Results of the 2nd Quarter 2006

Arnold Gratama van Andel, CFO

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Building on Strengths

Corporate Communications

Unlimited. DSM

Highlights Q2 2006

Excellent quarter, 7% volume growth

		Δ Q2'05
➢ Net sales*	€ 2,126 m	+ *7.5 %*
➢ EBITDA*	€ 342 m	+ *3 %*
➢ EBIT*	€ 234 m	+ *11 %*

* Continuing operations

➢ **Main drivers**:

Results improved thanks to strong (+ 7%) volume growth and successful control of fixed costs, providing compensation for surging energy & RM costs (+ € 90 mln) and increased innovation efforts

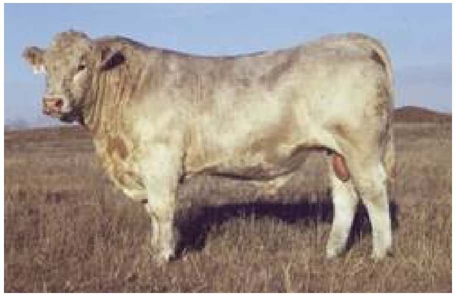
➢ **Outlook**: Full year results 2006 better than record year 2005

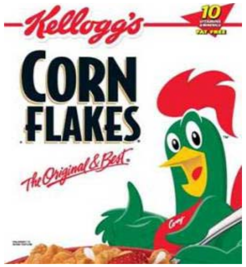
Q2 results 2006, key figures

€ million	Q2'06	Q2'05	Δ%
Net sales*	2,126	1,978	+ *7 %*
EBITDA*	342	331	+ *3 %*
EBIT*	234	210	+ *11 %*
* Continuing operations			
Net result from exceptional items	5	- 14	
Net profit	157	133	+ *18 %*
Net earnings per share	€ 0.81	€ 0.68	+ *19 %*
Cash from operations y-t-d	159	146	+ *9%*
Dividend paid y-t-d	146	123	+ *19%*

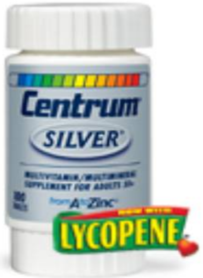
Nutrition

(€ million)	Q2 ’06	Q2 ’05	Δ%
Net sales	634	615	+ 3 %
EBITDA	124	127	- 2 %
EBIT	87	85	+ 2 %





- DNP: sales growth, volumes growth > price pressure
- DFS: stable results despite phasing out phytase production
- DSP: decreasing results due to high RM costs
- EBITDA margins remain in line with long-term strategic target



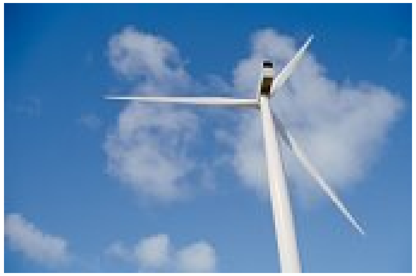
Pharma

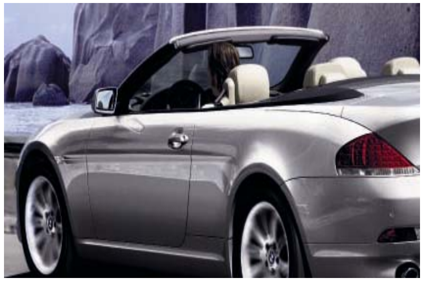
(€ million)	Q2 '06	Q2 '05	Δ%
Net sales	249	238	+ *5 %*
EBITDA	34	32	+ *6 %*
EBIT	14	9	+ *56 %*

- DPP: improving results, despite less favorable productmix
- DAI: price decrease for some products cause renewed losses

Performance Materials

(€ million)	Q2 '06	Q2 '05	Δ%
Net sales	700	633	+ *11 %*
EBITDA	113	102	+ *11 %*
EBIT	88	77	+ *14 %*





- Strong overall growth, outpacing the markets
- Good performance at DSM Engineering Plastics
  DSM Dyneema and DSM Resins
- DSM Dyneema preparing for further growth

Industrial Chemicals

(€ million)	Q2 ’06	Q2 ’05	Δ%
Net sales	543	484	+ *12 %*
EBITDA	70	76	- *8 %*
EBIT	53	54	- *2 %*

- Sound overall growth, due to better volumes and prices
- Margin pressure due to time-lag effects higher RM costs
- Pull-out from USA melamine production JV will have positive effect on DSM Melamine results in H2’06

Outlook

- **Positives:**
  - Generally favorable conditions in most markets to continue
  - DSM able to achieve healthy volume growth in H2’06
- **Negatives:**
  - Energy and RM costs continue to rise further
  - Growing resistance against price increases
- **Q3’06 EBIT** might turn out lower than excellent Q3’05
- **Q4’06 EBIT** expected to be better than Q4’05
- **EBIT 2006 better than in record year 2005**

Dyneema solutions

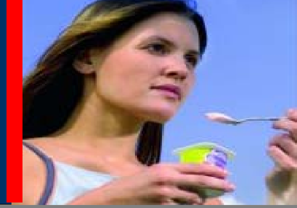
Dyneema®

• Heavy lifting slings for offshore wind farms

• Cut resistant gloves combining high quality and comfort

• Dental Floss for personal hygiene

And a fast growing list of new applications



- Een of twee Dyneema platen

Conclusions

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Contact:

DSM Corporate Communications

P.O. Box 6500, 6401 JH Heerlen, The Netherlands

☎ (+31)45 578 2421

🖷 (+31) 45 574 0680

e-mail: media.relations@dsm.com

internet: www.dsm.com

visiting address: Het Overloon 1, Heerlen, The Netherlands

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