

# Press Release

---



MITSUBISHI  
CHEMICAL

27E

Heerlen (the Netherlands) / Tokyo (Japan), 29 May 2009

## **DSM and MCC to exchange polycarbonate and polyamide businesses**

**Royal DSM N.V., the global Life Sciences and Materials Sciences company headquartered in the Netherlands, and Mitsubishi Chemical Corporation (MCC) today announce that they have signed a memorandum of understanding for DSM to acquire MCC's Novamid<sup>®</sup> polyamide business in exchange for DSM's Xantar<sup>®</sup> polycarbonate business.**

For both companies the businesses they will add to their portfolio as a result of the intended swap of activities provide a strong strategic fit. DSM Engineering Plastics will be able to further reinforce its position as one of the two globally leading producers of polyamide engineering plastics.

The intended swap will enable DSM Engineering Plastics to strengthen the service and innovation capabilities it offers to the automotive industry, the electrical market and the flexible packaging market, not only in Europe and the United States but also in Asia, especially in Japan and China. Following the intended acquisition of the Novamid<sup>®</sup> business DSM will also be able to add extra value to Japanese overseas operations with innovative technology, local service and product delivery.

MCC will be able to fortify its global position in polycarbonate through the addition of DSM's innovative polycarbonate business, which is mainly focused on the European market. In the agreement it is envisaged that DSM Engineering Plastics will compound polycarbonate in Genk (Belgium) for MCC and in turn MCC, through its MEPCOM Kyushu joint venture, will compound polyamide in Kurosaki (Japan) for DSM.

Both businesses have an annual net sales level of approximately EUR 90 million each. The parties have agreed not to disclose other financial details.

Nico Gerardu, member of DSM's Managing Board and responsible for the Performance Materials cluster, said: *"This exchange of activities is a win-win situation for both companies. It allows us to further strengthen our position as a world leading producer of polyamide while at the same time we are gaining a strong foothold in Japan, a very important market for engineering plastics."*

Roelof Westerbeek, President of DSM Engineering Plastics, said: *"This agreement builds on the strength of both companies. It is my belief that our polycarbonate business will have a bright future under the new ownership of MCC and I am very happy to welcome MCC's polyamide business to the DSM family. Through this swap we will strengthen our position in PA6 and at the same time expand our portfolio to include PA6/66."*

In light of the current difficult economic conditions, MCC is actively restructuring its petrochemicals business, concentrating on its core activities, such as the polycarbonate operations. The wide application areas (e.g. automotive, IT, and electronics) and potential

further market expansion make polycarbonate a core business for MCC. The addition of DSM's polycarbonate business will strongly increase MCC's European polycarbonate business and add a portfolio of innovative products.

The intended swap is another important step in the ongoing growth of DSM Engineering Plastics in Asia. Last year DSM opened the first Akulon<sup>®</sup> PA6 polymerization plant in China and earlier this year a greenfield facility for producing engineering plastics compounds in India opened. In Japan, DSM Japan Engineering Plastics K.K. successfully entered the market with the world's number one high-heat polyamide (Stanyl<sup>®</sup>) two decades ago. It is envisaged that MCC's polyamide business will be combined with DSM Japan Engineering Plastics K.K.

The transaction is subject to various external approvals and will be submitted to the works councils according to the usual procedures. Closing is expected before the end of the year.

## **DSM Engineering Plastics**

DSM Engineering Plastics is one of the world's leading suppliers of engineering thermoplastics, with a permanent focus on innovation. Most recently, DSM Engineering Plastics introduced the first new polymer of the 21st century: Stanyl<sup>®</sup> ForTii<sup>™</sup>. DSM Engineering Plastics delivers Living Solutions: materials that support a durable vision of people, planet and profit for customers who design or produce electrical applications, electronic equipment, cars, barrier packaging films as well as many mechanical and extrusion applications. DSM Engineering Plastics offers a broad portfolio of high-performance materials, including Akulon<sup>®</sup> 6 and 66 polyamides, Arnitel<sup>®</sup> TPC, Arnite<sup>®</sup> PBT and PET polyesters, Xantar<sup>®</sup> polycarbonate, Yparex<sup>®</sup> extrudable adhesive resins and Stanyl<sup>®</sup>, global market leader in high-heat polyamides. DSM Engineering Plastics, with sales in 2008 of EUR 761 million and 1500 employees worldwide, is part of the Performance Materials cluster of DSM. More on: [www.dsmep.com](http://www.dsmep.com).

## **DSM – the Life Sciences and Materials Sciences Company**

Royal DSM N.V. creates innovative products and services in Life Sciences and Materials Sciences that contribute to the quality of life. DSM's products and services are used globally in a wide range of markets and applications, supporting a healthier, more sustainable and more enjoyable way of life. End markets include human and animal nutrition and health, personal care, pharmaceuticals, automotive, coatings and paint, electrical and electronics, life protection and housing. DSM has annual net sales of EUR 9.3 billion and employs some 23,500 people worldwide. The company is headquartered in the Netherlands, with locations on five continents. DSM is listed on Euronext Amsterdam. More information: [www.dsm.com](http://www.dsm.com)

## **For more information:**

### **DSM Corporate Communications**

Herman Betten  
tel. +31 (0) 45 5782017  
fax +31 (0) 45 5740680  
e-mail [media.relations@dsm.com](mailto:media.relations@dsm.com)

### **DSM Investor Relations**

Hans Vossen  
tel. +31 (0) 45 5782864  
fax +31 (0) 45 5782595  
e-mail [investor.relations@dsm.com](mailto:investor.relations@dsm.com)

## **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

# Press Release

---

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.