

# Press Release

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## DSM is positioned for strong EBITDA growth and increases dividend

- DSM reports a solid Q4 with EBITDA of €243 million
- EBITDA full year 2012 of €1,109 million with growth in all clusters, except for caprolactam
- Robust performance of Life Sciences driven by Nutrition
- Materials Sciences performed well, except for caprolactam
- Strong cash generation from operating activities of €730 million in 2012
- Dividend increase proposed to €1.50 per ordinary share
- Outlook 2013: moving towards EBITDA of €1.4 billion

Commenting on the results, Feike Sijbesma, CEO/Chairman of the DSM Managing Board, said:

*“In the context of challenging macro-economic conditions, DSM delivered growth across all clusters in 2012, excluding caprolactam. Nutrition now represents more than 70% of total EBITDA and has become a high value, global business with attractive growth prospects across the full value chain.”*

*“The significant strategic progress we made during 2012 through our value creating acquisitions and the profit improvement initiatives we have taken leave us well positioned to achieve our long term objectives. In 2013 we will focus on the operational performance and integration of the acquisitions we completed in 2012 with special attention to capturing synergies. We expect strong EBITDA growth in 2013, moving towards €1.4 billion. The Board’s proposal to increase the dividend for the third consecutive year is testament to the stronger DSM we have built in recent years, with more stable growth and profitability going forward.”*

fourth quarter			full year			
2012	2011	+/- in € million	2012	2011	+/-	
<u>Continuing operations</u>						
2,269	2,227	2%	9,131	9,048	1%	
<u>Net sales</u>						
<u>Operating profit before depreciation and</u>						
243	293	-17%	1,109	1,296	-14%	
<u>amortization (EBITDA)</u>						
204	193		793	735		
- Nutrition						
13	11		39	36		
- Pharma						
52	43		280	293		
- Performance Materials						
14	79		129	380		
- Polymer Intermediates						
-9	-17		-38	-57		
- Innovation Center						
-31	-16		-94	-91		
- Corporate Activities						
120	166	-28%	635	866	-27%	
<u>Operating profit (EBIT)</u>						
<u>Discontinued operations</u>						
				145		
Net sales						
				29		
Operating profit before depreciation and						
amortization (EBITDA)						
				29		
Operating profit (EBIT)						
<u>Total DSM</u>						
2,269	2,227	2%	9,131	9,193	-1%	
<u>Net sales</u>						
<u>Operating profit before depreciation and</u>						
243	293	-17%	1,109	1,325	-16%	
<u>amortization (EBITDA)</u>						
75	118	-36%	437	615	-29%	
<u>Net profit before exceptional items</u>						
-54	-33		-149	199		
Net result from exceptional items						
21	85	-75%	288	814	-65%	
<u>Net profit</u>						
<u>Net profit per share in €:</u>						
0.43	0.71	-39%	2.58	3.53	-27%	
- before exceptional items, continuing operations						
0.11	0.53	-79%	1.68	4.86	-65%	
- including exceptional items, total DSM						
- core earnings per share						
				2.78	3.66	-24%

*In this report:*

- 'operating profit' (before depreciation and amortization) is understood to be operating profit (before depreciation and amortization) before exceptional items;
- 'net profit' is the net profit attributable to equity holders of Koninklijke DSM N.V.;
- 'continuing operations' refers to the DSM operations excluding DSM Elastomers;
- 'discontinued operations' comprise net sales and operating profit (before depreciation and amortization) of DSM Elastomers up to and including Q2 2011;
- 'core earnings per share' is understood to be earnings per share before exceptional items and before acquisition related (intangible) asset amortization.

## Overview

Despite ongoing global economic headwinds, DSM continued to deliver solid operational results in Q4, generating €243 million in EBITDA, despite a €100 million lower contribution from its caprolactam activities compared to Q4 2011. For the full year EBITDA amounted to €1,109 million, 14% lower compared to 2011. Profit growth in all clusters was more than offset by approximately €300 million lower results from DSM's caprolactam activities in Polymer Intermediates and Performance Materials.

Nutrition results in Q4 increased by 6% versus Q4 2011 and full year results increased by 8%, as a result of contributions from acquisitions and continued organic growth.

Pharma results in Q4 as well as for the full year 2012 were slightly above the level of the comparative periods of 2011.

Performance Materials recorded 21% higher EBITDA in Q4 compared to Q4 2011 due to higher volumes, improved margins and lower costs. Full year EBITDA was 4% lower due to lower margins in the polyamide-6 value chain (caprolactam effect) and lower volumes at DSM Dyneema.

As anticipated, Q4 and full year results at Polymer Intermediates declined significantly versus the same periods in 2011 mainly due to substantially lower caprolactam margins.

The Innovation Center improved its results for Q4 and the full year as a result of higher Biomedical sales supported by six months contribution from the Kensey Nash acquisition.

Q4 2012 EBITDA for Corporate Activities decreased compared to Q4 2011 mainly due to higher share-based payment costs and one-off items. Full year EBITDA remained at the same level as the previous year.

Cash provided by operating activities amounted to €730 million during 2012 versus €882 million in the prior year. Net debt increased by €1,350 million compared to year-end 2011 to a level of €1,668 million, mainly due to acquisitions, resulting in a more efficient capital structure.

## Business review by cluster

### Net sales

<i>in € million</i>	full year					
	2012	2011	differ- ence	organic growth	exch. rates	other
Nutrition	3,667	3,370	9%	2%	3%	4%
Pharma	726	677	7%	9%	2%	-4%
Performance Materials	2,772	2,752	1%	-4%	4%	1%
Polymer Intermediates	1,596	1,820	-12%	-16%	4%	
Innovation center	102	60				
Corporate Activities	268	369				
Total continuing operations	9,131	9,048	1%	-3%	3%	1%
Discontinued operations		145				
Total	9,131	9,193				

## Nutrition

fourth quarter		<i>in € million</i>	full year	
2012	2011		2012	2011
923	865	Net sales	3,667	3,370
204	193	EBITDA	793	735
157	149	EBIT	613	577
22.1%	22.3%	EBITDA margin	21.6%	21.8%

Fourth quarter organic sales growth was 1% compared to Q4 2011 with volume growth (4%) partially offset by lower prices (-3%). Reported sales were positively impacted by favorable exchange rates (1%) and the acquisition of Ocean Nutrition Canada.

Human Nutrition & Health sales were up due to slightly higher prices and good volume growth. Premixes and Nutritional Lipids recorded double digit growth. Ocean Nutrition Canada showed strong sales momentum with the first synergy sales being realized. The Q4 results of Ocean Nutrition Canada were in line with expectations with sales of €36 million and EBITDA of €11 million.

Animal Nutrition & Health sales were somewhat lower due to stable volumes and a negative price and mix effect.

Personal Care showed stable volumes with somewhat higher prices.

DSM Food Specialties continued its growth especially in enzymes and savory ingredients.

EBITDA for the fourth quarter was €204 million, a 6% increase compared to the same quarter of 2011, mainly driven by the contribution of Ocean Nutrition Canada. The EBITDA margin was stable at 22.1%.

Full year organic growth was 2% driven by volumes and stable prices. EBITDA was €793 million and increased by 8% as a result of continued growth in advanced forms, premixes and nutritional lipids and contributions from acquisitions.

## Pharma

fourth quarter		<i>in € million</i>	full year	
2012	2011		2012	2011
197	165	Net sales	726	677
13	11	EBITDA	39	36
1	-1	EBIT	-19	-8
6.6%	6.7%	EBITDA margin	5.4%	5.3%

In the fourth quarter, net organic sales growth was 6% compared to Q4 2011 which was fully due to higher volumes. This volume growth was driven by uneven delivery patterns in the custom manufacturing business. Prices were stable.

EBITDA for the quarter was €13 million, slightly better than Q4 2011. This was mainly caused by increased volumes at DSM Pharmaceutical Products.

Full year organic sales growth was 9%. EBITDA for the full year slightly increased due to improved volumes at DSM Pharmaceutical Products and somewhat higher prices at DSM Sinochem Pharmaceuticals. This more than offset the higher costs partly associated with the startup of the new 6-APA plant for the anti-infectives business as well as the effect of the 50% deconsolidation of DSM Sinochem Pharmaceuticals as of 1 September 2011.

#### Performance Materials

fourth quarter		<i>in € million</i>	full year	
2012	2011		2012	2011
655	627	Net sales	2,772	2,752
52	43	EBITDA	280	293
17	0	EBIT	146	162
7.9%	6.9%	EBITDA margin	10.1%	10.6%

Fourth quarter organic sales growth was 2%. This was owing to a 6% volume growth especially in DSM Engineering Plastics and DSM Dyneema partly offset by a -4% price effect, as a result of lower polyamide-6 prices.

EBITDA increased significantly versus Q4 2011. EBITDA of DSM Resins & Functional Materials showed a major improvement due to strong performance in coatings and functional materials, as well as cost-saving programs. DSM Engineering Plastics also showed strong EBITDA improvement, driven by the growth in specialty polymers, despite lower margins in the polyamide-6 value chain caused by caprolactam. DSM Dyneema's results were at the same level as Q4 2011.

Full year organic sales development was -4% due to lower volumes (-3%) and lower prices (-1%). EBITDA was slightly below last year. The result of DSM Resins & Functional Materials showed an impressive improvement in 2012 due to cost reductions and pricing despite weakness in building and construction industries. Strong underlying improvements at DSM Engineering Plastics were partly offset by the weakness in the polyamide-6 chain (caprolactam effect). DSM Dyneema's full year result was below previous year due to the absence of new large vehicle protection tenders, which had been supporting DSM Dyneema in the first half of 2011.

#### Polymer Intermediates

fourth quarter		<i>in € million</i>	full year	
2012	2011		2012	2011
393	467	Net sales	1,596	1,820
14	79	EBITDA	129	380
6	67	EBIT	97	339
3.6%	16.9%	EBITDA margin	8.1%	20.9%

Fourth quarter organic sales development was -18% with 11% lower volumes mainly due to lower material availability as a result of a turnaround in the US.

EBITDA declined significantly mainly due to lower caprolactam prices and substantially higher benzene prices.

Full year organic sales development was -16% due to 6% lower volumes as a result of the turnarounds and 10% lower prices. EBITDA was significantly lower. High benzene prices could not be passed on to the market due to weaker demand for caprolactam in combination with new production capacity coming on-stream.

#### Innovation Center

fourth quarter		<i>in € million</i>	full year	
2012	2011		2012	2011
33	17	Net sales	102	60
-9	-17	EBITDA	-38	-57
-18	-21	EBIT	-63	-69

In the fourth quarter, DSM Biomedical showed further improvement mainly driven by the contribution of Kensey Nash with sales of €18 million and an EBITDA of €7 million. All other innovation activities including DSM Bio-based Products & Services continued at the same activity level.

Full year results showed good sales and EBITDA improvement primarily driven by continued strong growth in DSM Biomedical, supported by the contribution of Kensey Nash.

#### Corporate Activities

fourth quarter		<i>in € million</i>	full year	
2012	2011		2012	2011
68	86	Net sales	268	369
-31	-16	EBITDA	-94	-91
-43	-28	EBIT	-139	-135

In Q4 2012 EBITDA decreased by €15 million mainly due to the crisis levy (a one-off tax measure) introduced by the Dutch Government, higher share-based payments costs and higher project costs.

Full year EBITDA decreased slightly compared to the previous year as additional costs due to the crisis levy and higher share based payments costs were compensated for by the book profit on the sale of certain assets at the Chemelot site in the Netherlands and lower costs in service organizations.

### Exceptional items

Total *exceptional items* in the fourth quarter amounted to €76 million before tax (€54 million after tax) including a charge of €44 million related to the Profit Improvement Program and €18 million in acquisition related costs.

Full year *exceptional items* amounted to €194 million (€149 million after tax) comprising provisions, impairments and restructuring costs of €160 million. Acquisition related costs amounted to €34 million.

### Net profit

*Net finance costs* in the fourth quarter amounted to €31 million compared to €28 million in Q4 2011.

*Full year net finance costs* increased by €12 million compared to the previous year to a level of €94 million due to a lower average cash position at lower average interest rates and €7 million impairment of certain financial assets.

*The effective tax rate before exceptional items* for the full year was 18% versus 19% in 2011.

*Net profit before exceptional items* in the fourth quarter decreased by €43 million to a level of €75 million (Q4 2011: €118 million).

*Net profit before exceptional items* for the full year amounted to €437 million compared to €615 million in 2011.

As a result of exceptional items *total net profit* in the fourth quarter decreased by €64 million to €21 million (Q4 2011: € 85 million).

*Total net profit* for the full year amounted to €288 million compared to €814 million in 2011. This was due to the lower operating profit in 2012 and the restructuring and acquisition costs which were included in the exceptional items of 2012. In 2011 exceptional items included the book profit on divestments (€262 million).

*Net earnings per ordinary share (continuing operations, before exceptional items)* amounted to €2.58 versus €3.53 in 2011.

## Dividend

DSM's dividend policy is to provide a stable and preferably rising dividend. DSM proposes to increase the dividend by €0.05 to €1.50 per ordinary share. This will be proposed to the Annual General Meeting of Shareholders to be held on 3 May 2013. An interim dividend of €0.48 per ordinary share having been paid in August 2012, the final dividend would then amount to €1.02 per ordinary share. The dividend will be payable in cash or in the form of ordinary shares at the option of the shareholder. Dividend in cash will be paid after deduction of 15% Dutch dividend withholding tax. The ex-dividend date is 7 May 2013.

## Cash flow, capital expenditure and financing

*Cash provided by operating activities* amounted to €183 million in the fourth quarter (Q4 2011: €403 million) resulting in a full year total of €730 million (2011: €882 million).

*Operating working capital* as a percentage of sales amounted to 20.7% at the end of 2012. Excluding acquisitions it amounted to 20.0%.

Total cash used for *capital expenditure* in the fourth quarter amounted to €212 million (Q4 2011: €173 million). Cash flow related to *capital expenditure* for the full year 2012 was €686 million compared to €477 million in 2011.

At year-end 2012 *net debt* amounted to €1,668 million and *gearing* was 22% reflecting a more efficient capital structure.



### Profit Improvement Program

In Q2 2012 DSM launched a company-wide Profit Improvement Program (on top of the previously announced program in DSM Resins & Functional Materials), mainly focused on cost reductions and efficiency improvements, but also on sales growth and pricing. This program is fully on track and is expected to deliver structural annual EBITDA benefits of €150 million by 2014 of which more than half is expected in 2013. One-off cash costs for the Profit Improvement Program recognized in 2012 were approximately €120 million, in line with the guidance given in Q2.

DSM continued to look for opportunities to expand this program, and this has resulted in an increase in the program's scope to €200-250 million in benefits. The one-off cash cost related to this extension of the Profit Improvement Program are expected to be in the order of €70-80 million. The benefits following this extension are expected to be fully achieved by 2015.

### DSM in motion: *driving focused growth*

DSM in motion: *driving focused growth* is the strategy that the company embarked on in September 2010. It marks the shift from an era of intensive portfolio transformation to a strategy of maximizing sustainable and profitable growth. DSM's strategic focus on Life Sciences (Nutrition and Pharma) and Materials Sciences (Performance Materials and Polymer Intermediates) is fueled by three main societal trends: Global Shifts, Climate & Energy and Health & Wellness. DSM aims to meet the unmet needs resulting from these societal trends with innovative and sustainable solutions.

Below is an overview of DSM's strategic achievements in 2012.

#### *High Growth Economies: from reaching out to being truly global*

Sales to High Growth Economies accounted for 38% of total sales in 2012 versus 39% of total sales in 2011. The decrease was mainly due to lower caprolactam sales in China.

Net sales to China amounted to USD 1.7 billion versus USD 2.0 billion in 2011, mainly due to lower sales prices at DSM Polymer Intermediates.

To achieve its 2015 target for High Growth Economies, DSM continued its global re-organization of its operations. The headquarter of DSM Sinochem Pharmaceuticals is in Singapore. The headquarter of DSM Engineering Plastics was moved to Singapore in 2012 and the headquarter of DSM Fibre Intermediates is now in Shanghai (China).

The acquisition of Tortuga in Brazil will more than double DSM's workforce in Latin America to around 2,000 people.

#### *Innovation: from building the machine to doubling innovation output*

DSM's Emerging Business Area Bio-based Products & Services continues to make further strategic progress. The bio-succinic acid facility in Italy is currently in the start-up process. DSM and BP have extended their cooperation on the joint development of advanced bio-diesel. DSM successfully produced its first commercial batch of advanced C5 yeast for cellulosic ethanol producers. The construction of the POET-DSM Advanced Biofuels facility in Emmetsburg, Iowa (USA), is proceeding according to plan.

DSM is targeting innovative products and solutions to account for 20% of total sales by 2015. Innovation sales, defined as sales created by new products and applications introduced in the past five years, accounted for 18% of total sales in 2012, the same as in 2011. DSM is firmly on track to reach its 2015 innovation sales target.

#### *Sustainability: from responsibility to business driver*

As part of its strategy, DSM in motion: *driving focused growth*, DSM has formulated the ambition to go to the next level in sustainability: sustainability remains a core value and a responsibility to contribute to society, but in addition DSM is now developing sustainability into a strategic growth driver as well.

DSM believes sustainability will be a key differentiator and value driver in the coming decades. The company is uniquely positioned to capture new opportunities across the value chain. Sustainability is an integral part of the company's operations, actions and decisions.

ECO+ is DSM's strategic concept for promoting the development of sustainable, innovative products and solutions with ecological benefits. Products qualify as ECO+ when their environmental footprint is reduced compared with competing products or solutions. Typical examples are DSM's engineering plastics that enable customers to produce lower-drag, lighter-weight and therefore more fuel-efficient cars. Another example is Brewers Clarex™, which enables brewers to prevent chill haze without having to cool their beers to sub-zero temperatures. In 2015 DSM aims for at least 80% of its innovation pipeline to be ECO+ products or solutions and in 2015 their share of total net sales is expected to grow towards 50%.

DSM is developing a People+ strategy for measurably improving the lives of consumers, workers and communities across the value chains in which the company is active. People+ will do for the 'people' dimension of People, Planet and Profit what ECO+ has done for 'planet', giving further impetus to sustainability as a business driver for the company. DSM refined its People+ strategy in 2012 and also defined and road tested new metrics for it.

#### *Acquisitions & Partnerships: from portfolio transformation to driving focused growth*

In 2012 DSM announced eight acquisitions to strengthen its competences and market positions along its three other strategic growth drivers: High Growth Economies, Innovation and Sustainability. Since 2010 DSM has invested €2.8 billion in acquisitions, of which €2.4 billion in Nutrition, while applying highly disciplined strategic and financial criteria.

In 2012 DSM strengthened its industry leadership in the biomedical field with the acquisition of Kensey Nash, positioning DSM Biomedical as a profitable growth platform. DSM joined forces with POET LLC to commercially demonstrate and license cellulosic ethanol in the POET-DSM Advanced Biofuels joint venture.

In the Nutrition cluster DSM successfully completed the acquisition of Ocean Nutrition Canada, the leading global provider of fish-oil derived nutritional products to the dietary supplement and food and beverage markets. With this acquisition DSM strengthens and complements its Nutritional Lipids growth platform, established after the acquisition of Martek in 2011. DSM can now uniquely offer a full product range in the rapidly growing nutritional lipids category, offering both fish oil derived omega-3 fatty acids and microbially derived nutritional lipids.

DSM entered into a definitive agreement to acquire Tortuga, a privately held Brazilian company. Tortuga is a leading company in nutritional supplements with a focus on pasture raised beef and dairy cattle. The company is headquartered in Sao Paulo, Brazil with approximately 1,200 employees. The transaction is expected to close at the end of Q1 2013. DSM also acquired the Italian animal health and nutrition premix specialist, Cilpaz Srl.

DSM acquired Cargill's cultures and enzymes business, a globally leading manufacturer of cultures and enzymes for the dairy and meat industries with manufacturing operations in Wisconsin (USA) and France. The company also acquired certain assets, licenses and other agreements in the area of food enzymes and oilseed processing from Verenium.

DSM also completed the acquisition of Fortitech, Inc., a privately held company based in Schenectady (New York, USA), a leader in customized, value-added food ingredient blends for food & beverage, infant nutrition and dietary supplements industries.

#### Sustainability

In sustainability DSM set a number of ambitious aspirations in 2010 and in 2012 the company made good progress toward meeting them, as evidenced by the following highlights:

- DSM was once again among the leaders in the chemical industry sector in the Dow Jones Sustainability World Index. Since 2004 DSM has held the top position six times.
- In 2012 the percentage of ECO+ solutions in the innovation pipeline was 80%, equal to the aspiration set at 80%. ECO+ solutions as a percentage of running business increased to 43%. DSM is on its way toward the 50% aspiration for 2015.
- DSM is on track with its drive to improve energy efficiency by 20% by 2020 compared to 2008. Including 2012 energy efficiency improved by 14% compared to 2008.

- In 2012 DSM executed its fifth worldwide Employee Engagement Survey. The main element in the survey is the measurement of DSM's Employee Engagement Index, the percentage of employees scoring favorable on a combination of four attributes: commitment, pride, advocacy and satisfaction. The Employee Engagement Index measured in 2012 again was close to the high performance norm and improved versus 2011.
- DSM has started the People+ program, a strategy for measurably improving people's lives. The program was further defined in 2012, including developing a new tool to measure the impact on people.

Today DSM is publishing its third integrated annual report, after having published separate annual and triple P reports for more than a decade. More information on DSM's progress in sustainability can be found in this report.

## Outlook

The challenging macro-economic environment experienced during Q4 2012 has continued into 2013, with low growth in Europe. Asia continues to show good levels of economic activity whilst the US has maintained a modest rate of recovery.

The Profit Improvement Program that was launched in August 2012 is fully on track and is expected to deliver structural annual EBITDA benefits of €150 million by 2014 of which more than half is expected in 2013. As anticipated, DSM has expanded the profit improvement initiative and now expects to achieve another €50-100 million in benefits on top of the €150 million. The benefits following this extension are expected to be fully achieved by 2015.

Nutrition is expected to show clearly higher results than in 2012 due to organic growth moving towards the target of 2% above GDP and the acquisitions.

Business conditions in Pharma are likely to remain challenging though DSM is confident of being able to deliver substantially better results notwithstanding the usual uneven delivery patterns between quarters.

Performance Materials is expected to show improved results in 2013, despite the expected negative effects of caprolactam especially compared to the first half of 2012.

Polymer Intermediates is expected to show lower results than in 2012.

For the Innovation Center the activity level will be in line with 2012, with EBITDA clearly improving following the full year contribution of Kensey Nash.

Overall, based on current economic assumptions, DSM expects a step-up in EBITDA during 2013 due to stronger organic growth, supported by DSM's Profit Improvement Program and as the benefits of acquisitions and a more resilient portfolio start to have impact. In 2013 the focus will be on the operational performance and integration of the acquisitions DSM completed in 2012 with special attention to capturing synergies. Overall, based on current economic assumptions, the above will enable DSM to move towards its 2013 EBITDA target of €1.4 billion.

## Additional information

Today DSM will hold a conference call for the media from 07.30 AM to 08.00 AM CET and a conference call for investors and analysts from 09.00 AM to 10.00 AM CET. Details on how to access these calls can be found on the DSM website, [www.dsm.com](http://www.dsm.com). Also, information regarding DSM's full year 2012 result can be found in the Presentation to Investors, which can be downloaded from the Investors section of the DSM website.

## Condensed consolidated statement of income for the fourth quarter

fourth quarter 2012			<i>in € million</i>	fourth quarter 2011		
before excep- tional items	excep- tional items	total		before excep- tional items	excep- tional items	total
2,269		2,269	net sales	2,227		2,227
243	-76	167	EBITDA from continuing operations	293	-35	258
			EBITDA from discontinued operations			
243	-76	167	EBITDA total DSM	293	-35	258
120	-76	44	operating profit (EBIT) total DSM	166	-39	127
			operating profit from discontinued operations			
120	-76	44	operating profit from continuing operations	166	-39	127
-31		-31	net finance costs	-28		-28
1		1	share of the profit of associates	-2		-2
90	-76	14	profit before income tax	136	-39	97
-15	22	7	income tax	-10	6	-4
75	-54	21	net profit from continuing operations	126	-33	93
			net profit from discontinued operations			
75	-54	21	profit for the period	126	-33	93
			non-controlling interests	-8		-8
75	-54	21	net profit	118	-33	85
-2		-2	dividend on cumulative preference shares	-2		-2
73	-54	19	net profit used for calculating earnings per share	116	-33	83
123		123	depreciation and amortization	127	4	131
		274	capital expenditure			238
		576	acquisitions			67
net earnings per ordinary share in €:						
0.43	-0.32	0.11	- net earnings, total DSM	0.71	-0.18	0.53
0.43	-0.32	0.11	- net earnings, continuing operations	0.71	-0.18	0.53
167.5 average number of ordinary shares (x million)						
168.7 number of ordinary shares, end of period (x million)						
23,498 workforce (headcount) at end of period						22,224
6,007 of which in the Netherlands						6,205

## Condensed consolidated statement of income for full year

full year 2012			full year 2011		
<i>in € million</i>					
before excep- tional items	excep- tional items	total	before excep- tional items	excep- tional items	total
9,131		9,131 net sales	9,193		9,193
1,109	-168	941 EBITDA from continuing operations	1,296	-5	1,291
		EBITDA from discontinued operations	29	110	139
1,109	-168	941 EBITDA total DSM	1,325	105	1,430
635	-194	441 operating profit (EBIT) total DSM	895	33	928
		operating profit from discontinued operations	29	110	139
635	-194	441 operating profit from continuing operations	866	-77	789
-94		-94 net finance costs	-82	140	58
2		2 share of the profit of associates	3		3
543	-194	349 profit before income tax	787	63	850
-96	45	-51 income tax	-147	25	-122
447	-149	298 net profit from continuing operations	640	88	728
		net profit from discontinued operations	21	111	132
447	-149	298 profit for the period	661	199	860
-10		-10 non-controlling interests	-46		-46
437	-149	288 net profit	615	199	814
-10		-10 dividend on cumulative preference shares	-10		-10
427	-149	278 net profit used for calculating earnings per share	605	199	804
474	26	500 depreciation and amortization	430	72	502
		715 capital expenditure			528
		1,265 acquisitions			974
net earnings per ordinary share in €:					
2.58	-0.90	1.68 - net earnings, total DSM	3.66	1.20	4.86
2.58	-0.90	1.68 - net earnings, continuing operations	3.53	0.53	4.06
2.78		- core earnings per share	3.66		
165.5 average number of ordinary shares (x million)					165.6
168.7 number of ordinary shares, end of period (x million)					163.3
23,498 workforce (headcount) at end of period					22,224
6,007 of which in the Netherlands					6,205

Consolidated balance sheet: assets

<i>in € million</i>	year-end 2012	year-end 2011
intangible assets	2,793	1,786
property, plant and equipment	3,811	3,405
deferred tax assets	340	292
associates	40	35
other financial assets	141	135
non-current assets	<u>7,125</u>	<u>5,653</u>
inventories	1,803	1,573
trade receivables	1,569	1,551
other receivables	230	153
financial derivatives	62	50
current investments	12	89
cash and cash equivalents	<u>1,121</u>	<u>2,058</u>
	4,797	5,474
assets held for sale	<u>44</u>	<u>30</u>
current assets	<u>4,841</u>	<u>5,504</u>
total assets	11,966	11,157



## Consolidated balance sheet: equity and liabilities

<i>in € million</i>	year-end 2012	year-end 2011
shareholders' equity	5,874	5,784
non-controlling interest	168	190
equity	6,042	5,974
deferred tax liability	236	192
employee benefits liabilities	388	322
provisions	125	116
borrowings	1,922	2,029
other non-current liabilities	94	69
non-current liabilities	2,765	2,728
employee benefits liabilities	42	6
provisions	81	43
borrowings	642	160
financial derivatives	299	326
trade payables	1,453	1,348
other current liabilities	628	557
liabilities held for sale	14	15
current liabilities	3,159	2,455
total equity and liabilities	11,966	11,157
capital employed*	8,084	6,562
equity / total assets*	50%	54%
net debt*	1,668	318
gearing (net debt / equity plus net debt)*	22%	5%
operating working capital, continuing operations	1,936	1,795
OWC / net sales, continuing operations	20.7%	20.2%
ROCE	8.9%	14.0%

\* Before reclassification to held for sale

## Condensed consolidated cash flow statement

<i>in € million</i>	full year	
	2012	2011
cash, cash equivalents and current investments at beginning of period	2,147	2,290
current investments at beginning of period	89	837
cash and cash equivalents at beginning of period	<u>2,058</u>	<u>1,453</u>
<i>operating activities:</i>		
- earnings before interest, tax, depreciation and amortization	941	1,430
- change in working capital	-17	-232
- interest and income tax	-163	-146
- other	-31	-170
cash provided by operating activities	<u>730</u>	<u>882</u>
<i>investing activities:</i>		
- capital expenditure	-686	-477
- acquisitions	-1,262	-929
- disposal of subsidiaries and businesses	7	513
- disposal of other non-current assets	39	229
- change in fixed-term deposits	77	748
- other	-31	-77
cash used in investing activities	<u>-1,856</u>	<u>7</u>
- dividend	-210	-155
- repurchase of shares		-357
- proceeds from re-issued shares	90	111
- other cash from/used in financing activities	291	59
cash used in financing activities	<u>171</u>	<u>-342</u>
changes exchange differences	18	58
cash and cash equivalents end of period	<u>1,121</u>	<u>2,058</u>
current investments end of period	12	89
cash, cash equivalents and current investments end of period	<u>1,133</u>	<u>2,147</u>

Condensed consolidated statement of comprehensive income

<i>in € million</i>	full year	
	2012	2011
exchange differences on translation of foreign operations	-27	57
actuarial gains and losses and asset ceiling	-133	-40
change in fair value reserve	-8	-85
change in hedging reserve	-22	-120
income tax expense	47	60
other comprehensive income	-143	-128
profit for the period	298	860
<b>total comprehensive income</b>	<b>155</b>	<b>732</b>

Condensed consolidated statement of changes in equity

<i>in € million</i>	full year	
	2012	2011
Total equity at beginning of period	5,974	5,577
changes:		
total comprehensive income	155	732
dividend	-302	-246
repurchase of shares	0	-357
proceeds from reissue of ordinary shares	182	201
other changes	33	67
<b>total equity end of period</b>	<b>6,042</b>	<b>5,974</b>

Condensed report business segments

full year 2012 (in € million)

	continuing operations							Discon- tinued operations	Elimi- nation	Total
	Nutrition	Pharma	Performance Materials	Polymer Intermediates	Innovation Center	Corporate Activities	Elimi- nation			
net sales	3,667	726	2,772	1,596	102	268		9,131		9,131
supplies to other clusters	85	39	25	448	3	1	-601			
total supplies	3,752	765	2,797	2,044	105	269	-601	9,131		9,131
EBITDA	793	39	280	129	-38	-94		1,109		1,109
EBIT	613	-19	146	97	-63	-139		635		635
total assets	5,157	1,051	2,174	964	559	2,061		11,966		11,966
workforce (headcount) at end of period	9,489	3,314	5,354	1,474	668	3,199		23,498		23,498

full year 2011 (in € million)

	continuing operations							Discon- tinued operations	Elimi- nation	Total
	Nutrition	Pharma	Performance Materials	Polymer Intermediates	Innovation Center	Corporate Activities	Elimi- nation			
net sales	3,370	677	2,752	1,820	60	369		9,048	145	9,193
supplies to other clusters	68	21	21	435	4	23	-571	1	6	-7
total supplies	3,438	698	2,773	2,255	64	392	-571	9,049	151	9,193
EBITDA	735	36	293	380	-57	-91		1,296	29	1,325
EBIT	577	-8	162	339	-69	-135		866	29	895
total assets*	3,826	1,104	2,085	835	255	3,052		11,157		11,157
workforce (headcount) at end of period	8,329	3,324	5,599	1,439	383	3,150		22,224		22,224

Geographical information (continuing operations)

	The Nether- lands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the world	Total
full year 2012											
net sales by origin											
in € million	3,046	2,655	119	1,628	309	939	95	118	172	50	9,131
in %	34	29	1	18	3	10	1	1	2	1	100
net sales by destination											
in € million	605	2,684	538	1,819	671	1,323	163	317	783	228	9,131
in %	7	29	6	20	7	14	2	3	9	3	100
total assets in € million	3,613	2,556	109	3,554	347	1,187	90	134	310	66	11,966
workforce (headcount)											
at end of period	6,007	6,305	438	4,724	978	3,449	541	146	746	164	23,498
full year 2011											
net sales by origin											
in € million	3,151	2,601	91	1,505	247	987	118	78	228	42	9,048
in %	35	29	1	17	3	11	1		3		100
net sales by destination											
in € million	662	2,689	514	1,692	589	1,438	167	299	793	205	9,048
in %	7	29	6	19	7	16	2	3	9	2	100
total assets in € million	4,184	2,594	93	2,342	269	1,121	72	150	273	59	11,157
workforce (headcount)											
at end of period	6,205	6,398	334	3,650	824	3,423	481	146	627	136	22,224

## Notes to the financial statements

The full financial statements of DSM are included in the Integrated Annual Report 2012 that is available on [www.dsm.com](http://www.dsm.com) as of today.

### Accounting policies

The consolidated financial statements of DSM for the year ended 31 December 2012 were prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of the balance sheet date.

Heerlen, 20 February 2013

The Managing Board

Feike Sijbesma, CEO/Chairman

Rolf-Dieter Schwalb, CFO

Stefan Doboczky

Nico Gerardu

Stephan Tanda

#### Important dates

Report for the first quarter 2013  
Annual General Meeting of Shareholders  
Report for the second quarter 2013  
Report for the third quarter 2013

Thursday, 2 May 2013  
Friday, 3 May 2013  
Tuesday, 6 August 2013  
Tuesday, 5 November 2013

#### DSM - Bright Science. Brighter Living.™

Royal DSM is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM's 23,500 employees deliver annual net sales of around €9 billion. The company is listed on NYSE Euronext. More information can be found at [www.dsm.com](http://www.dsm.com).

Or find us on:



For more information

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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.