

DSM Melamine Press Release

DSM Melamine

P.O. Box 43, 6130 AA Sittard, The Netherlands
Telephone (31) 46 4773854, Telefax (31) 46 4773049
Internet: www.dsm-melamine.com
E-mail: Leon.Halders@dsm.com



Sittard (NL), 15 December 2006

DSM Melamine increase prices

DSM has announced **global price increases** for its melamine business in order to adjust for fundamental higher cost levels for raw materials and energy.

“Profitability of the melamine industry has been squeezed over the last couple of years” said Anton Robek, DSM Melamine’s new President. “Market prices have been under pressure, whereas costs of raw materials, energy and utilities have doubled. Despite substantial efforts to improve efficiencies and reduce costs, today’s margins are still far below sustainable levels. Global energy markets are undergoing structural changes, resulting in a sustained shift of energy and raw material prices to significantly higher levels. Since we don’t expect these prices to return to previous levels, we need to pass part of the cost increases to the market.”

DSM Melamine will implement price increases effective January 1, 2007 across all regions.

DSM account managers will be contacting their customers to discuss the necessary actions on an individual basis.

Background information on these price increases can be found in the news section on the DSM Melamine homepage www.dsm-melamine.com.

About DSM

DSM is active worldwide in nutritional and pharma ingredients, performance materials and industrial chemicals. The company creates innovative products and services that help improve the quality of life. DSM’s products are used in a wide range of end markets and applications such as human and animal nutrition and health, cosmetics, pharmaceuticals, automotive and transport, coatings, housing and electrics & electronics (E&E). DSM’s strategy, named [Vision 2010 – Building on Strengths](#), focuses on accelerating profitable and innovative growth of the company’s specialties portfolio. Market-driven growth, innovation and increased presence in emerging economies are key drivers of this strategy. The group has annual sales of over EUR 8 billion and employs some 22,000 people worldwide. DSM ranks among the global leaders in many of its fields. The company is headquartered in the Netherlands, with [locations](#) in Europe, Asia, Africa and the Americas. More information about DSM can be found at www.dsm.com.

DSM Melamine Press Release

For more information:

DSM Melamine
Leon Halders
Vice-President Marketing & Sales
e-mail: Leon.Halders@dsm.com
Tel. + 31 (0) 46 4773854
Fax + 31 (0) 46 4773049

DSM Melamine
Anton Robek
President DSM Melamine
e-mail: Anton.Robek@dsm.com
Tel. + 31 (0) 46 4773851
Fax + 31 (0) 45 4773510

Forward-looking statements

This press release contains forward-looking statements. These statements are based on current expectations, estimates and projections of DSM and information currently available to the company. The statements involve certain risks and uncertainties that are difficult to predict and therefore DSM does not guarantee that its expectations will be realized. Furthermore, DSM has no obligation to update the statements contained in this press release.