

DSM Press Release

DSM, Corporate Communications,
P.O. Box 6500, 6401 JH Heerlen, The Netherlands
Telephone (31) 45 5782421, Fax (31) 45 5740680
Internet: www.dsm.com
E-mail : media.relations@dsm.com



10E

Heerlen (the Netherlands)/Elgin, Illinois (USA),
20 March 2006

DSM Desotech Sells Display Coatings Business to JSR Corporation

DSM Desotech Inc., a subsidiary of Royal DSM N.V. based in the Netherlands, and JSR Corporation announced today that the two companies have signed definitive agreements that will result in JSR acquiring the display coatings business that the two companies have jointly cooperated in as part of their joint venture, Japan Fine Coatings Co., Ltd.

JSR will directly acquire DSM Desotech's display coatings technology and business positions in this same market area outside Japan. No physical assets are involved in the acquisition. Parties have agreed not to disclose the transaction price to be paid by JSR to DSM. The effective date of the transaction date will be April 1, 2006. The book gain for DSM on this transaction amounts to approximately EUR 10 million after tax, which will be reported by DSM in the results for the second quarter of 2006.

The display business consists of coatings used in the production of flat panel displays for protection, anti-reflection and related purposes. JSR will acquire patents and business rights to this business on a global basis, along with related technologies.

About DSM Desotech

DSM Desotech is a world leader in the development and manufacture of high-performance UV-curable materials used in a variety of today's top industries. In Telecommunications, Desteoch is the world's leading supplier of protective coatings, inks and matrix materials used for the production of glass optical fiber and optical cable. DSM Desotech is a business unit within the Performance Materials cluster of the global DSM group headquartered in the Netherlands. Desotech operates research and manufacturing facilities in the United States, The Netherlands, China and Japan. More information about the company can be found at www.dsmdesotech.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 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

For more information:

DSM Corporate Communications
Nelleke Barning
tel. +31 (0) 45 5782017
fax +31 (0) 45 5740680
e-mail media.relations@dsm.com

DSM Investor Relations
Dries Ausems
tel. +31 (0) 45 5782864
fax +31 (0) 45 5782595
e-mail investor.relations@dsm.com

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.