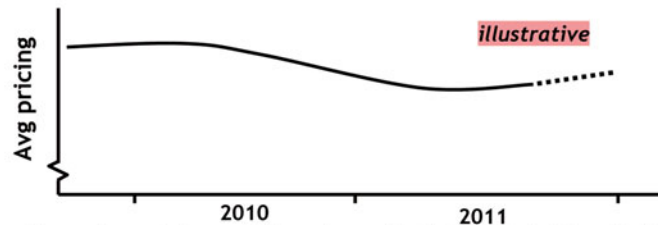


Feed



Personal care

- YTD organic growth versus PY 3%.
 - Positive volume trends
 - Pricing below peaks of Q1/Q2 2010 but trending upwards
 - Value before Volume: premium pricing strategy



- General market conditions strong in Animal Nutrition, flat in Human Nutrition and Personal Care.
- CHF has impacted our costs, mitigated in 2011 in part by currency hedging. No impact on trading but affecting EBITDA.
 - Without impact of the CHF 2011 would have been another record year



- As a consequence of the continued effective implementation of this strategy, DSM Nutritional Products is experiencing steady growth.
- The business continues to show positive volume trends across the board, with organic sales growth of 3% in H1 of 2011 compared to prior year. Due to our focus on value before volume, we have been able to deliver significant value over market averages and, after 12 months of industry price decline, and are now gradually improving pricing through 2011.
- Overall, DSM continues to see strong market conditions in animal nutrition, as high commodity prices increase the importance of feed efficiency. Unsurprisingly, the human nutrition market is somewhat flat. Given that DSM Nutritional Products is headquartered in Switzerland, we have been impacted by the strong valuation of the Swiss franc (CHF), which has inevitably affected our EBITDA performance. At constant exchange rates the business would have delivered another record year.

Nutrition: continued value growth



Nutrition targets by 2015

- Growth GDP + 2%
- EBITDA margin >20% towards 23%

- Leading through Values, Scale and Strength of the Core
- Growth and expansion by strengthening the Core
- Continued opportunities for Innovation
- Leveraging the Core through M&A and partnerships
 - Value Chain
 - Portfolio
 - Global Reach
 - Nutritional Science



- DSM Nutritional Products maintains the financial targets laid out in 2011, to grow by 2% above global GDP growth and to operate at a margin of at least 20% with an overall aspiration of 23%.



DISCLAIMER

This document may contain forward-looking statements with respect to DSM's future(financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the company.

Examples of forward-looking statements include statements made or implied about the company's strategy, estimates of sales growth, financial results, cost savings and future developments in its existing business as well as the impact of future acquisitions, and the company's financial position. These statements can be management estimates based on information provided by specialized agencies or advisors.

DSM cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause the company's actual performance and position to differ materially from these statements.

These factors include, but are not limited to, macro-economic, market and business trends and conditions, (low-cost) competition, legal claims, the ability to protect intellectual property, changes in legislation, changes in exchange and interest rates, changes in tax rates, pension costs, raw material and energy prices, employee costs, the implementation of the company's strategy, the company's ability to identify and complete acquisitions and to successfully integrate acquired companies, the company's ability to realize planned disposals, savings, restructuring or benefits, the company's ability to identify, develop and successfully commercialize new products, markets or technologies, economic and/or political changes and other developments in countries and markets in which DSM operates.

As a result, DSM's actual future performance, position and/or financial results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

DSM has no obligation to update the statements contained in this document, unless required by law. The English language version of this document is leading.

A more comprehensive discussion of the risk factors affecting DSM's business can be found in the company's latest Annual Report, a copy of which can be found on the company's corporate website, www.dsm.com

Abbreviation	Explanation	Abbreviation	Explanation
6-APA	6-amino-penicillanic acid	EU	European Union
AGI	AGI Corporation Taiwan	F&B	Food & Beverage
AMEA	Association of Machinery and Equipment Appraisers	FD	Finished dosage / final dose
ANH	Animal Nutrition & Health	FDA	Food and Drugs Administration
API	Active pharmaceutical ingredients	GBP	Pound Sterling
AR	Anti-reflective	GDP	Gross Domestic Product
ARA	Arachidonic Acid	GHG	Greenhouse Gas
B&C	Building and Construction	GUR	Global Utilization Rate
B2	Vitamin B2	HGE	High Growth Economies
B2C	Business-to-Consumer	HMDA	Healthcare distribution management association
B6	Vitamin B6	HQ	Headquarters
BCM	Billion Cubic Meter	IFRS	International Financial Reporting Standards
BF	Bio-Fuel	INF	Infant Formular
BMM	Biomedical Material	JPY	Japanese Yen
bn	billion	JV	Joint Venture
BP&S	Bio-based Products & Services	KA	KuibyshevAzot OJSC
C/E	Central / East	KGA	Ketoglutaric Acid
CAGR	Compound Annual Growth Rate	kt	kiloton
CAPEX	Capital Expenditures	LATAM	Latin America
CEO	Chief Executive Officer	LCD	Liquid crystal display
CFO	Chief Financial Officer	m	million
CH4	Methane	M&A	Merger & Acquisitions
CHF	Swiss franc	MB	Managing Board
CHP	Combined heat and power	NGO	Non-governmental organization
CIO	Chief Innovation Officer	OEM	Original equipment manufacturer
CIS	Commonwealth of Independent States	OWC	Operating Working Capital
CMD	Capital Markets Days	P&L	Profit and Loss
CMO	Contract Manufacturing Outsourcing	p/a	per annum
CRM	Customer Relationship Management	PA6	Polyamide 6
CTO	Chief Technology Officer	PEN	Penicillin
DA	Depreciation and amortization	PI	Polymer Intermediates
DAI	DSM Anti-Infectives	PM	Performance Materials
DBM	DSM BioMedical	PTG	The Polymer Technology Group
DBPS	DSM Bio-based Products & Services	PUFA	Polyunsaturated fatty acids
DD	DSM Dyneema	R&D	Research and Development
DEP	DSM Engineering Plastics	ROCE	Return on Capital Employed
DEP	DSM Engineering Plastics	SSC	Shared Service Center
DHA	Docosahexaenoic acid	SSP	Supplies Service Partner
DPP	DSM Pharmaceutical Products	UD	Unidirectional
DS	Dietary Supplements	UHMwPE	Ultra-High Molecular Weight Polyethylene
DSP	DSM Sinochem Pharmaceuticals	UOR	Urgent Operational Requests
E&E	Electrical & Electronic Industry	US	United States (of America)
EBA	Emerging Business Area	US\$	United States dollar
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	USA	United States of America
ECO+	The Greenhouse Dialogue	USD	United States dollar
EFSA	European Food and Safety	UV	Ultra Violet
EP	Engineering plastics	VA	Vitamin A
EPA	Environmental Protection Agency	VE	Vitamin E
EPS	Earnings per Share	VOC	Volatile organic compounds
		y-o-y	Year-on-year
		YTD	Year-to-Date