

# DSM Press Release

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## **DSM to further explore growth opportunities in China**

**Royal DSM N.V., the global Life Sciences and Materials Sciences company headquartered in the Netherlands, today announces that the contracts to establish nutrition and anti-infectives joint ventures in China with North China Pharmaceutical Group Corporation Ltd. (NCPC) are suspended. DSM will continue its search for partners in China as the company prepares for further growth in the country, which in 2008 represented 8% of DSM's net sales.**

[Jan Zuidam](#), Deputy Chairman of the DSM Managing Board, comments: *"China is transforming from the world's manufacturing base into one of the world's leading economies with one of the highest growth rates. Economic prosperity and strong domestic demand, driven by a fast-rising income level combined with an increased focus on innovation, are expected to fuel economic growth in China for the coming decades. DSM is very well positioned in China and is continuously seeking opportunities to further improve its position."*

In 2004 DSM announced its intention to form a strategic partnership with NCPC. Earlier this year the contracts for joint ventures in the areas of nutritional products (vitamins) and anti-infectives were signed.

DSM has been informed that, due to the recent change in the ownership of NCPC, the implementation of these contracts has been delayed and possibly cannot be effectuated within a reasonable timeframe. Although still interested in the cooperation, the contracts are suspended, while both parties are maintaining their ongoing business relationships. At the same time, DSM will look for alternative solutions for the prospective partnerships.

DSM will continue to explore other opportunities for further growth in China through strategic cooperation, also in the areas of nutritional products and anti-infectives.

### **DSM in China**

DSM began trading with China in 1963. Today, DSM has invested in China for over a decade. DSM has its China regional headquarters and R&D center in Shanghai. The company currently has 14 manufacturing sites in China and employs nearly 4,000 people. DSM's business is growing healthily and steadily in China with revenue of above USD 1.1 billion in 2008. In addition, DSM is committed to China's sustainable development. More information: [www.dsm.com.cn](http://www.dsm.com.cn).

### **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).

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**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 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.