



Press Release

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Joint venture to commercialize and license cellulosic bio-ethanol **DSM and POET to make advanced biofuels a reality by 2013**

Royal DSM, the global Life Sciences and Materials Sciences company, and POET, LLC, one of the world's largest ethanol producers, today announce a joint venture to commercially demonstrate and license cellulosic bio-ethanol, the next step in the development of biofuels, based on their proprietary and complementary technologies. POET-DSM Advanced Biofuels, LLC, is scheduled to start production in the second half of 2013 at one of the first commercial-scale cellulosic ethanol plants in the United States.

The two partners will produce cellulosic ethanol from corn crop residue through a biological process using enzymatic hydrolysis followed by fermentation. The first commercial demonstration of the technology will be at Project Liberty, which is currently being constructed adjacent to POET's existing corn ethanol plant in Emmetsburg, Iowa. The initial capacity is expected to be 20 million gallons in the first year, growing to approximately 25 million gallons per year.

POET-DSM Advanced Biofuels, LLC, intends to replicate and license the technology to additional plants to be built at the other 26 corn ethanol facilities in POET's network and license it to other producers in the United States and the rest of the world. The U.S. Environmental Protection Agency (EPA) estimates that in the United States as many as 350-400 new bio-refineries will have to be constructed by 2022 to meet the volume requirement of 16 billion gallons/year of cellulosic bio-ethanol under the Renewable Fuel Standard.

DSM and POET will each hold a 50% share in the joint venture, which will be headquartered in Sioux Falls, South Dakota. The initial capital expenditure by the joint venture in project Liberty will amount to about \$250 million. The closing of the joint venture is subject to regulatory approvals and other customary closing conditions.

The joint venture is expected to be profitable in the first full year of production (2014) and to deliver substantial revenues with above-average EBITDA contribution in the medium/longer term.

Both partners in the joint venture bring deep expertise and experience in different areas of cellulosic bio-ethanol. They also share the same vision for a bio-based economy.

Jeff Broin, POET founder and CEO, said: *"This joint venture brings together two companies leading the transition from a fossil-based economy to a bio-based economy. The partnership has set an ambitious goal: to make cellulosic bio-ethanol competitive with corn ethanol, which is the most competitive liquid transportation fuel on the market today. We believe that the joint venture positions us well to meet our ambitious cellulosic ethanol production goals."*

Feike Sijbesma, CEO/Chairman of the DSM Managing Board, commented: *“This cooperation is a milestone in realizing DSM’s strategy. By leveraging the unique opportunities in Life Sciences and Materials Sciences we can contribute our heritage of over a century in both biotechnology and chemistry to this joint venture with a biofuels leader. Together we shall deliver the key to unlock the cellulosic bio-ethanol opportunity. As the world is facing unprecedented challenges with a growing population making an ever bigger claim on the planet’s resources, we need to accelerate the transition to a bio-based economy and this joint venture is a significant step in that direction.”*

As one of the world’s largest producers of corn ethanol, POET has been actively developing cellulosic bio-ethanol for more than a decade. In November, 2008, the company started operating a cellulosic bio-ethanol pilot plant at its research center in Scotland, South Dakota. For the past five years, POET has been working with farmers to bale, transport and store corn crop residue—the cobs, leaves, husks and some stalk left in the field after the grain harvest.

DSM already has a unique position in the development of cellulosic ethanol as the only company offering both yeast and enzyme solutions to increase conversion rates to make the technology commercially viable. DSM has vast experience in scaling up biotechnological processes and an extensive global footprint and relationships to help accelerate technology adoption in key markets.

Cellulosic bio-ethanol from corn crop residue represents a large opportunity. If the technology is replicated at POET’s network of 27 existing corn ethanol plants, it could produce up to one billion gallons of cellulosic bio-ethanol per year.

In an analysis of the Renewable Fuel Standard, the U.S. EPA projected 7.8 billion gallons of cellulosic bio-ethanol coming from corn crop residue by 2022. Beyond that, the U.S. Departments of Energy and Agriculture have estimated that more than one billion tons of biomass is available in America that could produce enough cellulosic bio-ethanol to replace a third of the country’s gasoline use.

Conference calls

Today, 23 January 2012, DSM and POET will hold a conference call for the media from 2.00-3.00pm EST / 20.00-21.00 hrs CET which can be accessed by dialing (800) 683-4564 (US only) or +1 (913) 312-2904 with access code 845366#

Tomorrow, 24 January 2012, DSM will hold a conference call for investors and analysts from 09.30-10.30 CET which can be accessed by dialing +31 10 29 44 271 or +44 203 365 3207. A replay can be accessed as of approximately 10.30 CET by dialing +31 10 29 44 210 with access code 1194829#



About POET-DSM Advanced Biofuels, LLC

POET-DSM Advanced Biofuels, LLC, is a 50/50 joint venture between Royal DSM and POET, LLC. Based in Sioux Falls, South Dakota, the company is a cooperative effort of two innovators that provides the key to unlocking the opportunity of converting corn crop residue into cellulosic bio-ethanol. Built on the strengths of both companies the joint venture has a critical mission: to make cellulosic bio-ethanol competitive with corn ethanol, the most competitive renewable liquid transportation fuel on the market today. Drawing on the deep expertise and experience of POET and DSM in different areas of converting cellulosic biomass into ethanol, POET - DSM Advanced Biofuels will have its first commercial-scale plant co-located with POET’s

biorefinery in Emmetsburg, Iowa. Based on this plant the JV will globally license an integrated technology package for the conversion of corn crop residue to cellulosic bio-ethanol. More information: www.poetdsm.com

About POET

POET, one of the world's largest ethanol producers, is a leader in biorefining through its efficient, vertically integrated approach to production. The 25-year-old company has a production capacity in excess of 1.6 billion gallons of ethanol and 9 billion pounds of high-protein animal feed annually from its network of 27 production facilities. POET also operates a pilot-scale cellulosic bio-ethanol plant, which uses corn cobs, leaves, husk and some stalk as feedstock, and expects to commercialize the process in Emmetsburg, Iowa. For more information, visit <http://www.poet.com>.

DSM - Bright Science. Brighter Living.™

Royal DSM N.V. is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM's 22,000 employees deliver annual net sales of about € 9 billion. The company is listed on NYSE Euronext. More information can be found at www.dsm.com

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Forward-looking statements

This press release 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 press release, unless required by law. The English language version of the press release is leading.