

NutraNews

DSM Nutritional Products Customer Newsletter

No. 2 | 2008

No compromise on Quality & Environment

Demand for ingredients from DSM Nutritional Products is rising as customers and consumers become more aware of the importance of product quality, traceability and reliability. It is against this background, as well as in light of the global increases in energy costs, that we recently announced price increases for Vitamin E, Vitamin A and VevoVital®.

Gareth Barker, Head of Global Marketing, Human Nutrition & Health, explains: "As our readers will be very aware, oil prices are at an all-time high. This has an impact on our production costs. Historically, we have absorbed such cost increases internally, but this is no longer possible. Therefore, further price increases cannot be ruled out." Gareth continues: "Demand for our quality ingredients is developing positively, and, as we all know, quality has its price. We will not let the knock-on effects of global oil prices compromise our quality standards."

DSM Nutritional Products' pricing policy reflects an industry-wide trend. This has many factors, as Antonio-Ruy Freire, President of Animal Nutrition & Health, points out. "Energy and raw material costs as well as the demand/supply situation, are some of the components behind price increases," he states, "but there are others. Many companies are increasing their expenditure on environmental protection. These additional costs must also be reflected in the price to the customer. DSM Nutritional Products has a strong tradition in environmental protection, and we will not compromise in this area."

Any further price increases contemplated by DSM Nutritional Products will depend on the demand/supply situation of individual market segments.

Upholding clear standards

Leadership is about many things: vision, courage and determination are certainly three important components. Market leadership additionally involves innovation and customer orientation. But leadership in any context calls for clear standards. It is the role of a market leader to set the highest standards for its own organization and to pass on the benefits of those standards to its customers. In this new issue of **NutraNews**, we highlight some of our recent efforts to maintain the standards that make us what we are – refusing to compromise on quality or environment in the context of rising costs, and introducing a new branded standard for premix excellence, for example. We hope that you will enjoy this new issue – and that our own standards continue to meet your highest expectations.

Sincerely,

The editorial team, nutranews.dnp@dsm.com

Improving Nutrition Improving Lives

DSM partners with the United Nations' World Food Programme

DSM's partnership with the World Food Programme (WFP), the largest provider of food aid to the world's hungry, focuses on enhancing both the quality and the quantity of the 'food basket' that WFP offers to approximately 90 million impoverished people worldwide. DSM provides WFP with expertise and high-nutrient products as well as financial assistance. As Fokko Wientjes, Head of Corporate Sustainable Development at DSM, explains, "Addressing the global challenge of 'a healthy diet for everyone' is a leading principle of our partnership with the WFP, in which we are following a multi-micronutrient approach. Our intervention strategy aims to break the link between poverty and hunger, helping some of the poorest people in the world to benefit from a nutritionally improved diet."

The initial focus of this partnership is on the distribution of sachets containing essential nutrients, such as vitamins that can be added to the micronutrient-poor diet available to refugees and victims of natural disasters in Kenya, Nepal and Bangladesh. DSM's partnership is also designed to raise awareness of WFP's activities as well as to support WFP with extra funds. DSM's employees have the opportunity to actively engage in this partnership, not only by raising awareness and collecting funds through their own local initiatives, but also by volunteering for specific assignments with the WFP. A minimum of 50 employees will be assigned to WFP projects in Kenya, Zambia, Guatemala and Bangladesh during the three-year partnership.



© WFP

Thought leaders unite on the 'global crisis' of hidden hunger



DSM's humanitarian initiative, SIGHT AND LIFE, hosted a groundbreaking round-table discussion about the challenges of 'hidden hunger' on March 12, 2008. Held in Santa Barbara, California, the event was attended by nearly 50 leaders from the fields of nutrition and economics from 11 countries, including two Nobel laureates and Medal of Science winners.

As Stephan Tanda, the member of DSM's Managing Board responsible for DSM's Nutrition Cluster, explained, "Malnutrition stunts the lives and livelihoods of more than 2 billion people worldwide, who are afflicted by hidden hunger – malnutrition resulting from micronutrient deficiencies. We must determine how to sustainably provide proper nutrition to all who are malnourished. As a leading provider of nutritional ingredients, DSM is well positioned to be part of the solution."

The round table agreed that the developing and developed worlds should unite to address this global crisis, noting that low-cost supplementary foods rich in nutrients should be more readily available to populations in need.

For more information, please visit www.sightandlife.org

Events

Human Nutrition & Health

- IFT, Booth 4226
June 28 – July 1, New Orleans, USA
www.am-fe.ift.org/cms

Animal Nutrition & Health

- World Aquaculture Nutrition Conference
June 1-5, Florianopolis, Brazil
- World Pork Expo, Hall HT
June 5-7, Des Moines, USA
www.worldpork.org
- World Poultry Congress
June 29 – July 4, Brisbane, Australia
www.wpc2008.com
- World Buiatrics Congress
July 6-11, Budapest, Hungary
www.xxwbc2008.com/welcome_de.html

Unlimited. **DSM**



DSM launches QUALI™-BLENDS brand

The fortification of nutritional products has expanded to the complete portfolio of consumer segments. It centers today around lifestyle, health and performance concepts, targeting clearly segmented age-groups; offering the right balance of the right nutrients is more important than ever before. Following the successful launch of our DSM QUALI-C™ branded vitamin C offering in 2007, we proudly announce the launch of our branded QUALI™-BLENDS portfolio.

Highest product safety standards

Holger Blanke, Global Premix Manager Human Nutrition & Health, puts this development in context: *"DSM Nutritional Products has been a pioneer in nutritional ingredient manufacture for three quarters of a century. This long experience is matched by a constant search for new products and applications. The QUALI™-BLENDS brand is a response to increasing market awareness of the value of quality, traceability and reliability. When customers buy QUALI™-BLENDS, they get exactly the formulation they need – and they are offering their own customers the highest product safety standards."*

As the world's only vertically integrated micronutrient blends producer, DSM is unique in its operation of thirteen premix plants at eight locations in North and Latin America, Europe, Africa and Asia. All our certified premix plants have their own quality control labs to ensure that we deliver exactly to our customers' specifications. Our warehouses are set up so as to exclude the possibility of cross-contamination, and our products and manufacturing processes are independently audited on a regular basis.

QUALI™-BLENDS find a host of applications in the food and dietary supplement industries by translating health concepts into segment-specific premix solutions. We are the right partner for your sustainable solutions. For more information, please contact quali.blends@dsm.com.

Holger Blanke, holger.blanke@dsm.com
Global Marketing Manager – Premix Human Nutrition & Health



You can rely on QUALI™-BLENDS for:

- Solutions supported by expertise and scientific know-how
- Full traceability
- Quality assurance with integrated and validated systems
- Full support package (formulation, application, science)
- In-house analysis of all active ingredients used and final blends produced (chemical and microbiological)
- Strict cross-contamination control
- Full compliance with regulatory requirements
- Safe and reliable products: raw materials used have the highest quality level (FCC, USP, Kosher, Halal, Allergen free)
- Manufacturing sites certified according to ISO 9001:2000 & 14001. We manufacture in accordance with GMP rules and HACCP operating guidelines.
- Analysis of customer's end product

Uncork the benefits of red wine with Resvida™



DSM Functional Foods Marketing group recently launched Resvida™, a high-potency resveratrol for healthy aging, at the Nutracon / SupplyExpo show in Anaheim, California. Resveratrol is a polyphenol found in the skin of grapes and is believed to be responsible for many of the health benefits associated with red wine. For instance, French people, who traditionally consume a diet high in fat, have a relatively low incidence of coronary heart disease compared to other western countries, apparently due to their high consumption of red wine. This phenomenon has become known as the French Paradox.

As a powerful antioxidant, resveratrol provides demonstrated health benefits for the heart, brain and muscles, and more recently, has been shown to mimic caloric restriction, the only proven scientific way to extend life in mammals.

Resvida™ is initially targeting health-conscious baby boomers (born between 1946-1964), but it is envisaged that Resvida™ will be built into a distinct brand, which also appeals to the younger generation, energizing a broad spectrum of functional foods, beverages and dietary supplements.

Resvida™ is produced in our GMP facilities in Europe, in compliance with the strictest safety, health and environmental standards. Most of the other resveratrol available on the market is extracted from the roots and stalks of the giant knotweed plant (*Polygonum cuspidatum*) in China. Resvida™ sets the standard for resveratrol with an extensive safety package and unmatched regulatory position.

Alan Abolencia, alan.abolencia@dsm.com
Global Business Manager – Functional foods Marketing Resvida™

Getting an 'A' in UVA protection

In recent years, we have learned more about the damage the sun can cause to our skin. In addition to the sunburn that we are all familiar with, we now know that the sun's rays also cause deeper skin damage, including skin aging, DNA damage and even cancer. The culprit is UVA light, which comprises up to 98% of the UV radiation that reaches your skin. While the SPF (UVB protection) of sunscreens have continued to increase, UVA protection has not always been addressed properly.

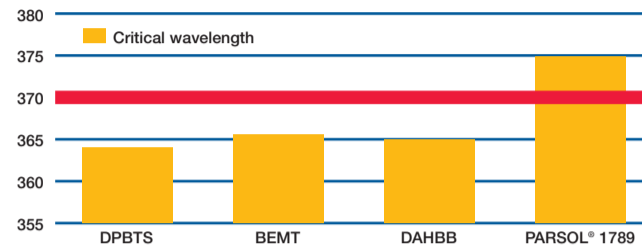
Recognizing the importance of this issue in regard to health, both the European and U.S. government regulatory bodies have adopted new UVA testing and labeling requirements for sunscreens. These new regulations are designed to ensure balanced UVA protection relative to the labeled SPF.

PARSOL® 1789 and PARSOL® 340 for high performance

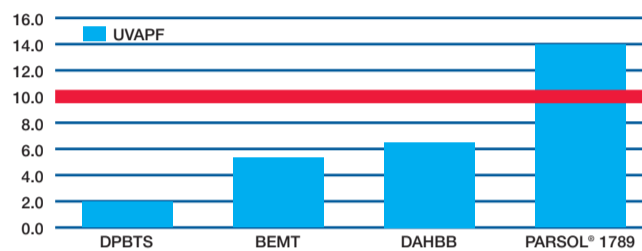
Reaching the new UVA requirements may require reformulation; however the good news is that PARSOL® 1789, the most widely recognized UVA filter, provides the solution. One of the formulation concerns with PARSOL® 1789 was its photostability. We found this problem to be easily addressed by combining it with photostabilizers, such as PARSOL® 340, PARSOL® 5000 or PARSOL® SLX to reach 95-100% stability.

PARSOL® 1789 sets the benchmark

We also measured the UVA performance of various UV filters under the new regulations. PARSOL® 1789, in a 1:1 ratio with PARSOL® 340, provides the highest UVA protection when compared to the other UVA filters available at the same use levels. In fact, only PARSOL® 1789 can meet the EU recommendations for minimum protection level and critical wavelength.



The red lines represent the minimum COLIPA (EU) requirement



Whether it is for your next product launch or for your next holiday, you can count on PARSOL® 1789 to provide the UVA protection you need.

Kimberly Smith, kimberly.smith@dsm.com
Global Marketing Manager Sun Care – Personal Care

In-Cosmetics

With the approaching summer and sun season, many visitors were interested in receiving the latest news about the PARSOL® UV filters and vitamins – this year with a focus on folic acid at the DSM stand. "Practical solutions" to cope with the UVA protection requirements in PARSOL® 1789 sunscreen formulations were impressively presented in a speech by

Christine Mendrok-Edinger. Visitors were also eager to learn more about REGU™-STRETCH, a new active ingredient to reduce stretch marks, presented by Marie-Sophie Meyer from the DSM Pentapharm branch.



Latest news from DSM Nutritional Products

Commitment to success: DSM and Novozymes confirm alliance

DSM Nutritional Products and Novozymes have reaffirmed their commitment to the feed market by renewing their strategic alliance agreement. With the renewal of the agreement, the two companies have committed to further strengthening and developing their partnership.

The alliance has been highly successful since its beginning in 2001 and the two world-leading partners look to launch a number of innovative, market-expanding and promising products over the coming years. The DSM/Novozymes alliance is the global market leader in feed enzymes.

The DSM/Novozymes alliance is an exclusive and global agreement, under the terms of which Novozymes develops and produces enzymes for animal feed, which DSM in turn markets and sells. The renewed alliance agreement covers the principles thereof, such as governance structure, supply and distribution of products, intellectual property rights, profit sharing and more. The agreement is valid for the next five years. (...)

Lutein and zeaxanthin improve the visual performance of healthy people

New findings published in Optometry and Vision Science on February 1, 2008, indicate that lutein and zeaxanthin play a wider role than was previously thought in improving human eyesight. Lutein and zeaxanthin are two dietary carotenoids that accumulate in the 'yellow spot' or macula lutea of the retina. Until recently, higher levels of these carotenoids in the retina were associated exclusively with a decreased risk of age-related macular degeneration. The new findings suggest that they can also improve the vision of people with healthy eyes.

The new link is specifically with the effects of glare on the normal eye. The investigators – JM Stringham and BR Hammond of the Vision Science Laboratory, University of Georgia, Athens, Georgia – demonstrated that six months of supplementation with FloraGLO® lutein and OPTISHARP® zeaxanthin significantly reduced the deleterious effects of glare on a test group of people with normal eyesight. These two carotenoids are formulated using special Actilease® technology to help improve the bioavailability. (...)

DSM Nutritional Products launches a new GMO-free and peanut oil-free Vitamin A in oily form

DSM Nutritional Products announces the launch of a new form of oily Vitamin A combining both GMO and allergen-free benefits for the food, dietary supplement and personal care industries. The new Vitamin A form uses medium chain triglycerides (MCT) as a carrier, thus guaranteeing ingredients that are free of genetically modified organisms and eliminating potential allergic reactions related to peanut oil.

"This demonstrates DSM's unique leadership position in the development of state-of-the-art forms that fulfill market needs and consumer requirements in the human nutrition and personal care industries," says Mauricio Adade, President of DSM Human Nutrition & Health. (...)

More information about DSM latest news can be found on www.dsmnutritionalproducts.com

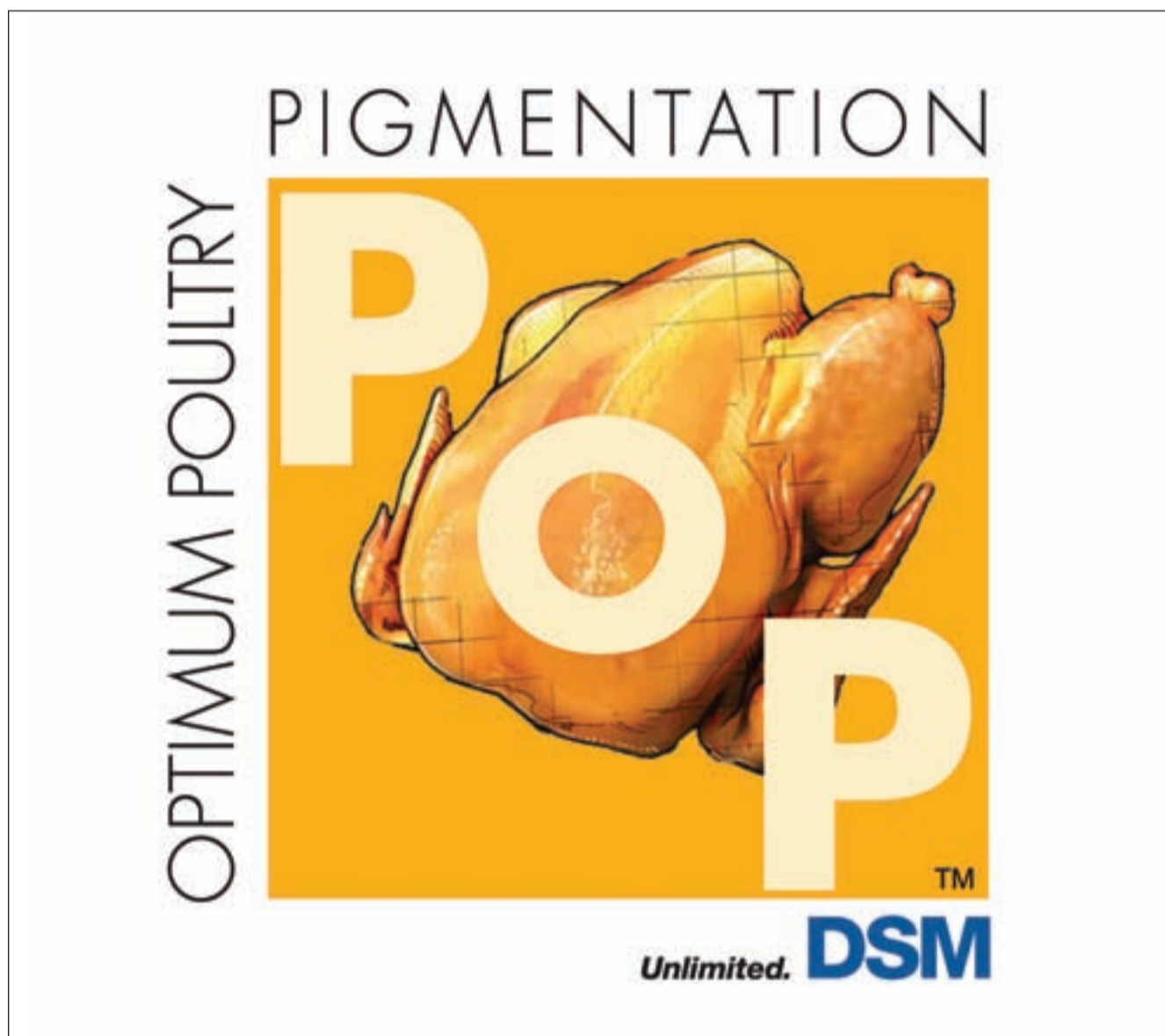
The POP™ Concept – Supporting the poultry industry in the production of value-added food

Worldwide consumer research shows that in many countries, such as France, Spain, Mexico, Brazil, South Africa and China, consumers are strongly influenced in their purchasing behavior by the color of the chicken. There is indeed a strong preference for yellow-skinned chickens, since they are associated with

value-added products, such as free-range birds and maize-based poultry diets.

DSM's drive for innovation led us to develop the POP™ Concept (Optimum Poultry Pigmentation). The POP™ Concept provides

the entire food chain with a powerful and reliable means to produce chickens that meet consumer demands, whatever the preferences of the countries in which this concept is used may be. The concept provides a complete solution, from the pigmentation of chicken to the control of coloring throughout the food chain.



In brief, the POP™ Concept includes:

- Consumer research, showing a clear global consumer preference for yellow chickens as value-added products.
- The DSM Broiler Fan™, which allows efficient specification and control of chicken color for any step in the food chain.
- Recommendations for feed pigmenting, for cost-efficient and homogeneous broiler pigmentation.
- CAROPHYLL® products, the best nature-identical poultry carotenoids, for optimal quality, performance and peace of mind.

For more information about the POP™ Concept or how to improve the value of your chicken meat products, please call your local DSM contact person.

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Successful Poultry Technical Meetings

DSM Nutritional Products recently organized Poultry Technical Meetings at 14 different locations throughout Europe, South America and Asia-Pacific regions.

Entitled 'Feeding the Genetics: a Matter of Quality' and 'Animal Welfare: Reduction of Skeletal Disorders', the seminars addressed actual topics, including the latest developments in genetics, management and nutrition, with a focus on how these factors can improve quality, performance and animal welfare in the poultry sector. The meetings attracted key representatives and opinion leaders within the poultry industry in each country, and included visitors from over 22 countries with a total over 1,000 participants.

CYLACTIN® – the probiotic of choice to reduce calf diarrhea

When looking at the reasons why calves die, then it becomes clear that intestinal health is of critical importance. Calf diarrhea is a multifactorial disease entity that can have serious financial and animal welfare implications. The majority of early calf mortality is caused by acute diarrhea in the pre-weaning period.

Probiotics such as CYLACTIN® can be used to prevent gastrointestinal disorders or applied after medical treatment. CYLACTIN® is one of the most striking probiotics, the lactic acid producing strain *Enterococcus faecium* NCIMB 10415. Its efficacy is primarily based on:

- Rapid colonization of the gut and synthesis of specific protective substances, such as L-lactic acid as an aid in combating pathogens
- Stimulation of the intestinal wall to increase the formation of

the mucosal layer and antibodies

- Prevention of bacterial adhesion and viruses to the gut wall
- Promotion of establishment or restoration of intestinal flora after drug administration

Recent trial results in Europe demonstrate a beneficial effect upon the reduction of the incidence of diarrhea of young calves in feeding systems either based on milk replacer or on full milk. Results showed a clear difference in reduced occurrence of diarrhea based on the supplementation of CYLACTIN®.

Reduced incidence of calf diarrhea translates directly to improved animal welfare and higher economic benefits.

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Colophon

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