

DSM Press Release

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DSM to expand manufacturing base for anti-infectives in India

DSM will invest in the expansion of DSM Anti-Infectives' production facilities at Toansa (India). The investment will increase production of the penicillin-related intermediate 6-APA and of active pharmaceutical ingredients (APIs). The expansion is part of the global restructuring program at the DSM Anti-Infectives business group that DSM announced in December 2004 with the aim of improving profitability in the short term and retaining DSM's leading positions in the global market for penicillin and penicillin derivatives.

The expansion will take place in 2006 and will lead to a doubling of production capacity for 6-APA and Amoxicillin in India. The new facilities will be based on DSM's proprietary production technologies.

The investment at Toansa is fully in line with DSM's new corporate strategy *Vision 2010 – Building on Strengths*. An essential element of this strategy is active expansion of DSM's presence in emerging economies, in order to optimally benefit from the fast growing demand in these countries.

"It is DSM Anti-Infectives' ambition to capture the growth of the anti-infectives market on the Asian and African continents," says N.V. Ramanan, President of the Business Unit DSM Anti-Infectives Asia Middle East and Africa, headquartered in Delhi, India, who is responsible for the Toansa site. *"But the investment not only brings higher capacity. It will also introduce our environmentally-friendly proprietary enzymatic technology for the production of active ingredients in India. This will lead to products with a unique, improved quality and will bring substantial value to the customers of our businesses in the Asia region."*

DSM Anti-Infectives will market the products from the new facilities under the *PureActives™* brand, stressing the high purity and better processing capabilities of the enzymatically produced Amoxicillin. The new capacities are scheduled to come on stream in phases between January and August 2006.

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 approximately EUR 8 billion and employs around 23,000 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 and the Americas. More information about DSM can be found at www.dsm.com

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Forward-looking statements

This press release contains forward-looking statements. These statements are based on current expectations, estimates and projections of DSM management 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.