Life Sciences and Materials Sciences

DSM in motion: driving focused growth

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CEO / Chairman Managing Board

DSM Capital Markets Days 2010
Overview

- Achievements “Vision 2010”
- Making the next leap
- Four drivers delivering growth
- Transforming our organization
- Delivering value through our businesses
- Conclusions
DSM's strategy over the last strategy period can be summarized in one slide.

DSM's focus on Life Sciences (Nutrition and Pharma) and Materials Sciences (Performance Materials and Polymer Intermediates) has been fueled by the four major societal trends: Climate Change and Energy; Health and Wellness; Functionality and Performance; and Emerging Economies. By focusing on Life Sciences and Materials Sciences, DSM addresses the unmet needs resulting from the four main societal trends mentioned. Innovation solutions play a key role in this respect.

Life Sciences and Materials Sciences offer attractive growth potential on their own and in combination. DSM's EBA (Emerging Business Area) program, launched as part of Vision 2010, creates growth platforms based on the strengths and synergies of DSM's positions in Life Sciences and Materials Sciences. For example, DSM is convinced that biotechnology, traditionally associated with life sciences, will increasingly play a role in developing new biomaterials; and in turn materials that will increasingly be applied in life sciences applications. The cross-fertilization potential between Life Sciences and Materials Sciences – internally referred to as the X-factor – is high.
In the past three years, DSM has transformed its business into a focused Life Sciences and Materials Sciences company by divesting non-core businesses and making selective acquisitions.

- Completed divestments include Stamicarbon, DSM Energy, DSM’s interest in Noordgastransport, DSM Agro and DSM Melamine. Preliminary agreements regarding the sale of DSM Special Products and Thermoplastic Elastomers (Sarlink®) have been announced.

- The selling processes for the Keltan® business of DSM Elastomers, Citric Acid Europe and Maleic Anhydride and Derivatives are underway.

- A number of smaller acquisitions and venturing investments have been made in recent years. DSM acquired The Polymer Technology Group (PTG), giving it access to valuable know-how and client relationships in the biomedical market. With the acquisition of Pentapharm, DSM obtained a leading position in the development and production of active ingredients for the personal care market. DSM Venturing has about €60 million committed in promising companies and leading venture capital funds. Earlier this year, DSM completed the acquisition of Mitsubishi Chemical Corporation’s polyamide business in exchange for DSM’s polycarbonate business.

- Other actions to improve the portfolio include the closure of the citric acid plant in China and the reduction in the number of DSM Anti-Infectives’ sites.

- In addition to the portfolio changes, DSM further increased its presence in China while improving its position in other High Growth Economies such as India, Russia and Brazil.

- Apart from reaching the Vision 2010 target of adding €1 billion in sales through innovation between 2006 and 2010, DSM has also succeeded in increasing the number of product launches.

- DSM is a recognized as a technology leader in second-generation biofuels and bio-based materials.

- In 2009 DSM regained its number one position in the chemical industry sector in the Dow Jones Sustainability Index.

- By “Staying the Course” – a fast, strong and effective response to the changing economic conditions by focusing on costs, cash and working capital, reducing net debt, whilst still concentrating on customers, innovation and values/sustainability – DSM emerged from the economic downturn as a stronger company.
Fundamental changes have taken place in DSM's portfolio over the past ten years. Through a series of major and minor divestments (such as the petrochemicals business and a number of base chemical businesses) as well as a number of acquisitions, DSM's profile today is very different from that of ten years ago.

DSM has transformed itself from a predominantly 'chemical' company in 2000 to a Life Sciences and Materials Sciences company. More than 50% of DSM's portfolio in 2000 has been divested. Net sales of DSM's Nutrition business have increased more than tenfold in ten years as a result of the Roche Vitamins acquisition and organic growth. Life Sciences as a percentage of total DSM sales increased from 14% in 2000 to more than 40% today.

After the successful divestment program – part of Accelerated Vision 2010 – DSM's portfolio now has a clearer focus, and the quality of earnings has significantly improved. A large proportion of group revenues and earnings are now in high-margin, high-quality businesses that have significantly lower cyclicality.
• In the period 2006-2010 DSM has given its portfolio a greater and clearer focus. At the same time, it has achieved most of the important targets of Accelerating Vision 2010, despite the most severe economic downturn of the last 70 years.

• The targets in the Accelerating Vision 2010 strategy were set assuming that there would be no adverse general economic and trading conditions affecting DSM specifically.

• During the period 2006 – 2008 DSM was on track with all targets. However, due to the financial crisis and the subsequent economic downturn, DSM's financial results were heavily impacted as of Q4 2008. By executing its strategy (focus on customers, innovation and values / sustainability), DSM has weathered this storm very well. DSM had to implement tough measures to manage cash and working capital, and to reduce costs. This involved the reduction of the global workforce by approximately 1,200 and cost savings of more than € 200 million. As a result, DSM will achieve the targets set out in Accelerating Vision 2010, except for the EBITDA margin targets for Performance Materials and Polymer Intermediates.

• The Pharma cluster has faced considerable challenges and a changing marketplace and will not achieve its EBITDA margin target.
The economic context in which all global companies are operating is arguably more complex than it has ever been. The post-crisis recovery is happening at different speeds and to different levels.

DSM remains cautious about unpredictable financial markets, particularly in the context of changing bank rules and possible defaults.

DSM sees only moderate growth in most mature economies. Whilst there are always some sectors and some companies which grow strongly, the recovery is still weak in Japan, varied across the EU, and apparent only in certain industries in the US. Consumer confidence is extremely volatile, which is hardly surprising given the fact of a 'jobless recovery' in many countries, accompanied by continual Government rhetoric about the need to cut public expenditure and deficits.

In the meantime many “emerging economies” have developed into “high growth economies” and for the first time, it is the high growth economies which are pulling the world out of global recession. Two decades of economic growth have created strong consumer demand in China, Brazil and India, which is in turn feeding through to production industries and service sectors.
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• DSM has a long history of transformation. From the beginning in 1902, when the Dutch government formed the state-owned coal company, to today's DSM: a Life Sciences and Materials Sciences company.

• At a very early stage, DSM realized the need for change. In the 1930s it converted a by-product from coal mining into a profitable commodity, ammonia, a key raw material for nitrogenous fertilizers. This marked the first step on a diversification path that ultimately saved DSM from the fate of many other coal mining companies in Western Europe.

• By 1970, chemicals and fertilizers comprised the company's main activity, accounting for two-thirds of its turnover. Petrochemicals then took center stage.

• In 1989 DSM was privatized and its shares were floated on the stock exchange. During the 1990s, the company paid greater attention to aligning its R&D efforts with market needs. By that time it had also diversified into high-quality plastics and fine chemicals.

• Over the past 12 years major portfolio changes have taken place, such as the divestment of the petrochemicals business and the acquisition of the vitamins business. With the divestment of the base chemicals activities in recent years and the changes within the organization, DSM is now ready for the next growth phase.

• In this next phase DSM will deliver on its promise of creating brighter lives, driving focused growth and becoming a truly global company.
• DSM's strategy is based on demonstrable global trends that are affecting economies, people and markets in different ways. They underpin DSM's thinking and planning and the same holds for our customers, who are also developing plans and products to meet these current and future needs.

• The continuous growth of the world population is the main course for these global trends. The US Census Bureau currently estimates the world population to be around 6.9 billion people. The United Nations expects this figure to reach 9 billion in 2050.

• **Global Shifts.** Customers know that we live in a world which is changing faster than ever – influencing where demand comes from, how and where people are living and how we connect with one another. Urbanization and economic prosperity are promoting dietary changes and increased spending on housing, transport, lifestyle and energy, all benefiting the chemical industry. In 2009, per-capita demand for chemicals in developed economies was 6 times greater than in High Growth Economies, showing the latter's huge potential. Increased demand around the world is also driving a higher use of natural resources, leading to a search for further efficiency. Several new technologies, especially in the communications industry, are having a high impact on society and behavior.

• **Climate and Energy.** Customers know that climate change is a reality and future energy is a central challenge for society both in terms of how to create it and how to get more out of it. In this context, customers are seeking sustainable value chains with higher yields, reduced waste, lower energy use and fewer GHG emissions. For example: the use of lightweight plastics in US cars grew from 27 kg to 150 kg per vehicle in 2007. At the same time there is a growing focus on renewable energy sources.

• **Health and Wellness.** Customers know they need to address core health needs; whether through nutrition, medicines or lifestyle improvements. The population in the West is ageing and there is cost pressure in all healthcare systems. For example: according to Goldman Sachs the cost of healthcare for the over 65s is 3-5 times higher than for a young person. At the same time, healthcare demand in High Growth Economies is increasing. Nutrition security and access is increasingly important, and there is also growing demand for safer and healthier foods and pharmaceuticals.
• DSM in motion: driving focused growth marks the shift from an era of intensive portfolio transformation to a strategy of maximizing sustainable and profitable growth of the ‘new’ DSM. The current businesses compose the ‘new core’ of DSM in Life Sciences and Materials Sciences.

• DSM’s focus on Life Sciences (Nutrition and Pharma) and Materials Sciences (Performance Materials and Polymer Intermediates) is fueled by three main societal trends. DSM aims to provide solutions for issues posed by: Global Shifts (demographic shifts, urbanization, high growth economies, usage of resources, impact of new technology); Climate Change and Energy and Health and Wellness. The main underlying drivers for these trends are the world’s population growth and increasing life expectancy on the one hand, and increasing economic prosperity in the High Growth Economies on the other. DSM aims to contribute to the unmet needs resulting from these societal trends with innovative and sustainable solutions.

• It is DSM’s ambition to fully leverage the unique opportunities in Life Sciences and Materials Sciences, using four growth drivers: a focus on High Growth Economies, Innovation, Sustainability and Acquisitions & Partnerships. It is DSM’s ambition to bring all four growth drivers to the next level. At the same time DSM aims to make also maximum use of the potential of all four growth drivers to mutually reinforce each other.

• DSM will use the regions, functional excellence groups and shared services, creating ‘One DSM’ to capture regional business opportunities and synergies and to implement excellence throughout the global organization.

• The culture change program that is currently in progress (external orientation, accountability for performance, inspirational leadership, based on the joint beliefs in sustainability and diversity) will be further rolled out with an emphasis on collaboration and speed of execution to support this strategy. All this is based on DSM’s joint belief in sustainability and diversity, including internationalization.
• DSM has set itself ambitious targets for the next strategy period. With the transformation completed, DSM can now focus on, and accelerate, growth. The company has high aspirations, based on an assessment of the opportunities, particularly in High Growth Economies.

• For 2013 two profitability targets have been set: an increase in EBITDA to a level of € 1.4 – 1.6 billion and an increase in Return on Capital Employed (ROCE) to more than 15% in 2013.

• The following sales targets have been set for 2015. DSM aims for organic sales growth of 5%-7% per year, enhanced by acquisitions and partnerships. It strives to more than double its sales in China from $ 1.5 billion in 2010 to more than $ 3.0 billion in 2015. Towards 50% of DSM’s total net sales should be in High Growth Economies by 2015 compared with approximately 32% in 2010. Innovation sales – which from now on will be measured as sales from innovation products introduced in the last five years – are targeted to be approximately 20% of total net sales by 2015.

• For the period 2011 – 2015 comparable capital expenditures can be expected to the Accelerating Vision 2010 period: between € 450 – 600 million per year. For the total period, capital expenditure is expected to amount to € 2.5 – 2.7 billion, of which $ 1 billion is foreseen in China. In addition, DSM aspires to keep working capital as percentage of net sales below 19%.

• For the Emerging Business Areas a sales target of more than € 1 billion has been set for 2020.
In the field of sustainability, also, a number of ambitious targets and aspirations have been set.

For 2011 – 2015 the following value-creating-performance aspirations have been defined regarding sustainability:
- Top ranking in the Dow Jones Sustainability Index
- ECO+ products as percentage of running business should increase from about 34% toward 50%
- Percentage of ECO+ products in the innovation pipeline at least 80%.
- Energy consumption reduction of 2% annually
- Greenhouse gas emissions reduction of ~ 3.5% per year over a time period of 3-5 years
- Satisfaction as measured in the employee engagement survey over 68%
- Further diversity and People+ aspirations will be defined in 2011.
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• In High Growth Economies, DSM’s ambition is to go to the next level: from reaching out to being truly global.

• All the evidence indicates that fast-growing economies such as China, India, Brazil and Russia will be the major global growth engines for the world economy over the next decade.

• DSM has actively pursued growth opportunities in High Growth Economies across all businesses. In the past five years the share of sales from these economies has increased from 22% in 2005 to 32% expected in 2010. DSM has built a strong local presence in different regions in the last few years. A significant factor in DSM’s Vision 2010 is the expected achievement of the ambitious sales growth target of $1.5 billion in China (in 2007 this target was increased from $1.0 billion).

• DSM’s ambition now is to broaden this approach and accelerate growth in multiple economies and regions. By 2015 DSM expects High Growth Economies to grow towards 50% of DSM’s total net sales. Over 70% of DSM’s growth in the period to 2015 is expected to come from High Growth Economies.

• DSM will continue with its strong focus in China and expects to more than double its China sales to over $3.0 billion by 2015. To support this growth DSM intends to invest $1 billion in China in this strategy period. DSM will also increase its presence in other markets, doubling or even trebling revenues in India, Latin America and Russia.

• DSM will establish new Innovation Centers in China and India to harvest the opportunities in these countries. This will enhance the local influence on the company’s innovation approach.

• To enable this ambitious growth, DSM will need to adjust its organization in a variety of ways to facilitate local decision-making and innovation, and to establish clear accountability for regional growth at Managing Board level.
• DSM expects sales in High Growth Economies to grow towards 50% of total DSM sales by 2015.

• Some examples of the key business opportunities that the company has identified are:
  – Providing high-performance materials for the automotive, building & construction, electronics and packaging markets, especially in India and China.
  – Expanding DSM Nutritional Product’s premix network in Brazil, Russia, India and China.
  – Building the second caprolactam production line in China, effectively doubling capacity by 2014 in the country.
  – Building a new 6-APA plant in China to strengthen DSM’s position in the fast-growing antibiotics market in the country.
China is changing very rapidly, transforming from the world’s manufacturing base into one of the world’s leading economies with the highest growth rates and with innovation playing an increasing role. China has become one of the largest markets in the world, accompanied by an increasing demand for Life Sciences and Materials Sciences products. Economic prosperity and strong domestic demand, driven by a fast-rising income level, are expected to fuel economic growth for the coming decades.

In 1998, DSM reported less than $100 million in sales in China. In 2005 sales had increased more than fivefold to $0.5 billion. DSM is proud that it will achieve the target of $1.5 billion that was set for 2010, which we will further double.

As DSM’s sales in China grew, so did the organization, especially in the last ten years. DSM now has a workforce of more than 3,000 people in China, spread across 24 locations, of which 16 are manufacturing sites.

DSM’s China organization is headed by a full-time president, and DSM has focused on strengthening its China top management to lead DSM in the next growth phase. DSM has followed a policy of systematically appointing Chinese people to key senior positions in its China businesses to strengthen local decision-making and ensure we have a good understanding of local markets and needs.

DSM has opened its China Campus in Shanghai - DSM’s most important research facility outside Europe and the US.

DSM will continue to maintain its strong focus in China, and expects to more than double its China sales to over $3 billion by 2015.

In order to achieve this, the management will be further strengthened to grow the business. In addition to organic growth, acquisitions and partnerships, capital expenditures of approximately $1 billion are foreseen in the next five years. Included in the capital expenditures are a second production line for caprolactam, a 6-APA plant for Anti-Infectives, further expansions of the number of premix plants and several expansions in performance materials. A new innovation center will also be established at the research facility, led by the DSM China President.
DSM’s goal now is to truly internationalize its business. This will bring the company closer to its key markets and customers – where DSM expects 70% of its growth – strengthen the regional businesses and stimulate diversity and innovation.

DSM will combine a stronger regional infrastructure with clear board level accountability for regional growth. Over the next two years DSM intends to:

- Relocate the headquarters of the business groups DSM Fibre Intermediates, DSM Engineering Plastics and DSM Anti-Infectives to Asia.
- Relocate the DSM Biomedical (DBM) business headquarters to the United States.
- Establish new Innovation Centers in China and India, and expand the existing Innovation Centers in the US and Japan.
- Strengthen regional capabilities, infrastructure and management to provide regional views to the business and support growth and innovation in the regions. We will establish full-time presidents in China, India, Russia and the US and, initially, a combined business / president role in Latin America.
- Allocate regional growth and synergy accountability to designated members of the Managing Board (dual desk in combination with cluster oversight).
• In innovation, DSM’s ambition is to go to the next level: from building the machine to doubling innovation output.

• Since the announcement of the innovation boost back in 2005, as part of DSM’s Vision 2010 strategy, the achievement of numerous milestones shows that the increased commitment to innovation has significantly paid off. The most tangible one is the €1 billion in additional sales through innovation, which will be reached in 2010 despite the strong headwinds encountered since Q4 2008. Furthermore, DSM has made a big step in improving innovation practices and culture in the company and has succeeded in considerably increasing the number of launches (from about 25 back in 2006 to a steady launch rate of approximately 60 per year now).

• In addition, the Emerging Business Area programs have resulted in strong, long-term growth platforms which optimally combine the available competences in Life Sciences and Materials Sciences.

• Building on this track record, DSM aspires to take value creation by innovation to the next level. This will be visible, amongst other things, through: an even higher speed of innovation and consequently a new stretching innovation target; an ambitious growth perspective for the EBAs White Biotechnology (which will be renamed to DSM Bio-based Products & Services) and DSM Biomedical; and the implementation of a company-wide platform approach (currently five business platforms and three EBAs).

• DSM has adopted a new innovation target definition which is more in line with other mainstream innovators in the industry: percentage of sales created by new products and applications introduced in the last five years, replacing the previous target of an absolute amount of additional sales through innovation. DSM aims to increase innovation sales from ~12% towards 20% of total sales by 2015. This target reflects DSM’s aspiration to further boost innovative growth as well as portfolio renewal and the speed of innovation.

• The EBAs should grow to a combined turnover of more than €1 billion in 2020.

• An important element to bring innovation to the next level is expanding innovation to new regions. Therefore, DSM will establish Innovation Centers in China and India.
• To achieve the new innovation targets and bring DSM to the next level of excellence in innovation, the company will introduce portfolio management at platform level. By increasingly focusing on platforms rather than individual projects, the success rate of innovation activities is expected to grow further.

• In addition, DSM will use portfolio management to ensure balance between incremental and radical innovation. This will facilitate discussions on the composition of the innovation portfolio and will help optimize the mix between incremental and radical innovation within the company. For the radical part of DSM’s innovation portfolio, a global, company-wide portfolio approach will be adopted. This will secure the long-term attention for Life Sciences and Materials Sciences as the key pillars of DSM’s strategy and will secure that the cross-fertilization between the two fields is actively stimulated. The Managing Board will on a yearly basis decide on the final composition of this portfolio.

• Expanding innovation to new regions and internationalization will be another important element in DSM’s innovation efforts in the coming years. Breakthrough innovation is increasingly happening in the High Growth Economies (especially in the East). In response to this, DSM will establish new Innovation Centers in China and India to harvest the opportunities in these countries. This will enhance the local influence on the company’s innovation approach. Open innovation will continue to be a key driver to speed up innovation. DSM will further expand the quality of its open innovation, e.g. through licensing, which perfectly fits the drive towards new business models in DSM. In addition, the venturing activities will be speeded up. Furthermore, DSM will increase its partnering activities, not only in its key business areas but also in technology areas as it aims to broaden and strengthen its technology/competence base.

• DSM will also increase the speed of delivery of its innovation portfolio by expanding and reinforcing its Excellence in Innovation program, building on the following programs Increased Market Understanding, Business Group Innovativeness, Top Project Delivery, Improved Entrepreneurship and Boost Performance Orientation.

• DSM’s broad high quality technology base will continue to provide the solid foundation and support for its innovation activities. DSM will make sure its core competences remain in top shape.
To focus its innovation efforts DSM has translated the global trends into clearly defined business areas and has selected a number of promising platforms in various stages of development to respond to the needs of these fields. These platforms represent a cohesive set of projects/business development activities that DSM has embarked on based on (i) the commercial opportunities offered by the business area and (ii) DSM’s competences. These include (but are not limited to):

- Bio-based food and feed processing ingredients;
- Food and feed ingredients with health/performance benefits;
- (Bio)Manufacturing platforms for pharmaceuticals;
- Bio-based clean/green materials for coatings, automotive electronics and other applications;
- Materials for Life Protection and Sports;
- EBAs for DSM Biomedical, DSM Bio-based Products & Services (formerly White Biotechnology) and DSM Advanced Surfaces.

Through company-wide platform management the focus will be increased in the coming years. Opportunities and ideas which could lead to new platforms will be gathered in a threefold approach: via the DSM Innovation Center, individual BGs and at regional level. Stage-gating, which DSM has already been using for many years to steer individual innovation projects, will now also be applied to steer at platform level.
• In sustainability, DSM’s ambition is to go to the next level: from responsibility to a business driver.

• DSM is consciously shifting its sustainability approach from internal value / responsible contributors to society, to a strategic business-driver.

• DSM’s strategy is strongly connected to the company’s mission to create brighter lives for people today and for generations to come: it is therefore proud of its strong track record in sustainability achievements.

• DSM believes sustainability will be the key differentiator and value driver over the coming decades and that the company is uniquely positioned to capture new value-creating opportunities.

• DSM is setting new and ambitious business targets for sustainability. By 2015 ECO+ products will account for over 80% of innovation sales and towards 50% of the total running business sales (compared to less than 35% now). These developments will make DSM the clear industry leader and preferred partner in value creation through sustainability. To achieve these ambitious goals, we are embedding sustainability into all our business activities.

• Global trends such as population growth and increased affluence, pressure on natural resources, over-exploitation and pollution are creating challenges that need to be addressed at every level:
  – **Responsible care**: improving our own eco-footprint through initiatives to reduce energy use, emissions and waste.
  – **Innovative new products**: developing new products that offer clear environmental or people benefits over their mainstream alternatives (‘ECO+’ and ‘People+’).
  – **Creating sustainable value chains**: enhancing the eco-footprint along an entire value chain through improved sourcing, processes and/or products.
  – **Redesigning value chains**: using innovative technologies and partnerships to create new, fundamentally different, industry-changing solutions.
The integrated Triple P approach pursues sustainable value creation on three dimensions simultaneously:

- **People+**: improving people's lives through our activities and innovations
- **Planet+**: improving the environment through our innovative products
- **Profit+**: creating profitable businesses which meet our stringent People+ and Planet+ objectives to provide solutions to global societal needs.

DSM's **People+** strategy will deliver *measurably* better solutions to meet human needs and improve lives. The company commits to develop internationally recognized measures of its business and social impact on people. The company will engage with communities, governments and societies around the world to understand needs in areas such as health, nutrition and product performance. In addition DSM will invest further in innovation to address basic human needs, for example in projects to fight hidden hunger.

DSM will tap the creativity of its increasingly global and diverse organization to increase **Planet+** innovation and meet the ambitious 2015 ECO+ sales targets. DSM will build on its strong platform of ECO+ innovation, such as coatings for solar cells, waterborne paints, bio-based materials, halogen-free plastics, etc. In addition the company has started discussions with major suppliers about actions that can be taken to improve the overall footprint of the value chain.

DSM's **Profit+** objective is to translate innovative sustainable solutions into strong value-creating businesses. As a result of its increased focus on understanding (societal) needs, DSM will grow the profitability of its People+ and ECO+ businesses in several ways. This includes meeting demand for cleaner, greener technologies; developing products specific to High Growth Economies; and making Triple P sustainability a key criterion for Acquisitions & Partnerships.

To capture the extraordinary profit potential of Triple P for DSM's business, the company is embedding it fully into its organization, reporting and activities. For example, Triple P and stakeholder engagement (connectivity) will be built into the business planning and innovation processes and quality review management for all businesses.
In Acquisitions & Partnerships, DSM’s ambition is to go to the next level: from portfolio transformation to driving focused growth.

DSM has transformed its business into a focused Life Sciences and Materials Sciences company by divesting non-core businesses and making selective acquisitions. DSM has realized the sale of Stamicarbon, DSM Energy, DSM’s interest in Noordgastransport, DSM Agro and DSM Melamine. Preliminary agreements regarding the sale of DSM Special Products and Thermoplastic Elastomers (Sarlink®) have been signed. The selling processes for the Keltan® business of DSM Elastomers, Citric Acid Europe and Maleic Anhydride and Derivatives are underway.

Like many other companies, DSM has been cautious about making acquisitions during the financial crisis and economic downturn. However, a number of smaller acquisitions and venturing investments have been made in recent years. DSM acquired The Polymer Technology Group (PTG), giving it access to valuable know-how and client relationships in the biomedical market. With the acquisition of Pentapharm DSM obtained a leading position in the development and production of active ingredients for the personal care industry. DSM Venturing has about € 60 million committed in promising companies and leading venture capital funds. Earlier this year, DSM reached agreement to acquire Bayer’s industrial premix business in Korea and completed the acquisition of the polyamide 6 polymerization facility in the United States from Nylon Polymer Company, LLC (NPC). DSM also completed the acquisition of Mitsubishi Chemical Corporation’s Novamid polyamide business in exchange for DSM’s Xantar polycarbonate business.

DSM has also established partnerships and joint ventures in many areas, most recently a joint venture with Roquette for bio-based succinic acid, a joint venture with Tatanergo JSC for the construction of a premix plant in the Republic of Tatarstan, and a partnership agreement with the Australian Government to design, build and operate the first major Australian biopharmaceutical manufacturing facility based on the “factory of the future” concept.

The company has the capabilities and resources – people and financing – available to invest in selected acquisitions and partnerships.
We plan selective Acquisitions & Partnerships

- DSM applies stringent strategic and financial criteria to any potential acquisition or partnership. In the screening process a first selection is made on the basis of strategic fit. This results in a shortlist to which DSM applies its financial criteria.

- A key strategic criterion is that the business or partner should add or increase a leadership position and should add value to DSM in terms of technological and/or market competencies.

- DSM will also look for opportunities to strengthen competencies and market positions in the other three strategic growth drivers: expansion in High Growth Economies, innovation potential and sustainability.

- As DSM is fully committed to maintaining its Single A credit rating, the key financial criterion is that any acquisition should be cash EPS accretive from the beginning and should be supportive to the other financial targets.

- In the exceptional case that a very attractive acquisition opportunity arises of a size that would put pressure on financial metrics, DSM may be willing to accept a temporary deviation from the credit metrics commensurate with its rating target. However, DSM believes that Single A ratings are the right place to be for the company to ensure sufficient financial and strategic flexibility at all times, and DSM would seek to manage its balance sheet and underlying financials after such an acquisition to allow us to re-align ratios with Single A ratings within a short period of time.

- There are exceptions to the cash EPS criterion for potential acquisitions or partnerships; this requirement may for instance not be appropriate in the case of small innovative growth acquisitions.
Each of DSM’s four strategic growth drivers is important in its own right. They are also mutually reinforcing. By combining multiple growth drivers, DSM will be able to generate a greater number of compelling, high-potential business opportunities.

DSM and Roquette have signed a joint venture agreement for the production, commercialization and market development of bio-based succinic acid. This renewable and versatile chemical building block will replace existing fossil-based succinic acid as well as opening up new applications.

DSM Engineering Plastics is one of the few multinational companies with local engineering plastics manufacturing and application development support in India. This has allowed DSM to become a key supplier for the Tata Nano car. DSM’s engineering plastics have been approved for use in more than twenty components ‘under the bonnet’ and in parts of the transmission system of this innovative car.

In 2009 DSM opened its DSM China Campus in Shanghai to advance local research and development competence. It is DSM’s largest and most important research facility outside Europe and the US and acts as an incubator for DSM’s local innovation competence.

Brewers Clarex™ helps brewers to prevent chill haze formation in beers while decreasing energy consumption and CO₂ emissions by up to 8%. It removes the costly, time and energy-consuming and environmentally damaging sub-zero temperature stabilization stage from the brewing process.
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To meet the next-level ambitions for all four growth drivers, DSM is transforming its organization and culture to create a genuinely global organization to achieve our strategic ambitions. By strengthening and empowering regional businesses, DSM will deepen local market insights and relationships. In parallel, the ‘One DSM’ program will progressively enhance knowledge-sharing and collaboration across businesses, functions and regions, enabling the company to capture the full benefits of diversity.

‘One DSM’ – which will contain a global drive for a high-performance organization – will be equipped to enable DSM to reach its targets and ambitions. The Business Groups are the primary organizational and entrepreneurial building blocks with a primary focus on customers and markets. The regions will strengthen the Business Groups by providing infrastructure and capabilities to support the businesses. The regions will also cater for local innovation in designated countries and present the ‘One DSM’ face to the external constituencies. As a shared responsibility, the regions will also drive top-line growth.

All this will be supported and optimized by Functional Excellence groups – offering functional expertise and implementation capabilities leveraged across the company – and Shared Services – providing efficient high quality services in designated areas across the company.

The transformation of DSM’s organization will be supported by DSM’s culture change program, which has established a shared understanding of essential DSM values and principles to drive growth:
- External orientation and drive for innovation: bringing DSM closer to customers, suppliers, partners and other key influencers;
- Accountability for performance: instilling individual responsibility at all levels;
- Inspirational leadership: the complementary and consistent combination of setting direction with ambition and passion, taking decisions based on a healthy sense of urgency, and demonstrating authenticity, engagement and strong motivation along the way.

DSM’s culture change program will be further rolled out with emphasis on collaboration and speed of execution. All this is based on DSM’s joint belief in sustainability and diversity.
As DSM has embarked on a journey to become a genuinely global organization with multiple dynamic regional centers, each focused on local/regional markets and customer needs, the company recognizes and values diversity as a key strength to help it adapt its business to an uncertain, fast-changing world, and as a source of new innovation potential.

The ‘One DSM’ agenda provides a strong platform to support internationalization and drive value-creating behaviors. A common mission statement, values and business principles form an integral part of ‘One DSM’.

Cross-business and cross-regional collaboration, effective knowledge sharing and inclusive innovation will lead to synergies. Excellence will be implemented in a global approach.

The DSM mission and brand are essential elements of the strategy. DSM can only fulfill its strategic goals if it operates as one united team across the globe and it is therefore important that employees will be engaged around the new brand, which will be launched early 2011.

By embracing the culture change program, DSM will continue to maintain its focus on external orientation and innovation, accountability for performance and inspirational leadership. DSM will also introduce a new emphasis on:
- Collaboration: improving the ways that DSM people connect with colleagues, customers, partners, governments, regulators and other key opinion leaders
- Speed: facilitating knowledge-sharing and information flow, leading to faster, more effective decision-making
- New ways of working: embracing flexible working practices and policies.

Further internationalization of DSM’s workforce and senior management will contribute to becoming a truly global organization.
• An example of the implementation of ‘One DSM’ in the organization is the mission statement. It is an important cornerstone in creating a more unified culture.

• The mission statement describes why DSM exists, what the company adds to a changing world, and how DSM makes the world a better place. It gives us direction and purpose as individuals, as team members and as a company.

• The mission statement recognizes the enormous transformation DSM has undergone from a mining company to a diversified chemical company, into a world leading Life Sciences and Materials Sciences company.

• Embedded in the mission is the core value that everything DSM does should contribute to a sustainable world. This guides how DSM pursues economic performance, environmental quality and social responsibility to create value for People, Planet and Profit.
Overview

- Achievements “Vision 2010”
- Making the next leap
- Four drivers delivering growth
- Transforming our organization
- **Delivering value through our businesses**
- Conclusions
• Sustainability concerns continue to rise across all sectors, and increasingly across all major markets – food ingredients and methods of production and supply are no exception. Regulators, too, are applying stricter standards to the oversight of contents, claims and production systems.

• In the High Growth Economies, increasing consumer wealth is changing diets, as meat and fish are becoming more affordable to more people. Urbanization and changes in traditional roles are also changing eating habits, increasing demand for processed foods as supermarkets and food stores replace the role of traditional markets.

• In mature markets, consumers are increasingly becoming aware of the role of food and nutrition in promoting health and wellness, which is impacting choices and promoting discussion of healthy eating. At the same time, food is still a source of enjoyment and indulgence, and the personal care markets are driven by consumers needs for new innovations and improved performance.

• DSM’s Nutrition cluster has driven a step-change in performance over the last five years. A strong focus on operational excellence has underpinned cost control whilst also deepening the company’s offer in terms of quality of customer service. Structural changes to the competitive landscape have contributed to a favorable shift in market dynamics.

• DSM has pursued a ‘value-before-volume’ policy, through all areas of its business, creating customer value by understanding what its customers need and where it can best add value to their business.

• This “specialties approach” is created by DSM’s differentiation and innovation strategy, ensuring it concentrates on innovative approaches, including activities that take it further down the value chain. Coupled with this, DSM’s Quality for Life™ standard – quality, safety, traceability and reliability – emphasizes DSM’s commitment to high standards of production, in the context of customer and consumer desire for peace of mind about their food.

• DSM has expanded its network of premix plants into new markets, giving it a closer connection to its customers and access to markets – for example, ANH premix plants have recently been opened in Tatarstan, Russia, and China, and expanded in Korea.
DSM will continue to grow and build by:
- ensuring its cost position is at a par with the best of the industry: by continuing process innovations and improvements, rigorous site selection, and pursuing ‘asset light’ strategies;
- differentiation and innovation: continuing to be the Quality player in the sector, pursuing product and process innovation, marrying technological advances with consumer trends and customer needs;
- enhancing the aspired growth by pursuing acquisitions and partnerships: focusing on complementary ingredients, with a bias towards naturals, which can be marketed through DSM’s existing global infrastructure.
• All health service providers – governments & insurance companies – are under pressure to reduce spend. Medicines are becoming an increasing element of healthcare costs, typically 10% of total healthcare spend. As a result, health providers are increasingly ‘going out to tender’ for drug supply contracts, explicitly searching for the lowest cost.

• The pharmaceutical industry is facing a ‘patent cliff’: it is estimated that $260 billion worth of sales will go ‘off patent’ in the next 5 years. This is reflected in the steep growth of generic sales in both developing and developed markets, including emerging bio-similars. The latest estimates indicate that generics and bio-similars will rise from 10-12% of global spending on medicines to 15% by 2015.

• At the same time, it is becoming ever harder to discover new active molecules with sufficient additional patient benefits and an acceptable risk profile – and which the FDA and other regulatory bodies are prepared to approve.

• The innovative biologics market in 2010 is estimated to be around $100 billion. With a CAGR of around 12%, this extremely fast-growing market is expected to be around $200 billion in 2015.

• The pharma market in Asia currently represents only about 6-7% of total global pharmaceutical spend, but is estimated to rise to 20% by 2020 (Source: Credit Suisse/IMS).

• Asset restructuring – DAI has taken tough but necessary decisions to rationalize the site portfolio, and by 2011 DSM will have completed the shifting of its asset base eastwards with the opening of a new 6-APA plant in China. DPP will need to consider this further.

• DSM’s proprietary biotechnology gives DSM leadership in terms both of cost and sustainability: it reduces energy use and minimizes the need for solvents. Consequently emissions and cost are considerably lower than with conventional technology.

• DPP’s agreement with Shire demonstrates that its strength lies in being able to operate as a truly strategic supply chain partner, able to harness a full range of tools and experience to support our customers.
DSM's new 6-APA plant will not only significantly increase DSM Anti-Infectives' exposure to High Growth Economies in line with the corporate strategy, but will also make the business less dependent on external penicillin sources.

Growth will come from market share gains in the present business scope and by expanding the portfolio to include differentiated, higher-value specialty products: one example is a special grade of Purimox® for direct compression in a combination with clavulanic acid. Moreover, DSM will also grow its range of APIs and, in certain regions, also forward integrate into finished dosage (FD) products and, additionally, provide the regulatory approval support (dossiers), that customers need.

The range of actions implemented to improve the DAI business and its intrinsic long-term prospects, including the new 6-APA plant in China, mean we are confident DAI will grow successfully under its own steam.

However, it is still clear that growth and profit improvement in DAI would be accelerated if we were to participate in the necessary industry consolidation that is beginning in China and India. We therefore continue to seek a partner, and are having purposeful discussions with interested companies in China and India to this effect.
• We will further optimize our current assets and re-focus them towards new customer requirements. This essentially means re-balancing towards lower cost assets in the High Growth Economies. Associated with this will be a move to add the production of APIs to our already well respected final dosage (FD) business.

• The inherent volatility of the CMO business model makes optimizing asset utilization very challenging. In order to address this, DSM intends to significantly expand its range of own products. DSM also intends to pursue more complete value chain deals (like the one with Shire). It can deliver most value when it operates as a full-service strategic value chain partner.

• DSM Biologics continues to develop its technology and will open the world’s first commercial scale biopharmaceutical manufacturing site in Australia in 2013.
• Climate change and the adverse effects of over-dependence on fossil fuels continue to be the most important trends driving the materials industry. DSM’s customers in virtually every sector are seeking products that reduce energy use or emissions in their own operations, or, even more importantly, throughout their value chains. Energy reduction is key. This means not only finding new, less energy intensive ways to manufacture our own products, but also, for example, developing resins systems that require less energy for curing, saving energy in the application.

• An ageing population is just one of the radical global shifts DSM is now seeing. The world has become multi-polar and more difficult to predict, with rapidly growing prosperous middle classes in many formerly ‘emerging’ countries. Demand for plastics and resins is therefore high/increasing in these markets, not only because manufacturers are seeking to meet growing local needs, but also because global manufacturing and development has shifted to these High Growth Economies. At the same time, concerns about personal safety and global threats have not diminished. Innovation in this area is needed.

• The Performance Materials cluster has expanded significantly in the last two decades from just over € 0.5 billion in sales in FY 1990 to around € 2.3 billion in 2008 and € 1.2 billion in H1 2010.

• With major investments in High Growth Economies such as China and India, the Performance Materials cluster is making a major contribution to DSM’s growth in Asia.

• The Performance Materials cluster outperformed its innovation targets. With the great majority of these innovations driven by sustainability, DSM’s Performance Materials cluster is recognized as a front-runner in creating and introducing sustainable innovative solutions.

• During the last two decades, the portfolio in Performance Materials has clearly evolved towards more specialized, higher-value-added businesses. Innovations, branding and continued operational excellence programs in the more mature part of the portfolio have contributed to a continuous increase in average contribution margin over sales.

• The cluster reacted quickly and very flexibly to the downturn, focusing strongly on operating working capital reduction, implementing cost-saving plans and reducing fixed costs. As a result, the cluster is recovering very effectively as economic growth returns.
• The businesses in the Performance Materials cluster have achieved strong leadership positions in chosen segments of the global markets for advanced materials.

• DSM Engineering Plastics has a focused portfolio of products: its leadership in sustainable solutions is demonstrated by its complete portfolio of halogen-free engineering plastics, developed for a wide range of high-performance applications, further strengthened by the launch of new innovations such as Stanyl® ForTii™. Dyneema® is respected as the global premium brand for Ultra-High-Molecular-Weight Polyethylene fiber. DSM Resins ranks among the global leaders in the markets for resin systems for industrial coatings and decorative coatings, and as the global leader in fiber optic coatings. Furthermore, DSM Resins is the European market leader in unsaturated polyester resins and is rapidly building a position in the fast growing markets of China.

• Exciting examples of new innovative sustainable solutions of the cluster are EcoPaXX™, the green polymer that is being enthusiastically welcomed in multiple end-use markets, Palapreg® ECO (the new bio-based composite resins used in the automotive industry) and for instance the new ultra lightweight air cargo container panels made with DSM’s Dyneema® fiber and DSM’s Aeronite® resins.

• DSM has invested considerably in High-Growth Economies, building its asset base in countries which will see the majority of global growth. It has built a new engineering plastics compounding plant in India, opened an Akulon® PA6 polymer plant in China, expanded compounding facilities in China, invested in waterborne acrylic resins production in China and expanded the manufacturing facility of DSM Desotech in Shanghai. In addition, more R&D will move to the East: DSM Engineering Plastics will set up a Materials Research and Automotive Development Center in Shanghai. All this will drive sales growth in High Growth Economies.

• Acquisitions and Partnerships will remain important elements of DSM’s growth strategy in Performance Materials.

• DSM is convinced that its Performance Materials cluster is well positioned to capture growth opportunities that arise from the global trends. With key focus on growth via innovative sustainable solutions, DSM aims at a sales growth for the cluster at double GDP level and an EBITDA margin of above 17%.
DSM Fibre Intermediates is the global leader in the production and supply of caprolactam, the raw material for polyamide 6. With production facilities on three continents, total production capacity is almost 700 kt. DSM holds a market share of around 20%. With a market share of 25%, DSM is also a major player in the acrylonitrile market in Europe. A strong advantage is the forward integration in DSM Engineering Plastics.

In the Chinese region (China and Taiwan), consumption of polyamide 6, and therefore demand for caprolactam, will grow rapidly in the coming years, primarily driven by strong growth in engineering plastics and film segments (CAGR > 10%). China is largely dependent on imports to satisfy the demand for polyamide 6. Half of the polyamide 6 demand is imported and approximately two-thirds of the caprolactam needed for the production of polyamide 6 has to be imported as well. China will reduce this dependency and consequently much more local caprolactam will be needed.

With projected increase both in demand and capacity, the GURs (global utilization rates) are expected to remain high the coming years (over 90%).

Over 40% of the caprolactam on the total market is produced using DSM's proprietary technologies. The fact that even DSM's competitors use its technologies is proof of its leadership reputation.

The business group has established a strong position in China resulting in excellent and, as it turned out, crisis-proof partnerships with winning customers in downstream polyamide 6 industries. This confirms that having a significant position with a local presence and assets in the Asian market is a true asset.

Although DSM Fibre Intermediates was heavily impacted by the downturn in Q4 2008 and Q1 2009, its markets and its profitability recovered quickly. The economic downturn has confirmed how important the emerging markets are for DSM Fibre Intermediates. DSM Fibre Intermediates has emerged stronger from downturn, with improved yields, reduced variable and fixed costs and a continued full focus on customers and sustainability.
DSM Fibre Intermediates has a uniquely strong starting point: its global market position, a solid partnership in China, excellent performance, technological leadership and a growing secured supply to DSM Engineering Plastics. Building on these foundations, DSM Fibre Intermediates can grow further and faster by:

- further strengthening backward integration for DSM Engineering Plastics, and supporting this business group’s ambitious growth plans (providing security of supply, enabling growth in all regions) and
- strengthening its own global market position to consolidate its industry-leading position.

DSM Fibre Intermediates has chosen a threefold approach to capitalize on the opportunities that are arising: doubling production capacity in China; continuously improving existing assets by means of Life Time Extension and Variable Cost Reduction projects; and a firm commitment to sustainability.

The rapidly increasing demand, both captive and merchant, the Chinese government’s intention to replace imported caprolactam by local production, and improving margins provide sound foundations for expanding capacity. By building a second line in China, DSM aims to double its capacity in the country by 2014 (with the second line in China on stream in 2013).

DSM’s caprolactam technology is one of the most energy efficient and least wasteful available, which makes DSM the front-runner in ‘green’ caprolactam. By further investing in sustainability improvement, DSM Fibre Intermediates will be able to add ‘green value’ to the polyamide 6 its customers produce, thereby further increasing its own margins at the same time.

The actual capital expenditure on the second line in Nanjing will be lower for DSM because of the participation of Sinopec in the project. At the same time, DSM Fibre Intermediates will limit capital exposure in general by pursuing further partnership deals with customers who acquire a certain share of DSM’s capacity, following the model of the existing partnership with Shaw.

With its tight connections to DSM Engineering Plastics, its powerful presence in High Growth Economies and its green focus, DSM Fibre Intermediates is an asset that will bring sustained value to DSM.
DSM's EBA (Emerging Business Area) program, started with Vision 2010, created growth platforms based on the strengths and synergies of DSM's positions in Life Sciences and Materials Sciences. Although the EBAs were initially not expected to take off before 2010, within five years this approach has already resulted in promising businesses in White Biotechnology and Biomedical.

As the world's population becomes older – and older people stay active longer – there is a higher demand for biomedical solutions. In this fast growing market, DSM has actively built a leading position in the development of novel materials-based solutions to meet the present and future needs of the medical device and biopharmaceutical industries. Milestones include the successful integration of The Polymer Technology Group which was acquired in 2008, the exclusive world-wide license for a unique drug & biologics delivery system developed by MediVas, and the launch of several new products.

The scope of the EBA White Biotechnology will be expanded, for example through the inclusion of Biogas activities, and the EBA will be renamed DSM Bio-based Products & Services to better reflect the activities on which it focuses. DSM has realized a breakthrough in technology to produce second-generation biofuels which will help them become more cost effective and a viable alternative to both first-generation biofuels and conventional fossil fuels.

Furthermore, DSM has formed a joint venture with Roquette for the production, commercialization and market development of bio-based succinic acid. The demo plant is now in operation and many customers are testing this renewable and versatile chemical building block.

As the effects of climate change and the adverse consequences of the world's dependency on fossil fuels (and materials) are recognized, there is an increasing demand for clean energy as well as renewable chemicals and materials.

The focus on the EBA programs Personalized Nutrition and Specialty Packaging will be reduced and they will either be partnered, exited otherwise or transferred to other parts of DSM.
Both DSM Biomedical and DSM Bio-based Products & Services (formerly DSM White Biotechnology) will now be taken to the next level in view of their ambitious growth perspectives. Both EBAs will accelerate organic growth and growth via Acquisitions & Partnerships.

DSM is confident that the growth of the EBA's will continue at a steep rate, ultimately leading to aspired combined sales of more €1 billion in 2020 with an above average profitability.

The EBA concept has proven successful and will be continued. A new EBA, DSM Advanced Surfaces, is to be established.

For DSM Bio-based Products & Services, DSM will develop amongst others a license and service model with regard to its second-generation biofuels efforts for the cellulosic ethanol industry. For the production of bio-based chemicals and polymers DSM, will initially focus on traditional crops as starting materials. Innovation efforts will focus on green and high-performance materials.

For Biomedical, DSM is looking to expand its current biomaterials, application and technology portfolio. In drug delivery DSM will establish a strong market presence building on a robust technology portfolio. For the future market of regenerative medicine and tissue engineering, the business will look for venturing and/or partnership opportunities.
Overview

• Achievements “Vision 2010”
• Making the next leap
• Four drivers delivering growth
• Transforming our organization
• Delivering value through our businesses
• Conclusions
DSM has transformed itself into a Life Sciences and Materials Sciences company, exploiting the cross-fertilization between these two areas. DSM addresses the key global trends (global shifts, climate and energy and health and wellness) with innovative solutions for global markets. This will be supported by leveraging and developing the company’s competences and organization to realize the company's ambitious goals ‘One DSM’.

It is DSM’s ambition to bring all four growth drivers to the next level. At the same time DSM aims to make also maximum use of the potential of all four growth drivers to mutually reinforce each other,

- High Growth Economies: from reaching out to becoming truly global
- Innovation: from building the machine to doubling the output
- Sustainability: from responsibility to business driver
- Acquisitions & Partnerships: from portfolio transformation to growth

For each cluster a clear strategy has been defined:
- Nutrition: continued value growth.
- Pharma: leveraging partnerships for growth.
- Performance Materials: growing via sustainable innovative solutions.
- Polymer Intermediates: strengthening backward integration for DSM Engineering Plastics.
- EBAs: building new growth platforms.

DSM will use the regions, functional excellence groups and shared services, creating ‘One DSM’ to capture regional business opportunities and synergies and to implement excellence throughout the global organization.

In short: DSM’s strategy is about driving focused growth with ambitious targets.
Conclusions

• Transformation nearing completion: a new era starts
• High growth aspirations going forward
• Bringing all four growth drivers to the next level
• Resulting in:
  • Higher sales and stronger results
  • Being truly international and innovative with sustainability as a clear business driver
DISCLAIMER

This document 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.

Examples of forward-looking statements include statements made or implied about the company's strategy, estimates of sales growth, financial results, cost savings and future developments in its existing business as well as the impact of future acquisitions, and the company's financial position. These statements can be management estimates based on information provided by specialized agencies or advisors.

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 the company's actual performance and position to differ materially from these statements.

These factors include, but are not limited to, macro-economic, market and business trends and conditions, (low-cost) competition, legal claims, the ability to protect intellectual property, changes in legislation, changes in exchange and interest rates, changes in tax rates, pension costs, raw material and energy prices, employee costs, the implementation of the company's strategy, the company's ability to identify and complete acquisitions and to successfully integrate acquired companies, the company's ability to realize planned disposals, savings, restructuring or benefits, the company's ability to identify, develop and successfully commercialize new products, markets or technologies, economic and/or political changes and other developments in countries and markets in which DSM operates.

As a result, DSM's actual future performance, position and/or financial results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

DSM has no obligation to update the statements contained in this document, unless required by law. The English language version of this document is leading.

A more comprehensive discussion of the risk factors affecting DSM's business can be found in the company's latest Annual Report, a copy of which can be found on the company's corporate website, www.dsm.com
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<th>Abbreviation</th>
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<td>3P</td>
<td>Triple P (People, Planet, Profit)</td>
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<tr>
<td>6-APA</td>
<td>6-amino-penicillanic acid</td>
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<td>Acq.</td>
<td>acquisition</td>
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<td>7-ADCA</td>
<td>7-amino-deacetoxycephalosporanic acid</td>
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<td>AGM</td>
<td>Annual General Meeting of Shareholders</td>
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<td>Compound Annual Growth Rate</td>
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<td>Greenhouse Gas</td>
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<td>GRI</td>
<td>Global Reporting Initiative</td>
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<tr>
<th>Abbreviation</th>
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<td>Global Utilization Rate</td>
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<td>Innovation Center</td>
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