



Presentation to Investors

H1 2017 results

ROYAL DSM
HEALTH NUTRITION MATERIALS



Safe harbor statement

- This presentation 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. 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 actual performance and position to differ materially from these statements. DSM has no obligation to update the statements contained in this presentation, unless required by law.
- More details on DSM's H1 2017 performance can be found in the H1 2017 results press release, published together with this presentation. A more comprehensive discussion of the risk factors affecting DSM's business can be found in the company's latest Annual Report, which can be found on the company's corporate website, www.dsm.com

Highlights H1 2017

- Continued good performance in Q2 concludes very strong H1
- Sales up 11% to €4,320m, with 8% organic growth
- Adjusted EBITDA up 16% to €721m, driven by both Nutrition and Materials
- ROCE up 170 bps to 12.2%
- Net profit up 42% to €312m
- Interim dividend of €0.58 per ordinary share
- Outlook 2017: slightly improved: DSM now expects to deliver full-year 2017 results above the targets set out in its Strategy 2018, with an EBITDA growth for the year moving slightly up from high single-digit to double digit, and with a ROCE increase moving from double digit basis points to over 100 basis points

Highlights Q2 2017

- DSM reports a very good Q2
- Sales up 8% to €2,161m, with 6% organic growth
- Adjusted EBITDA up 15% to €376m
- Nutrition: 4% organic sales growth; Adjusted EBITDA up 14%
- Materials: 4% volume growth; Adjusted EBITDA up 9%

Quote from CEO Feike Sijbesma



Feike Sijbesma
CEO / Chairman of
the DSM Managing Board

- *DSM maintained its positive momentum with a very strong first half-year performance. The second quarter was another very good quarter.*

Halfway through Strategy 2018, we are well ahead of our targets. All businesses are delivering on their growth initiatives, helping us outpace the market; we increasingly provide our customers with innovative solutions, resulting in a continued shift toward specialties. Furthermore, we are fully on track with our wide-ranging cost-reduction and efficiency improvement programs, while anchoring the high-performance culture we strive for. We also continued to make good progress with our sustainability agenda, future-proofing our operations and delivering products and solutions which help our customers to make their businesses more sustainable. The expected Patheon transaction demonstrates our commitment to monetize the significant value within our associates and earlier than anticipated.

While being mindful of the volatile macro-economic environment and the higher-base results achieved since 2015, we are confident for the remainder of the year and have increased our outlook for the full year."

Group | Key financials

in € million	H1 2017	H1 2016	% Change	Q2 2017	Q2 2016	% Change
Sales	4,320	3,907	11%	2,161	1,994	8%
Adjusted EBITDA	721	624	16%	376	328	15%
Adjusted EBITDA margin	16.7%	16.0%		17.4%	16.4%	
ROCE (%)	12.2%	10.5%				
Adjusted net profit	338	244	39%	175	135	30%
Net profit - Total DSM	312	220	42%	163	135	21%
Adjusted net EPS	1.90	1.36	40%	0.98	0.76	29%
Net EPS - Total DSM	1.75	1.22		0.91	0.76	
Cash Flow	329	319	3%	133	182	-27%

Group | Net sales development

in € million	H1 2017	H1 2016	% Change	Volume	Price/mix	FX	Other
Sales	4,320	3,907	11%	6%	2%	3%	0%
Nutrition	2,778	2,545	9%	5%	1%	3%	0%
Materials	1,426	1,240	15%	8%	5%	1%	1%
Innovation Center	84	83	1%	6%	-6%	1%	0%
Corporate Activities	32	39					

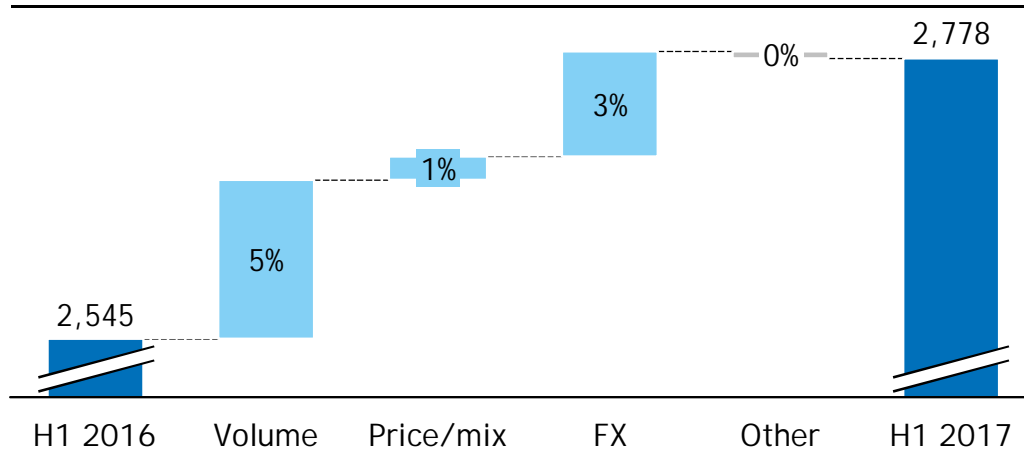
in € million	Q2 2017	Q2 2016	% Change	Volume	Price/mix	FX	Other
Sales	2,161	1,994	8%	4%	2%	2%	0%
Nutrition	1,380	1,295	7%	4%	0%	3%	0%
Materials	725	640	13%	4%	7%	1%	1%
Innovation Center	41	40	3%	9%	-7%	1%	0%
Corporate Activities	15	19					

Group | EBITDA development

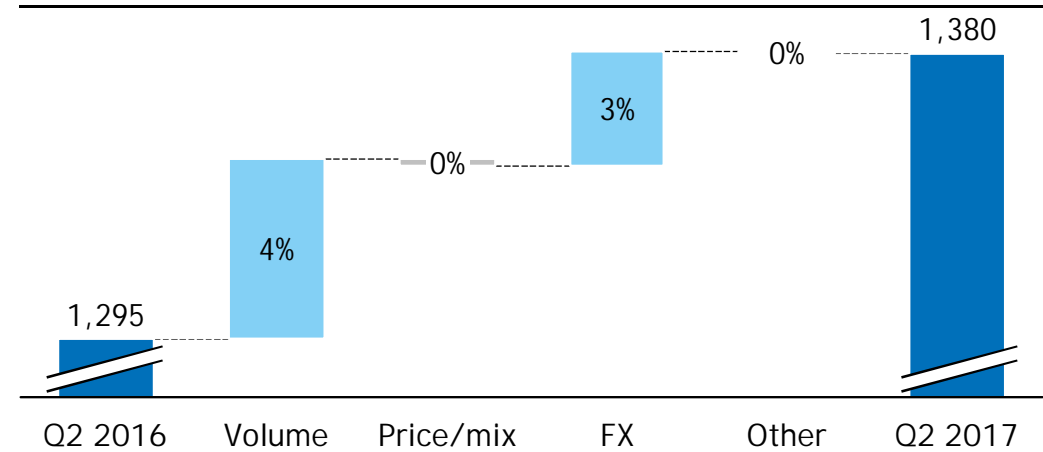
in € million	H1 2017	H1 2016	% Change	Q2 2017	Q2 2016	% Change
Adjusted EBITDA	721	624	16%	376	328	15%
Nutrition	528	462	14%	271	237	14%
Materials	241	212	14%	128	117	9%
Innovation Center	1	1		0	0	
Corporate Activities	-49	-51		-23	-26	

Nutrition | Sales overview

Sales bridge | H1 2016 to H1 2017



Sales bridge | Q2 2016 to Q2 2017



- Nutrition is well on track towards its aspirations as outlined in Strategy 2018:
 - Continued strong momentum of delivering above-market growth with an increasingly higher-value portfolio of feed and food solutions
 - Productivity, market clout and profitability are being supported by the improvement programs, covering cost reduction, operational excellence, and sales
 - Growth and profitability initiatives have enabled Animal Nutrition to continue to grow well despite the economic malaise in Latin America, while bringing Human Nutrition back to a solid growth footing

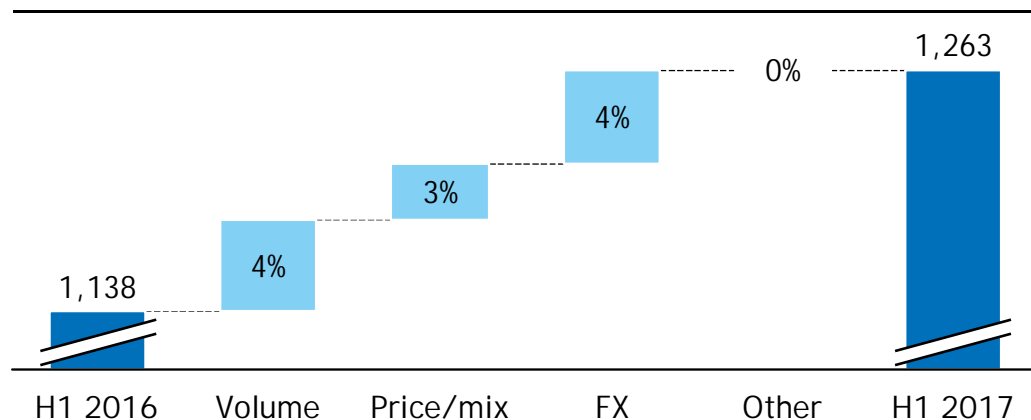
Nutrition | Key financials

in € million	H1 2017	H1 2016	% Change	Q2 2017	Q2 2016	% Change
Sales	2,778	2,545	9%	1,380	1,295	7%
Adjusted EBITDA	528	462	14%	271	237	14%
Adjusted EBITDA margin (%)	19.0%	18.2%		19.6%	18.3%	
Adjusted EBIT	383	326	17%	198	165	20%
Capital Employed	5,431	5,391				
Average Capital Employed	5,508	5,317				
ROCE (%)	13.9%	12.3%				
Total Working Capital	1,548	1,470				
Average Total Working Capital as % of Sales	27.6%	27.8%				

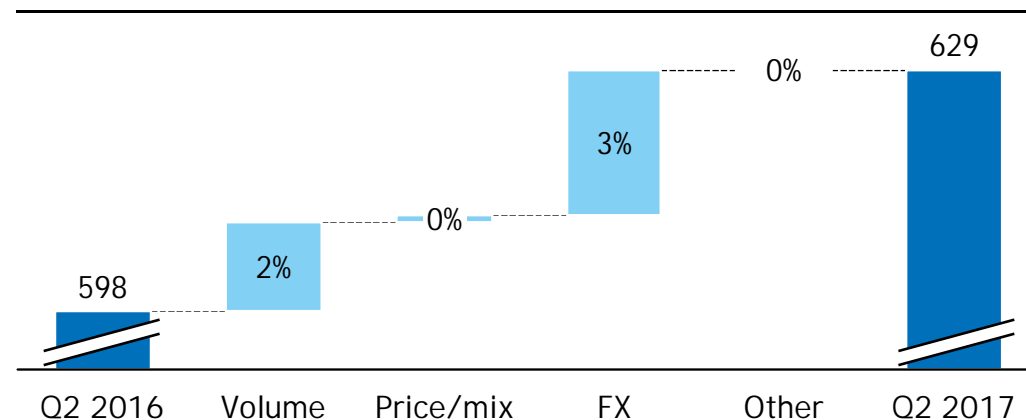
- Q2 2017 Adjusted EBITDA was €271 million, up 14% compared to Q2 2016
 - Driven by solid organic growth, favorable currencies and the execution of the profit improvement programs
- Adjusted EBITDA and Adjusted EBITDA margin benefited in Q2 from highly favorable mix effects in Human Nutrition with a relatively high share of high-margin businesses

Animal Nutrition & Health | Sales overview

Sales bridge | H1 2016 to H1 2017



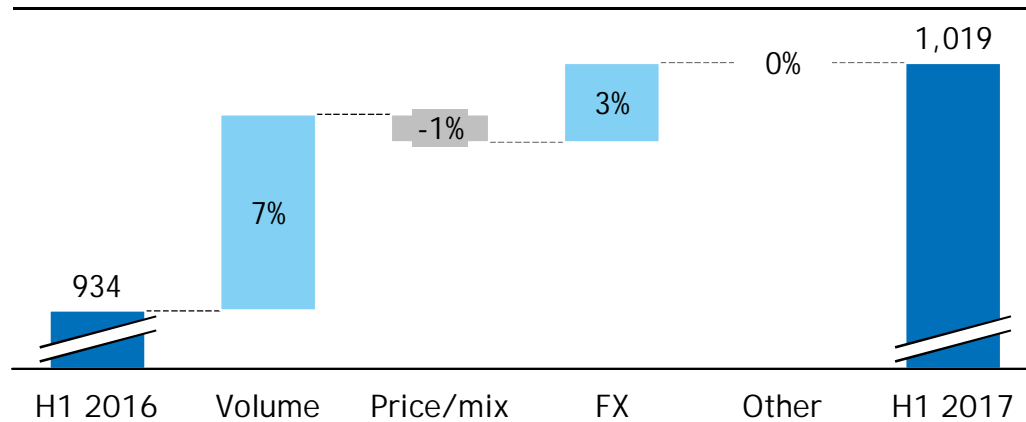
Sales bridge | Q2 2016 to Q2 2017



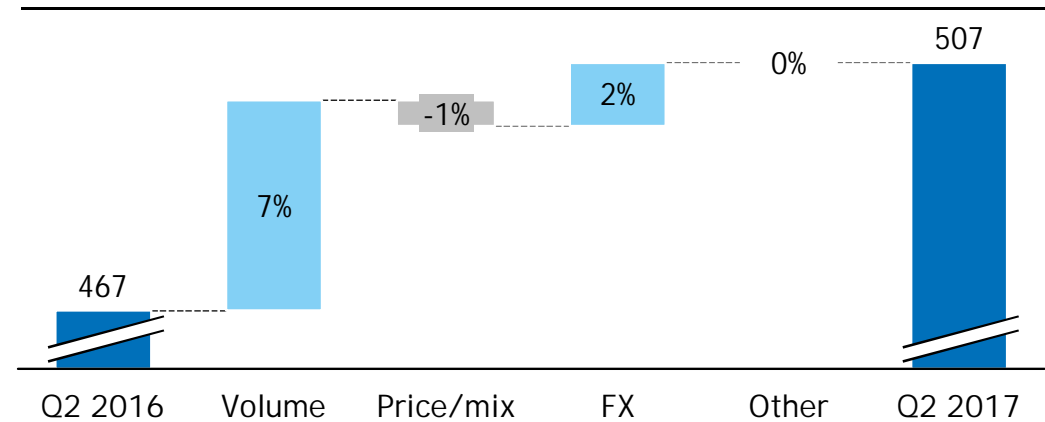
- **Animal Nutrition** continued to make good progress with its growth programs, outperforming underlying global growth in animal protein markets
 - Business conditions for animal nutrition remained good across most regions in H1 2017, with the exception of Latin America
 - The ongoing meat scandal in Brazil further dampened conditions in that region, where business was already pressured by the weak economic backdrop
- **Q2 2017 volumes** were up 2%
 - Excluding the effect of the ongoing meat scandal in Brazil of around €20 million on Q2 sales, volumes would have been up 5%, in line with DSM's growth trend in recent years
- **Prices in Q2** were overall stable when compared to the same period last year
 - Positive 3% exchange rate effect was driven by USD and BRL, partly offset by the weaker CNY

Human Nutrition & Health | Sales overview

Sales bridge | H1 2016 to H1 2017



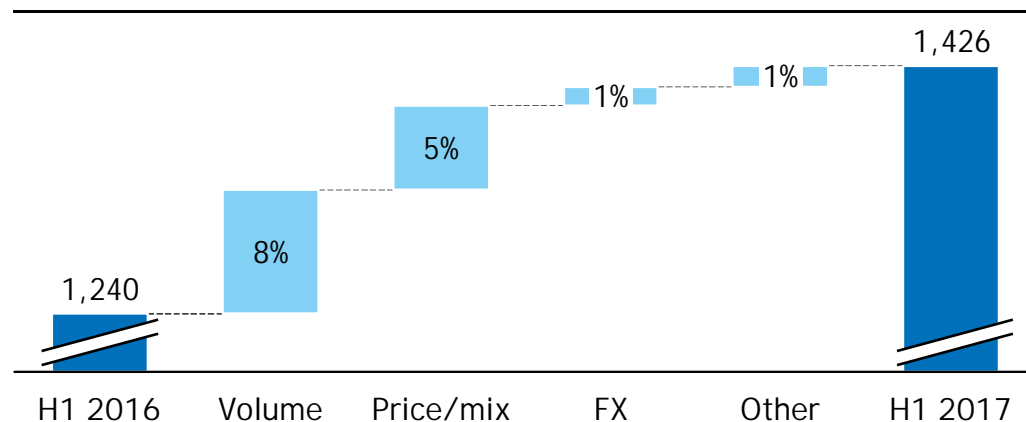
Sales bridge | Q2 2016 to Q2 2017



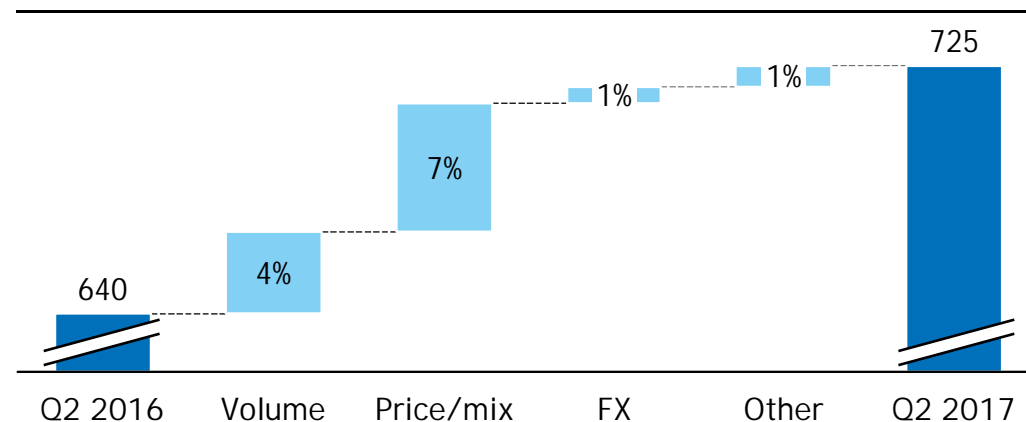
- The initiatives undertaken at **Human Nutrition** over the last couple of years, including reorganizing and refocusing the commercial organization, have given these businesses clear growth momentum
 - Seven consecutive quarters of good growth including a strong first half of 2017 across all regions and market segments
- In **Q2 2017**, Human Nutrition reported a strong **7% volume** growth
 - Highly favorable mix due to strong sales in its premix, i-Health and fish oil-based omega-3
- **Prices** were slightly down in Q2, with the anticipated lower contractual prices in Early Life Nutrition

Materials | Sales overview

Sales bridge | H1 2016 to H1 2017



Sales bridge | Q2 2016 to Q2 2017



- **Materials** continued to make solid progress in executing its strategy in H1 2017
 - The differentiated approach focusing on specialties has provided a clear strategic framework to outpace market growth
- **Q2 2017** sales were 13% higher than Q2 2016 with 11% organic growth including 4% higher volumes

Materials | Sales overview (cont'd)

- **DSM Engineering Plastics** showed strong sales growth in its high-performance specialty plastics
 - Good demand in automotive in Europe and Asia, while automotive in the US showed some signs of weakening in the second quarter
 - Demand in electrical & electronics was good
- **DSM Resins & Functional Materials** continued to benefit from above-average market growth driven by its increasingly specialty, sustainable product portfolio
 - Coating resins benefited from improved demand for powder and waterborne coating solutions in the European building and construction markets
 - Demand in China for waterborne solutions for maritime container coatings continued to develop strongly
 - Strong demand for fiber-optic materials, where DSM further improved its position
- **DSM Dyneema** saw an increased demand in H1 2017 from the markets for materials for personal protection, both for law enforcement and civilian use
 - The commercial marine markets, which have been soft in recent years, showed a promising recovery in H1 2017, with increased demand for ultra-strong fishing nets for sustainable aquaculture

Materials | Key financials

in € million	H1 2017	H1 2016	% Change	Q2 2017	Q2 2016	% Change
Sales	1,426	1,240	15%	725	640	13%
Adjusted EBITDA	241	212	14%	128	117	9%
Adjusted EBITDA margin (%)	16.9%	17.1%		17.7%	18.3%	
Adjusted EBIT	177	148	20%	96	86	12%
Capital Employed	1,807	1,775				
Average Capital Employed	1,815	1,751				
ROCE (%)	19.5%	16.9%				
Total Working Capital	353	312				
Average Total Working Capital as % of Sales	12.2%	12.2%				

- Q2 2017 Adjusted EBITDA was €128 million, up 9% compared to Q2 2016
- The Adjusted EBITDA margin in Q2 2017 was 17.7%
 - Price increases implemented to offset the higher input costs
 - This robust performance underlines the structural improvements achieved in the quality of returns in the Materials businesses over recent years

Innovation | Key financials

in € million	H1 2017	H1 2016	% Change	Q2 2017	Q2 2016	% Change
Sales	84	83	1%	41	40	3%
Adjusted EBITDA	1	1		0	0	
Adjusted EBIT	-12	-10		-7	-5	
Capital Employed	592	559				

- **DSM Biomedical** reported stable H1 sales when compared to the same period last year
 - The comparison is impacted by the discontinuation of a large contract. Excluding this impact, business developed well in the first half of the year
- **DSM Advanced Solar** continued to show good growth
 - In H1 2017, DSM acquired Suzhou Sunshine New Materials Technology, active in high performance solar photovoltaic back sheets. This technology acquisition supports DSM in its commercialization of a portfolio of innovations focused on lowering the cost of solar energy by providing solid, durable and sustainable materials solutions
- In **Q2 2017**, higher sales volumes in Biomedical and Advanced Solar were offset by a less favorable price/mix, related to the above-mentioned discontinuation of a contract in Biomedical

Corporate Activities | Key financials

in € million	H1 2017	H1 2016	Q2 2017	Q2 2016
Sales	32	39	15	19
Adjusted EBITDA	-49	-51	-23	-26
Adjusted EBIT	-70	-68	-31	-35

- **H1 Adjusted EBITDA** slightly improved compared to H1 2016, as a result of the progress in cost savings being implemented

Key joint ventures/associates | Financial overview

in € million, based on 100%		H1 2017	H1 2016	% Change	Q2 2017	Q2 2016	% Change
DSM Sinochem	Sales	217	226	-4%	107	114	-6%
	Adjusted EBITDA%	15%	15%		14%	14%	
ChemicalInvest	Sales	996	892	12%	461	437	5%
	Adjusted EBITDA%	8%	2%		7%	0%	

- **DSM Sinochem Pharmaceuticals (50% DSM)** showed slightly lower sales with stable margins
- **ChemicalInvest (35% DSM)** showed improved results with top-line growth and higher margins driven by better market conditions and a lower cost base

Joint ventures/associates | Net result contribution

in € million	H1 2017	H1 2016	Q2 2017	Q2 2016
DSM Sinochem (50%)	4	4	1	1
Patheon (33.5%) ¹	9	-21	2	-9
ChemicalInvest (35%)	0	-10	0	-7
Other associates / joint ventures	-14	-9	-10	-4
Total share of the profit of associates/joint ventures	-1	-36	-7	-19

- As of 15 May, DSM announced that it entered into an agreement regarding the sale of its shares in [Patheon](#) to Thermo Fisher Scientific
 - This will result in proceeds of USD 1.7 billion for DSM
 - The transaction expected to be completed by the end of 2017
 - Patheon's net result contribution in Q2 includes the period 1 February 2017 until 15 May 2017, which is the date of the tender offer. Per the same date, Patheon was classified as an asset held for sale
 - This expected monetization is earlier than anticipated in our Strategy 2018

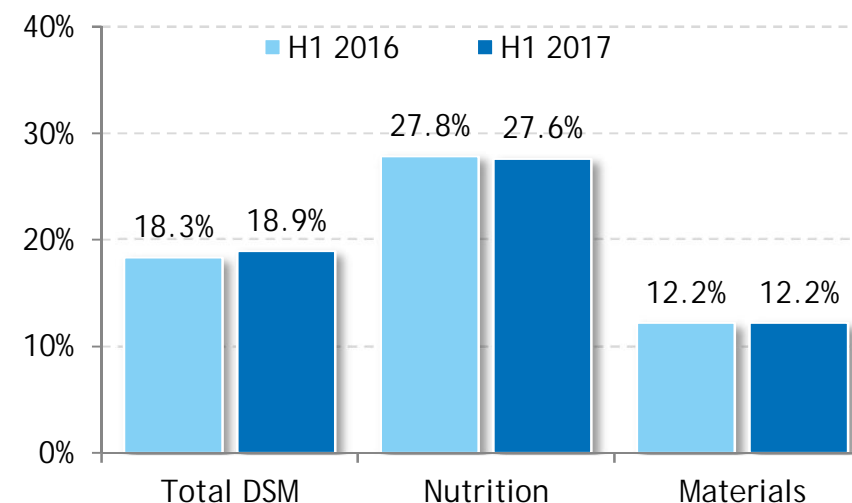
1. In H1 2016, DSM's share in Patheon was 49%

Cash flow and Working Capital | Overview

Cash Flow, Capital Expenditures and Financing

in € million	YTD		YTD	
	H1 2017	H1 2016	Q2 2017	Q2 2016
Cash from Operating Activities	329	319	133	182
Total Working Capital	1,591	1,481		
Total Working Capital as % of Sales	18.4%	18.6%		
Capital Expenditure (cash, net of customer funding)	250	177	120	78
Net Debt	2,205	2,466		

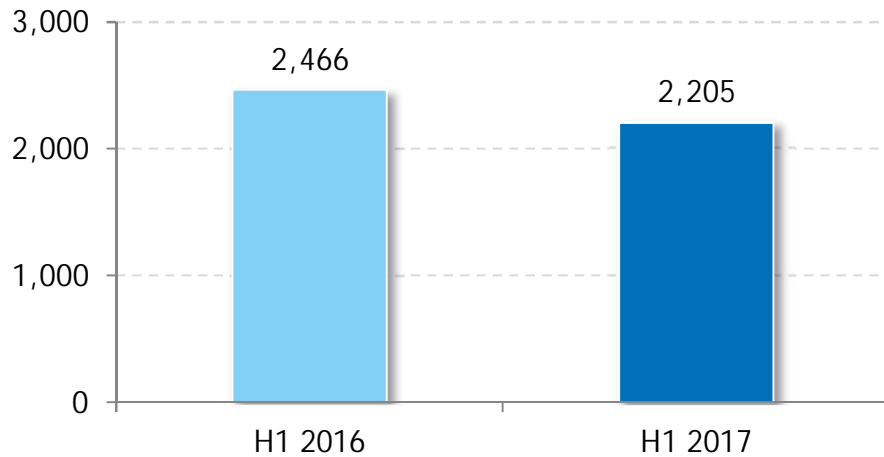
Average Working Capital %



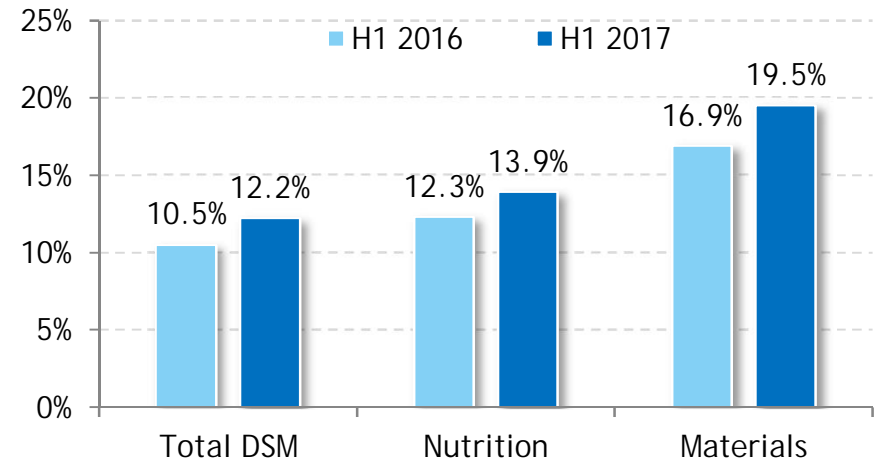
- **Cash flow from operating activities** amounted to €329 million in H1 2017, which was slightly higher than H1 2016
- **Total Working Capital** amounted to €1,591 million at the end of Q2 2017 compared to €1,481 million at the end of Q2 2016
 - The higher working capital reflected the higher level of sales (18.4% as a percentage of annualized Q2 sales, which was somewhat below Q2 2016)

Net debt and ROCE | Overview

Net debt



ROCE

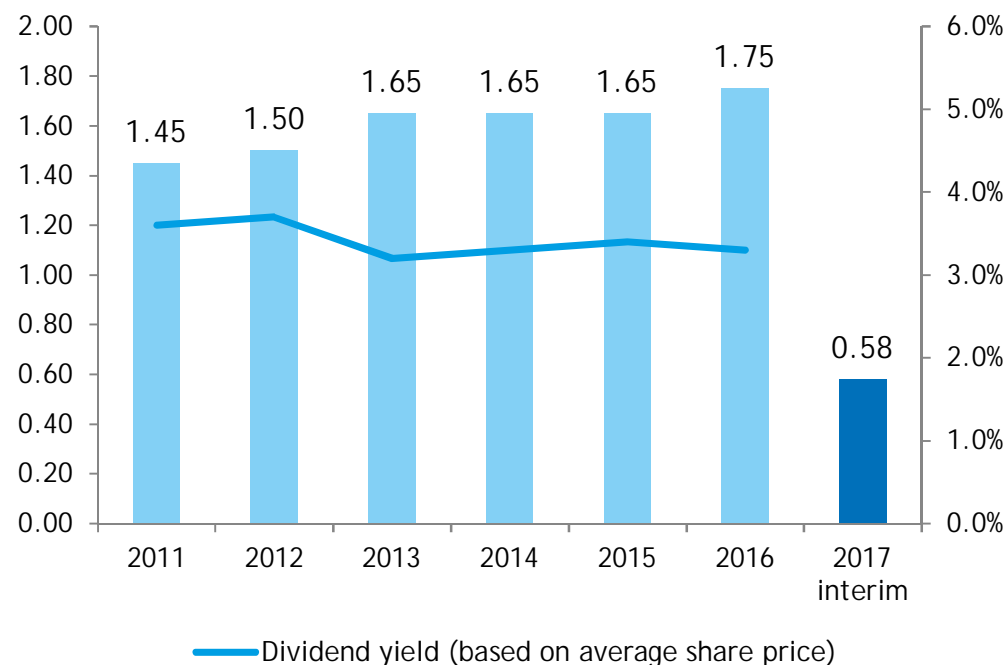


- **Net debt** amounted to €2,205 million compared to €2,466m end of June 2016
 - The decrease of €261 million was mainly due to the proceeds from the secondary offering of Patheon in total of €219 million in Q3 2016
- **ROCE** up 170 bps to 12.2% (vs. 10.5% in H1 2016)

Interim dividend proposal | DSM will pay an interim dividend of €0.58 per ordinary share for 2017

- Dividend policy “stable and preferably rising”
- DSM will pay an interim dividend of €0.58 per ordinary share for 2017
 - As usual, this represents one third of the total dividend for the previous year
 - The interim dividend should not be taken as an indication of the total dividend for the year 2017
- The interim dividend will be payable in cash or in the form of ordinary shares, at the option of the shareholder
 - A maximum of 40% of the total dividend amount is available for stock dividend
 - Dividend in cash will be paid after deduction of 15% Dutch dividend withholding tax
- The ex-dividend date is 3 August 2017
 - The interim dividend will be payable as from 24 August 2017

Dividend per ordinary share - €



Update on Strategy 2018 | *Driving Profitable Growth*

ROYAL DSM
HEALTH NUTRITION MATERIALS



Strategy 2018 | Summary and 2016 achievements

Two headline financial targets

Achievements to date:

High single-digit percentage annual Adjusted EBITDA growth

- 2016: 17%
- H1 2017: 16%

High double-digit basis point annual ROCE growth

- 2016: 280 bps
- H1 2017: 170 bps¹

Clear actions identified to achieve targets

Achievements to date:

Businesses aim to outpace market growth

Nutrition organic growth

- 2016: 5%
- H1 2017: 6%

Materials volume growth

- 2016: 4%
- H1 2017: 8%

€250-300m cost reduction & efficiency improvements

- On track: ~€150m cumulative savings by end of H1 2017²

Consistent improvements in capital efficiency

- Cash from operating activities up 27% in 2016 and 3% again in H1 2017
- Total Working Capital end of H1 2017 at 18.4%, better than aspiration level <20%

Additional items underpinning strategy

Achievements to date:

Stepping up sustainability aspirations

- On track

Global organizational and operational adjustments

- On track

Extract value from Pharma and Bulk Chemicals JVs

- Thermo Fisher tender offer for all shares in Patheon

1. Compared to H1 2016

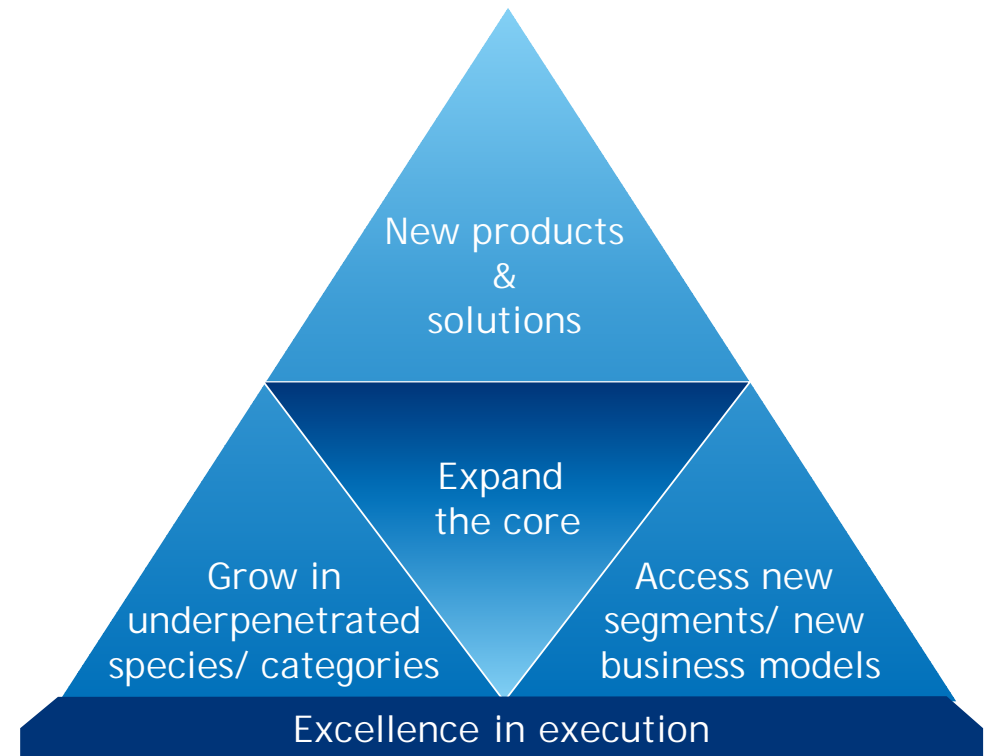
2. Vs. 2014 baseline

Nutrition | Essential nutritional ingredients for animal feed & human food

Nutrition | Value proposition

- Increase the nutritional content of feed and food
- Enable feeding a growing global population with the scarce natural resources available
- Reduce the ecological footprint of producing food through biotechnology e.g. enzymatic fermentation

Nutrition | Strategy 2018



Nutrition | 'Sustainable solutions' for food and feed drive 'above market growth' aspiration

People

- Feeding a growing more urban, global population
- Ensuring healthier food, promote well-being at all ages and avoid diseases
- End hunger, combat malnutrition



Planet

- Addressing scarcity of natural resources
- Reducing eco-footprint from producing animal proteins
- Improving yields in food & feed production

Profit

- Sustained mid-single digit sales growth
- Above average margins, reflecting higher value of sustainable solutions to customers / end-users

Nutrition | Outpacing market growth through sustainable solutions in Animal Nutrition

In line with Nutrition Strategy 2018, Animal Nutrition is growing profitably by expanding its core, creating new products and solutions, by growing in underpenetrated categories/ regions, and by accessing new segments/ new business models, all via innovative, sustainable solutions

- Portfolio of alternative feed solutions to help eliminate antibiotics as growth promotor



- Better milk efficiency and financial returns via RONOZYME® RumiStar™



- Improve protein digestibility, while also reducing nitrogen excretion



- Eubiotics for more efficient digestion has immense impact on performance



- Business to farmer (B2F) network expanded with new brand (YiWeiZhuang)



Nutrition | Outpacing market growth through sustainable solutions in Human Nutrition

In line with Nutrition Strategy 2018, Human Nutrition is growing profitably by expanding its core, creating new products and solutions, by growing in underpenetrated categories/ regions, and by accessing new segments/ new business models, all via innovative, sustainable solutions

- Natural ingredients with specific health benefits such as:
 - Fruitflow[®] , contributing to healthy blood flow



- A bioactive oat beta-glucan to reduce blood cholesterol levels



- Unique range of yeast extracts that reduce salt and 'repair' mouthfeel



- i-Health probiotic consumer products incl. the newly added UP4[™] Probiotics consumer brand



- Partnership with MedDay to treat progressive multiple sclerosis using D-Biotin



- MEG-3[®] Ultra; allowing for varieties of (high-concentrate) DHA and EPA for heart and brain health

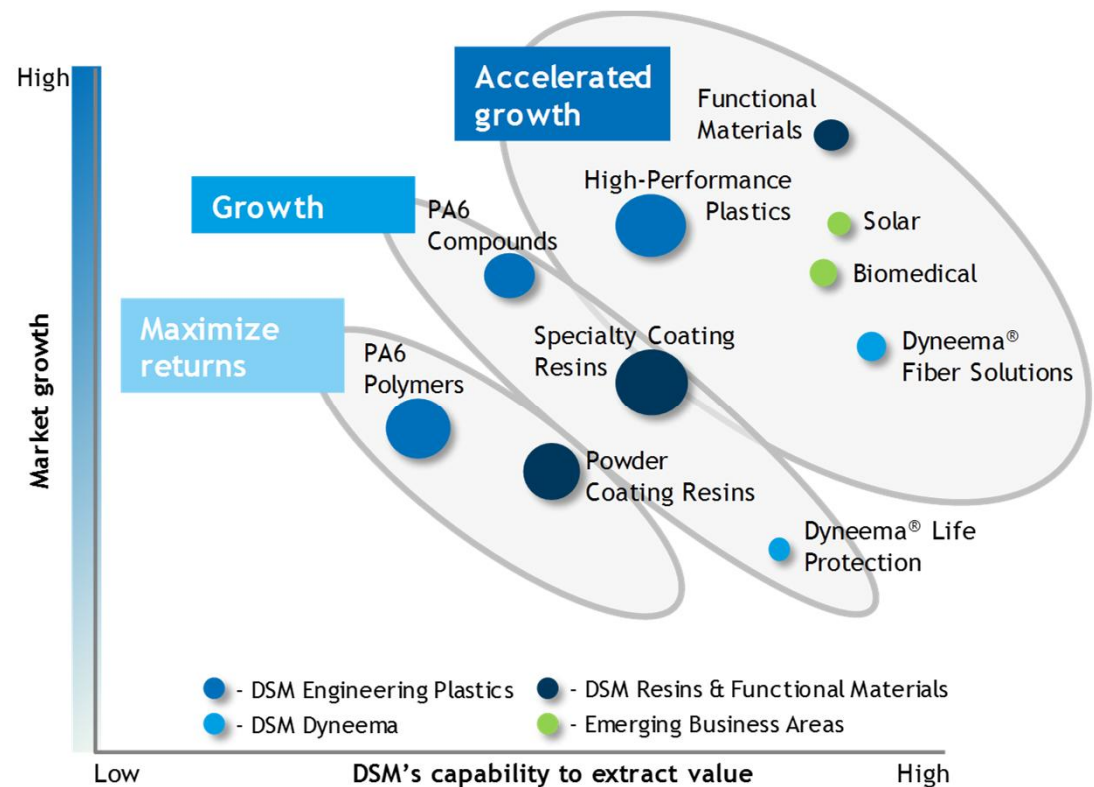


Materials | High quality, specialty materials portfolio

Materials | Value proposition

- Replacing existing materials (e.g metals, hazardous materials) with sustainable alternatives offering better performance in combination with reduced ECO footprint
 - Offering innovative lightweight, environmentally friendlier, safer and high-performance solutions meeting stricter regulations and customer demand
- Enabling affordable solar and bio-based energy, supporting move to a low carbon economy
- DSM's ability to innovate is key

Materials | Strategy 2018



Materials | Driving substitution growth with higher-value, more sustainable specialty products

People

- Safer, responsible production, handling, application
- Addressing high demanding customer needs
- Providing highest performance

Planet

- Reducing water and energy use (e.g. fossil fuels), enabling lower GHG emissions, reducing carbon footprint
- Addressing scarcity of natural resources
- Replacing hazardous materials



Profit

- Sustained mid-single digit sales growth
- Above average margins, reflecting higher value of sustainable solutions to customer/end-users

Materials | Outpacing market growth through sustainable solutions in Materials

■ DSM Engineering Plastics

- Next generation high-temperature polyamides and high-performance thermoplastics for better, smarter, safer, lighter cars



- Smart solutions for electronic components that are faster, thinner, stronger and more planet friendly



■ DSM Dyneema

- Lighter ropes, slings, cargo nets and fishing nets for fuel efficiency
- Ropes that overcome abrasion, bending fatigue, compression and creep fatigue to prevent rope failure (and increase safety)



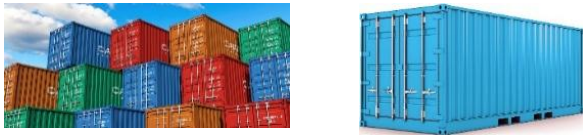
- Dyneema® Anti Stab, Soft Ballistics and Diamond technology help make life/ work safer



Materials | Outpacing market growth through sustainable solutions in Materials (cont'd)

■ DSM Resins & Functional Materials

- Leading the substitution push from solvent to water and other sustainable coatings



- DeSolite® Supercoatings deliver outstanding performance and reliability in the most demanding applications



- More efficient and effective prototyping with Somos® Taurus for elevated temperature 3D printed parts applications



■ DSM Biomedical

- Biomedical materials that speed up recovery, shorten hospital stays, and in turn lower health costs and help people to lead longer, healthier and more active lives



■ DSM Advanced Solar

- Increasing the yield of sustainable solar panels
 - Acquisition of Suzhou SunShine technology enables high-performance solar photovoltaic (PV) backsheets based on co-extrusion technology



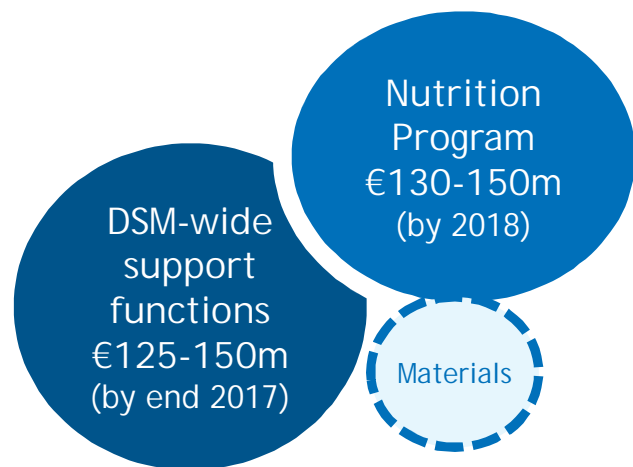
Sustainable solutions will continue to drive earnings growth beyond 2018

- DSM has set itself strategic targets for the period to 2018. At the same time, we are also preparing for further longer-term growth
- Range of key business and innovation projects across the clusters will drive earnings growth beyond 2018 and we will continue to develop more initiatives in light of market dynamics

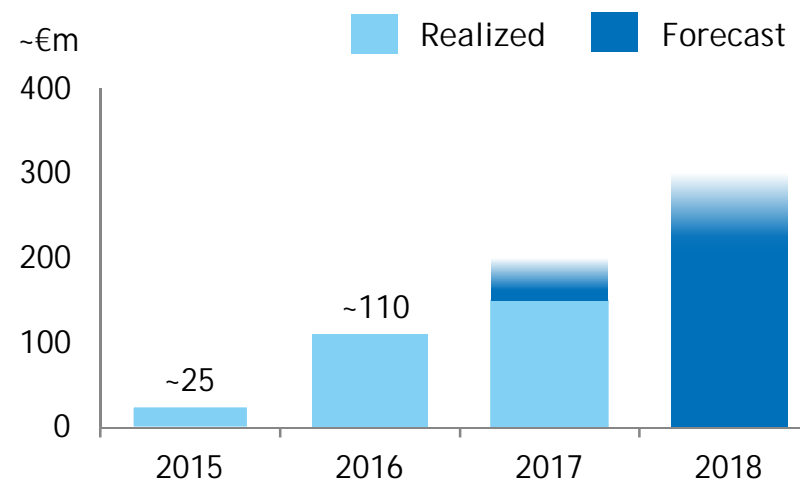
Nutrition	Materials	Emerging Business Areas
 <ul style="list-style-type: none"> Fermentative stevia  <ul style="list-style-type: none"> Algae-based omega-3 for aquaculture  <ul style="list-style-type: none"> Clean cow  <ul style="list-style-type: none"> Hydrocolloids  <ul style="list-style-type: none"> Eubiotics  <ul style="list-style-type: none"> i-Health (B2C nutrients)  <ul style="list-style-type: none"> New bio colorants (blue/red) 	 <ul style="list-style-type: none"> ForTii® (HPPO polymer)  <ul style="list-style-type: none"> Niaga® (recycle carpets)  <ul style="list-style-type: none"> Decovery® (bio-based resins)  <ul style="list-style-type: none"> Apparel (Dyneema® textile apps)  <ul style="list-style-type: none"> Force multiplier technology (light personal protection) 	 <ul style="list-style-type: none"> 3D options (combine Somos, Resins, Biomedical & Engineering Plastics)  <ul style="list-style-type: none"> Advanced solar materials  <ul style="list-style-type: none"> Bio-based products and services  <ul style="list-style-type: none"> New bio-medical products

Cost savings & efficiency | Driving profitable growth supported by cost reduction and efficiency improvement programs

Cost savings: total €250-300m by 2018



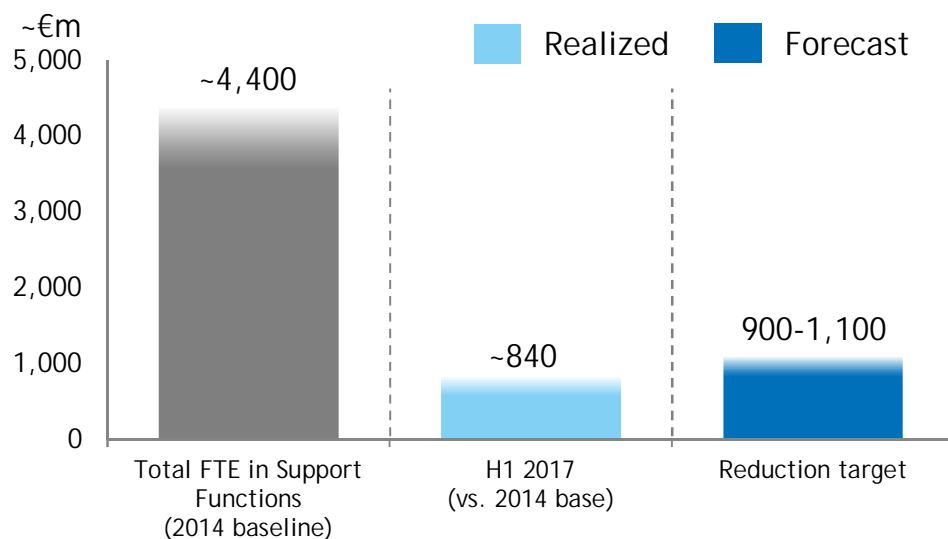
Timing of cumulative cost savings



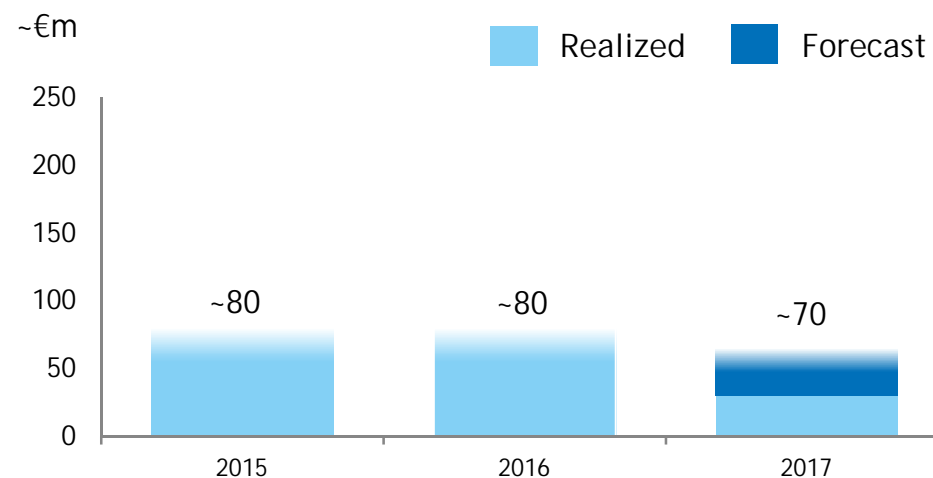
- DSM is rigorously executing its ambitious cost reduction and efficiency improvement programs across the company
- Cost reduction/efficiency improvement programs target overall savings of €250-300m by 2018
- The plans are on track to deliver the targeted benefits, with current run rate of ~€150m in gross savings achieved vs. the base line 2014

Cost savings & efficiency | FTE reduction on track and one-time costs within budget

Cumulative FTE reduction¹



One-time costs



- FTE reduction in service organization on track to reach target:
 - FTE reduction up to and incl. H1 2017 is ~840 FTE vs. an ambition of 900-1,100 FTE (end of 2017)
- One time restructuring costs in H1 2017 amounted to ~€26m

1. Vs. 2014 baseline

Cost savings & efficiency | DSM-wide support functions & staff costs efficiency program continues to run on track, near end of the program

Savings: €125-150m¹

	Progress (%)	Remarks
Support Funct.		<ul style="list-style-type: none"> Shared Services Improvement Plan completed, incl. shift of most activities to Global Service Centre in India Finance Regions staffed and operational Implementation of cross-business, standardized reporting systems on track
		<ul style="list-style-type: none"> Shared Services operational and payroll outsourced HR transformation program done; HR integration in Shared Service organization by end of year Updated processes and tools for talent development, career review, recruitment, learning & development
		<ul style="list-style-type: none"> New IT model in implementation phase (60% of transfer realized) Standardization/outsourcing of personal workplaces and other saving initiatives realized
		<ul style="list-style-type: none"> Supplier base rationalization, FTE reduction and related savings in external on schedule to be finalized by year-end
		<ul style="list-style-type: none"> Global external & internal Communications function fully operational across regions and business groups Supplier rationalization in (Marketing-)Communications progressing well and close to target
		<ul style="list-style-type: none"> One Shared Services Organization with Global Delivery Centre in India and satellite in China live One multi-functional Service Desk and Portal and Performance Management & Reporting being implemented
Funct. Excell. Regions		<ul style="list-style-type: none"> Operating Models implemented (FTE reduction of ~40%); good progress in implementing new mandates
		<ul style="list-style-type: none"> Regional organizations brought in line with new DSM Operating Model; Finance, HR and IT implementing Functional Operating Models globally

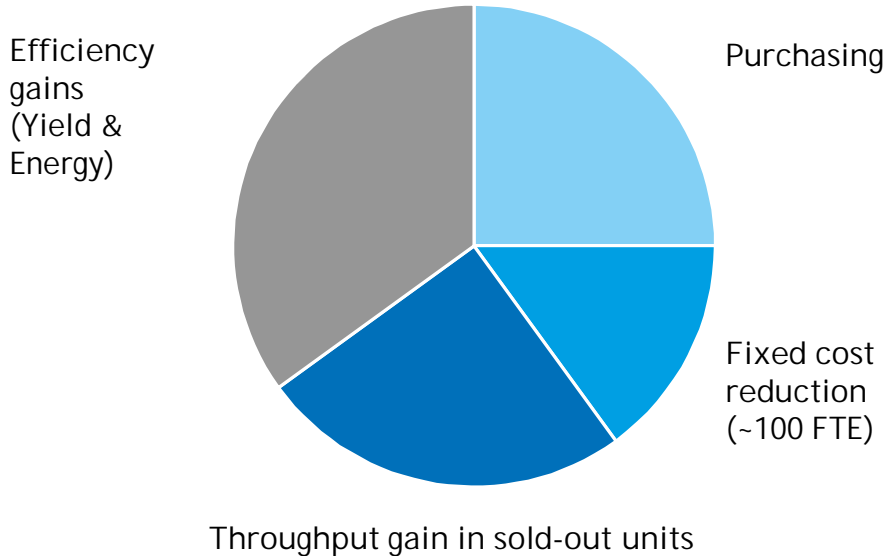
1. Vs. 2014 baseline

Cost savings & efficiency | Nutrition-specific improvement program running well: purchasing savings ahead of plan and cost-reductions on track

Savings: €130-150m¹

Cost improvements

Work streams closely monitored and on track



Current status as per end H1 2017: Actions Financial benefits

Purchasing	<ul style="list-style-type: none"> Purchasing savings so far exceeding target 		
Fixed cost reduction	<ul style="list-style-type: none"> Cost reduction programs are being executed. Remaining part will be captured in the upcoming period 		
Throughput gains	<ul style="list-style-type: none"> Program on track and 2017 target confirmed 		
Efficiency gains	<ul style="list-style-type: none"> Program on track and 2017 target confirmed 		

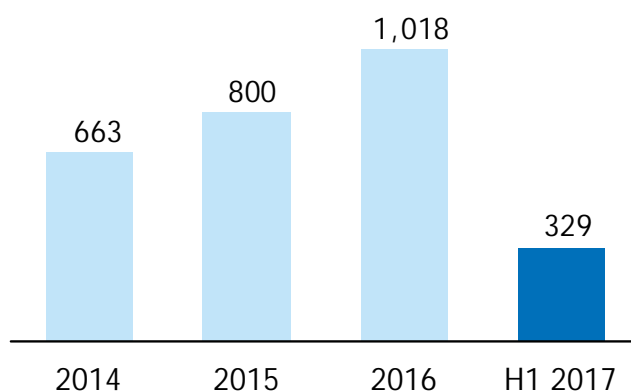
1. Vs. 2015

Capital efficiency | Disciplined approach to capital allocation

- Capital efficiency is a key driver of cash generation; in 2016 we undertook a number of improvement projects in this area throughout DSM
 - One of these has been to take a more integrated approach to business planning, in particular in our Nutrition cluster
 - Holistically addressing processes instead of approaching them as a series of individual steps has resulted in clear improvements in inventory management, production and distribution efficiencies.

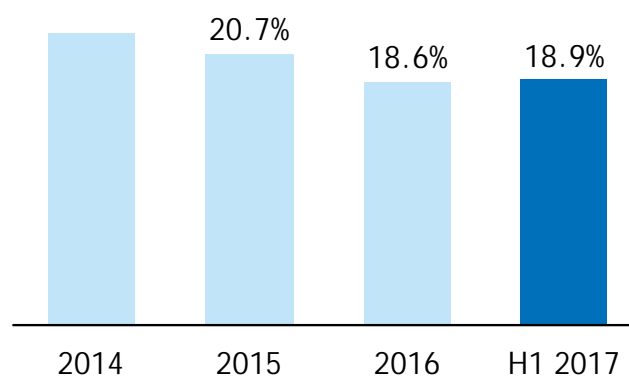
Driving financial performance

- Cash from operating activities up 3% vs. H1 2016



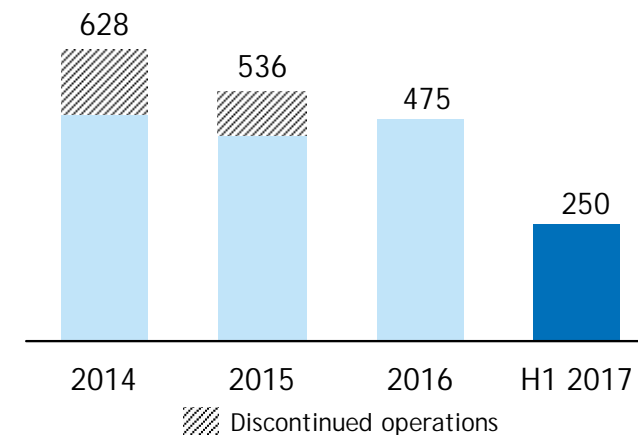
Reducing working capital¹

- Average Total Working Capital better than aspiration level <20%



Strict capital allocation

- Cash capex at €250m in line with €500-550m per annum guidance



1. 2014 figure added for comparison only: based on non-audited, restated estimates adjusting for divestitures, acquisitions and other non-recurring items

DSM's strategy is well aligned with the UN Sustainable Development Goals: Identified 5 SDGs on which we believe can be most influential

Nutrition

Climate change and renewable energy

Circular and bio-based economy

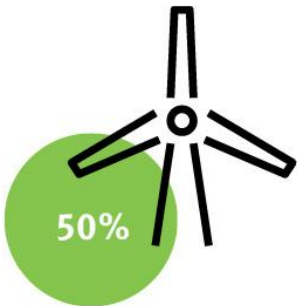
1 NO POVERTY	2 NO HUNGER	3 GOOD HEALTH	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 RENEWABLE ENERGY	8 GOOD JOBS AND ECONOMIC GROWTH	9 INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE AND JUSTICE	17 PARTNERSHIPS FOR THE GOALS	THE GLOBAL GOALS For Sustainable Development

Stepping-up sustainability aspirations on our own operations

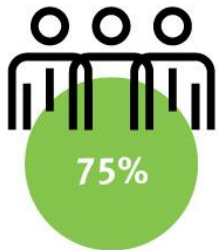
- Sustainability actions in DSM's own operations - uniformly applied to our operations around the globe - result improved eco footprint and in lower risks and lower cost



GHG efficiency improvements
45% by 2025 (1)



% of purchased electricity from renewable
50% by 2025



Employee engagement favorable score
75% by 2020



Safety: Frequency recordable index
25% by 2020



Leading in reporting benchmarks
Gold class DJSI
Leader in Sustainalytics

1. Relative improvement as compared to baseline 2008

As a result, sustainability agenda is core to DSM's business strategy¹



Sustainability as business growth driver

ECO+	People+	Brighter Living Solutions: ECO+ and People+ ¹	<u>H1 2017</u>
		<ul style="list-style-type: none"> ▪ Profitable solutions better for people and planet ▪ Aspiration: 65% of DSM products by 2020 	63%

Securing sustainable operations

GHG and Energy Efficiency Renewable energy	Health & Safety Engagement Diversity	Operational Aspirations ¹	<u>Long-term goals</u>	<u>H1 2017</u>
		<ul style="list-style-type: none"> ▪ Leading in reporting benchmarks ▪ GHG efficiency improvements ▪ Energy efficiency improvements ▪ Purchased electricity from renewables ▪ Employee engagement favorable score ▪ Safety: Frequency recordable index 	Gold class DJSI	Gold class
			40-45% (2008-2025)	27%
			>10% (2016-2025)	5%
			50% by 2025	19%
			75% by 2020	71% ²
			0.25 by 2020	0.35

1. Please see DSM's Integrated Annual Report 2016 for definitions and additional information

2. 2016 score; employee engagement will be measured again in Q3 2017



DSM Investor Seminar 2017

Delft/The Hague - 25 September 2017



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