This presentation 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 presentation, unless required by law.

More details on DSM’s Q2 2016 performance can be found in the Q2 2016 results press release, published together with this presentation. A more comprehensive discussion of the risk factors affecting DSM’s business can be found in the company’s latest Annual Report, which can be found on the company’s corporate website, www.dsm.com
DSM reports a second consecutive strong quarter in 2016

Group net sales up at €1,994 million, with 5% organic growth, and EBITDA up 18%

**Nutrition**: organic sales growth of 9%, EBITDA up 14%

**Materials**: volumes up 5%, EBITDA up 10%

H1 Group ROCE: improved to 10.5% (H1 2015: 7.4%) driven by higher EBIT

Interim dividend of €0.55 per ordinary share

Outlook revised upward: “While global macro-economic developments remain a concern, DSM now expects to deliver full-year 2016 results ahead of the medium-term targets set out in its Strategy 2018, with an EBITDA growth for the year moving from high-single digit into the low to mid teens, and an increase in ROCE from high double-digit to over 200 basis points”
“Our positive momentum from Q1 continued and we are pleased to deliver another strong quarter. This was driven by good growth across our businesses and steady progress in our operations. Furthermore, we remain on track with our ambitious group-wide improvement and cost saving programs.

Materials performed particularly well, with good volume growth, notably in specialties, and a strong margin performance. This was supported by a favorable product mix, continued low input costs, and proactive margin management. In Nutrition, animal nutrition delivered high growth, benefitting in part from a favorable prior year comparison. We were also pleased with the continued progress in human nutrition, which delivered solid growth in line with our medium-term plans to outgrow the market.

During the quarter, uncertainty and volatility within the global macro-economic environment increased. While this remains a concern, we expect that for 2016 we will deliver ahead of our medium-term goals, given the strong performance of our business, underpinned by our continued focus on our improvement programs.”
<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>% Change</th>
<th>H1 2016</th>
<th>H1 2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales - Continuing Operations</td>
<td>1,994</td>
<td>1,965</td>
<td>1%</td>
<td>3,907</td>
<td>3,851</td>
<td>1%</td>
</tr>
<tr>
<td>EBITDA - Continuing Operations</td>
<td>328</td>
<td>279</td>
<td>18%</td>
<td>624</td>
<td>527</td>
<td>18%</td>
</tr>
<tr>
<td>EBITDA margin - Continuing Operations</td>
<td>16.4%</td>
<td>14.2%</td>
<td></td>
<td>16.0%</td>
<td>13.7%</td>
<td></td>
</tr>
<tr>
<td>EBIT - Continuing Operations</td>
<td>211</td>
<td>157</td>
<td>34%</td>
<td>396</td>
<td>288</td>
<td>38%</td>
</tr>
<tr>
<td>ROCE - Continuing Operations (%)</td>
<td></td>
<td></td>
<td></td>
<td>10.5%</td>
<td>7.4%</td>
<td></td>
</tr>
<tr>
<td>Profit for the period, before exceptional items - Cont. Ops.</td>
<td>135</td>
<td>110</td>
<td>23%</td>
<td>244</td>
<td>179</td>
<td>36%</td>
</tr>
<tr>
<td>Profit for the period, after exceptional items - Total DSM</td>
<td>135</td>
<td>101</td>
<td></td>
<td>220</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Net EPS before exceptional items - Cont. Ops.</td>
<td>0.76</td>
<td>0.63</td>
<td>21%</td>
<td>1.36</td>
<td>1.02</td>
<td>33%</td>
</tr>
<tr>
<td>Net EPS after exceptional items - Total DSM</td>
<td>0.76</td>
<td>0.56</td>
<td></td>
<td>1.22</td>
<td>0.14</td>
<td></td>
</tr>
<tr>
<td>Cash Flow - Continuing Operations</td>
<td>182</td>
<td>103</td>
<td></td>
<td>319</td>
<td>187</td>
<td></td>
</tr>
<tr>
<td>Exceptional items after tax - Total DSM</td>
<td>6</td>
<td>-31</td>
<td></td>
<td>-13</td>
<td>-176</td>
<td></td>
</tr>
</tbody>
</table>

1 ROCE calculated based on weighted average capital employed, January until June
2 Excluding share of profit of associates/ joint control entities
## Net sales development | Q2 2016

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>% Change</th>
<th>Volume</th>
<th>Price/mix</th>
<th>FX</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales - Continuing Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutrition</td>
<td>1,295</td>
<td>1,247</td>
<td>4%</td>
<td>7%</td>
<td>2%</td>
<td>-5%</td>
<td>0%</td>
</tr>
<tr>
<td>Materials</td>
<td>640</td>
<td>664</td>
<td>-4%</td>
<td>5%</td>
<td>-7%</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Innovation Center</td>
<td>40</td>
<td>37</td>
<td>8%</td>
<td>9%</td>
<td>0%</td>
<td>-2%</td>
<td>1%</td>
</tr>
<tr>
<td>Corporate Activities</td>
<td>19</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong></td>
<td>0</td>
<td>550</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Sales: 1,994 million (Q2 2016) vs. 1,965 million (Q2 2015), 1% increase
- Nutrition: 1,295 million (Q2 2016) vs. 1,247 million (Q2 2015), 4% increase
- Materials: 640 million (Q2 2016) vs. 664 million (Q2 2015), 4% decrease
- Innovation Center: 40 million (Q2 2016) vs. 37 million (Q2 2015), 8% increase
- Corporate Activities: 19 million (Q2 2016) vs. 17 million (Q2 2015)

- Discontinued Operations: 0 million (Q2 2016) vs. 550 million (Q2 2015)
## Net sales development | H1 2016

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1 2016</th>
<th>H1 2015</th>
<th>% Change</th>
<th>Volume</th>
<th>Price/mix</th>
<th>FX</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales - Continuing Operations</td>
<td>3,907</td>
<td>3,851</td>
<td>1%</td>
<td>6%</td>
<td>-2%</td>
<td>-3%</td>
<td>0%</td>
</tr>
<tr>
<td>Nutrition</td>
<td>2,545</td>
<td>2,446</td>
<td>4%</td>
<td>6%</td>
<td>1%</td>
<td>-4%</td>
<td>1%</td>
</tr>
<tr>
<td>Materials</td>
<td>1,240</td>
<td>1,296</td>
<td>-4%</td>
<td>3%</td>
<td>-6%</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>Innovation Center</td>
<td>83</td>
<td>73</td>
<td>14%</td>
<td>14%</td>
<td>0%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>Corporate Activities</td>
<td>39</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>0</td>
<td>1,056</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## EBITDA development | Q2 2016

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>% Change</th>
<th>H1 2016</th>
<th>H1 2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA - Continuing Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutrition</td>
<td>237</td>
<td>208</td>
<td>14%</td>
<td>462</td>
<td>403</td>
<td>15%</td>
</tr>
<tr>
<td>Materials</td>
<td>117</td>
<td>106</td>
<td>10%</td>
<td>212</td>
<td>192</td>
<td>10%</td>
</tr>
<tr>
<td>Innovation Center</td>
<td>0</td>
<td>-3</td>
<td></td>
<td>1</td>
<td>-8</td>
<td></td>
</tr>
<tr>
<td>Corporate Activities</td>
<td>-26</td>
<td>-32</td>
<td></td>
<td>-51</td>
<td>-60</td>
<td></td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong></td>
<td>0</td>
<td>53</td>
<td></td>
<td>0</td>
<td>91</td>
<td></td>
</tr>
</tbody>
</table>
Q2 2016 sales up 4% compared to Q2 2015; 9% organic sales growth
- Volume growth was healthy in human nutrition and strong in animal nutrition which partly benefitted from the comparison with Q2 last year
- Price/mix was up 2%. This was a result of price increases being implemented in all product categories, mainly in Latin America, together with slightly higher prices on average for premixes and vitamins when compared with Q2 2015
- Exchange rates had a 5% negative impact on sales, mainly due to the effect of the Brazilian real and a weaker US dollar
Nutrition | Key financials

Q2 2016 EBITDA up 14% compared to Q2 2015
- Driven by strong organic growth and the effects of the improvement and savings programs. All businesses contributed to this improvement in results
- Although currencies had a clear negative impact on sales, the impact on EBITDA was limited as the Swiss franc weakened somewhat against the euro in comparison with the same period last year

Q2 2016 EBITDA margin was 18.3% compared to 16.7% in the same period last year and 18.0% in Q1 2016, reflecting the good organic growth, supported by the progress made on the improvement programs

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>% Change</th>
<th>H1 2016</th>
<th>H1 2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,295</td>
<td>1,247</td>
<td>4%</td>
<td>2,545</td>
<td>2,446</td>
<td>4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>237</td>
<td>208</td>
<td>14%</td>
<td>462</td>
<td>403</td>
<td>15%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>18.3%</td>
<td>16.7%</td>
<td></td>
<td>18.2%</td>
<td>16.5%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>165</td>
<td>137</td>
<td>20%</td>
<td>326</td>
<td>266</td>
<td>23%</td>
</tr>
<tr>
<td>Capital Employed</td>
<td></td>
<td></td>
<td></td>
<td>5,391</td>
<td>5,474</td>
<td></td>
</tr>
<tr>
<td>Average Capital Employed</td>
<td></td>
<td></td>
<td></td>
<td>5,317</td>
<td>5,339</td>
<td></td>
</tr>
<tr>
<td>ROCE (%)(^1)</td>
<td></td>
<td></td>
<td></td>
<td>12.3%</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>Total Working Capital</td>
<td>1,470</td>
<td>1,426</td>
<td></td>
<td>28.4%</td>
<td>28.6%</td>
<td></td>
</tr>
<tr>
<td>Total Working Capital as % of Sales(^2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) ROCE calculated based on weighted average capital employed
2) Annualized last quarter sales
Sales bridge - Q2 2015 to Q2 2016

- Volume: 10%
- Price/mix: 4%
- FX: -7%
- Other: Q2 2015: 572, Q2 2016: 610

Sales bridge - H1 2015 to H1 2016

- Volume: 8%
- Price/mix: 1%
- FX: -7%
- Other: H1 2015: 1,145, H1 2016: 1,163

Other - FX: 7%
Q2 2016 sales showed 14% organic growth compared to Q2 2015

- Growth in the year-on-year comparison was helped by a one-off effect in the comparative quarter of 2015, when animal nutrition was impacted by a key raw material supply interruption at Tortuga due to a fire in the port of Santos (Brazil). This led to lost sales of €15-20 million in Q2 2015

- Adjusting for this effect, volume growth would have been 6-7%

Volumes were strong in vitamins, premixes and eubiotics

Markets in North America, Asia and Europe were strong, while Latin America remained weak

Overall, Q2 2016 prices showed a 4% increase versus the same period last year

- Part of this increase related to the implementation of price increases in local currencies in Latin America while list prices are in US dollars

- As a result, margin levels as reported in euros were protected during the quarter

- Besides this, prices for vitamins were slightly up overall versus the same quarter a year ago, with some of the B-vitamins showing an increase

- Contract prices for vitamin E were however still slightly below the average of Q2 2015, despite clear increases in spot prices during Q2 2016
Human Nutrition & Health | Sales overview

Sales bridge - Q2 2015 to Q2 2016

- Volume: Q2 2015 - 502, Q2 2016 - 507, Change: 3%
- Price/mix: Q2 2015 - 0%, Q2 2016: 1%, Change: -3%
- FX: Q2 2015 - 0%, Q2 2016 - 0%, Change: 0%
- Other: Q2 2015 - 0%, Q2 2016 - 0%, Change: 0%

Sales bridge - H1 2015 to H1 2016

- Volume: H1 2015 - 955, H1 2016 - 1,015, Change: 5%
- Price/mix: H1 2015 - 0%, H1 2016 - 1%, Change: 1%
- FX: H1 2015 - 0%, H1 2016 - 0%, Change: 0%
- Other: H1 2015 - 0%, H1 2016: 2%, Change: 2%
Q2 2016 organic sales grew by 4% compared to Q2 2015, predominantly driven by higher volumes (+3%)

- Prices were slightly up across the board when compared to Q2 2015
- Currencies had a negative impact, mainly due to a somewhat weaker US dollar

Q2 2016 sales by segment:

- **Food & beverage** performed well overall, with sales in the US improving

- **Dietary Supplements** markets outside North America performed well. Markets for multi-vitamins in North America remained weak, however higher retail-ready solution sales in Q2 2016 enabled DSM to maintain stable sales versus the previous year
  - Fish oil-based omega-3 sales were down in line with the market
  - DSM’s consumer business i-Health continued its strong double-digit growth trajectory and made preparations during the quarter for further marketing efforts in the second half of the year

- **Infant Nutrition** performed well, with stable growth in a healthy market
 DSM’s fast-growing i-Health consumer line consists of probiotics, urinary health-, menopause relief-, and vegetarian Omega 3 products

Brands include:

- Initiative 1
  - Building on the double-digit growth trajectory, continue to drive base brands via opportunity channels e.g. medical, natural, online/digital and category expansion (e.g. bladder control)

- Initiative 2
  - Building on #1 positions in North America, DSM is currently expanding its i-Health consumer line into new strategic regions

Initiative 1

- New product launches (incl. TV-ads, digital/social marketing and PR):
  - Culturelle Pro Well
  - Culturelle Regularity
  - AZO Urinary Tract Defense

- Increased spending in Professional Marketing - Increased pediatrician reach, detailing general practitioners and sampling

Initiative 2

- Increased spending in Culturelle international marketing to support ongoing brand building in China and South Korea and development investment for new markets like Australia and UK
Sales bridge - Q2 2015 to Q2 2016

- Volume: 664
- Price/mix: 5%
- FX: -7%
- Other: -2%
- Total: 640

Sales bridge - H1 2015 to H1 2016

- Volume: 1,296
- Price/mix: 3%
- FX: -6%
- Other: -1%
- Total: 1,240
Materials | Sales overview (cont’d)

- Q2 2016 sales were 4% below Q2 2015 mainly as a result of 7% lower prices, fully reflecting lower input costs
  - Overall, volumes were up by 5%, outperforming market growth
  - Strong growth in the specialty segments more than compensated for lower volumes in polyamide 6 polymers

- DSM Engineering Plastics
  - Volumes were down slightly in Q2 versus the previous year due to lower polyamide 6 polymer volumes, mainly as a result of a maintenance stop in the Netherlands. Volume developments in the higher-value specialties portfolio were favorable
    - Automotive was strong in Europe. On a regional basis, the US and Asia performed well and Europe was strong
  - Prices were lower reflecting lower input costs, notably in polyamide 6

- DSM Resins and Functional Materials
  - Volumes were up significantly in all product segments compared to Q2 2015
    - Europe benefitted from improving conditions in the building & construction markets
    - Specialty resins showed strong growth driven by healthy demand for waterborne resins in China - evidence of the increasing environmental awareness in China - as well as by strong sales in the US
    - Functional Materials delivered favorable growth, both in fiber-optic materials as well as in materials for 3D printing. Overall, the business clearly outperformed market growth in Q2 2016
  - Prices were lower reflecting lower input costs

- DSM Dyneema
  - Sales development was largely flat, with good growth in life protection, mainly for personal protection applications, offset by commercial marine, where conditions in the oil-related off-shore market remained weak
Q2 2016 EBITDA increased by 10% compared with Q2 2015
- Result of strong growth in the specialty segments, lower input costs, the benefits of the efficiency and cost saving programs carried out over recent years, and good margin management

Q2 2016 EBITDA margin was high at 18.3%, up from 16.0% in Q2 2015, reflecting a higher proportion of specialties in the product mix, current low input costs, and the benefits from cost savings and efficiency improvements
Q2 2016 sales 8% above Q2 2015 sales
- Increase fully driven by higher volumes. DSM Biomedical delivered a good performance. DSM Advanced Surfaces achieved strong growth in its innovative anti-reflective coatings for solar panels

Q2 2016 EBITDA was €3 million higher when compared to the same period last year, reaching break-even
- This improvement was driven by higher sales, more focused innovation activities and cost savings
### Corporate Activities | Key financials

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>H1 2016</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>19</td>
<td>17</td>
<td>39</td>
<td>36</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-26</td>
<td>-32</td>
<td>-51</td>
<td>-60</td>
</tr>
<tr>
<td>EBIT</td>
<td>-35</td>
<td>-44</td>
<td>-68</td>
<td>-83</td>
</tr>
</tbody>
</table>

- **Q2 2016 EBITDA** was €6 million better than in Q2 2015, when EBITDA was impacted by the insurance costs related to the Tortuga supply interruption.
Key Joint Ventures and Associates | Key financials

- DSM Sinochem Pharmaceuticals (50% DSM) - Solid results driven by a favorable product and geographical mix
- Patheon (49% DSM) - Solid results. Patheon completed its Initial Public Offering of ordinary shares on 27 July (see page 6 of the press release for more information). DSM’s shareholding in Patheon will be approximately 34% as of Q3
- ChemicalInvest (35% DSM) - Lower Q2 results due to weakness in caprolactam

<table>
<thead>
<tr>
<th>in € million, based on 100%</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>% Change</th>
<th>H1 2016</th>
<th>H1 2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSM Sinochem:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>114</td>
<td>112</td>
<td>2%</td>
<td>226</td>
<td>229</td>
<td>-1%</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>14%</td>
<td>16%</td>
<td></td>
<td>15%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Patheon¹:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>415</td>
<td>397</td>
<td>5%</td>
<td>791</td>
<td>774</td>
<td>2%</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>19%</td>
<td>20%</td>
<td></td>
<td>17%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>ChemicalInvest:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>437</td>
<td>n.a.</td>
<td>n.a.</td>
<td>892</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>0%</td>
<td></td>
<td></td>
<td>2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Patheon (formely reported as DPx Holding) respective periods are for the 2nd quarter from 1 February - 30 April and for YTD from 1 November - 30 April
Cash Flow development

### Cash flow

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>H1 2016</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>328</td>
<td>332</td>
<td>624</td>
<td>618</td>
</tr>
<tr>
<td><strong>Change in Working Capital</strong></td>
<td>-115</td>
<td>-127</td>
<td>-227</td>
<td>-229</td>
</tr>
<tr>
<td><strong>Income Tax</strong></td>
<td>-18</td>
<td>-14</td>
<td>-40</td>
<td>-35</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-13</td>
<td>-112</td>
<td>-38</td>
<td>-253</td>
</tr>
<tr>
<td><strong>Cash from Operating Activities</strong></td>
<td>182</td>
<td>79</td>
<td>319</td>
<td>101</td>
</tr>
<tr>
<td><strong>of which provided by Continuing Operations</strong></td>
<td>182</td>
<td>103</td>
<td>319</td>
<td>187</td>
</tr>
<tr>
<td><strong>Cash from Investing Activities</strong></td>
<td>-119</td>
<td>49</td>
<td>-198</td>
<td>-161</td>
</tr>
<tr>
<td><strong>Free Cash Flow from Operations</strong></td>
<td>63</td>
<td>128</td>
<td>121</td>
<td>-60</td>
</tr>
</tbody>
</table>

1) DSM - Total (incl. discontinued operations)
2) Excl. changes in fixed-term deposits, incl. acquisitions

- **Cash flow from operating activities** amounted to €182 million showing an improvement of €79 million compared to Q2 2015.
- **Total Working Capital** amounted to €1,481 million at the end of Q2 2016 compared to €1,571 million at the end of Q2 2015, which represents 18.6% as a percentage of annualized Q2 sales (Q2 2015: 20.0%).

### Working Capital% - Annualized

![Graph showing Working Capital% for different categories]
Net debt and ROCE development

- **Net debt** increased by €145 million compared to the end of 2015 and stood at €2,466 million
  - The increase was mainly due to the payment of dividend and the repurchase of shares, covering existing option plans and stock dividend
- **ROCE** increased to 10.5% in Q2 2016 from 7.6% in FY 2015 (7.4% in H1 2015)

---

1 Before reclassification to held for sale
Interim dividend proposal: DSM will pay an interim dividend of €0.55 per ordinary share for 2016

- Dividend policy “stable and preferably rising”
- DSM will pay an interim dividend of €0.55 per ordinary share for 2016
  - As usual, this represents one third of the total dividend paid for the previous year
  - The interim dividend should not be taken as an indication of the total dividend for the year 2016
- The interim dividend will be payable in cash or in the form of ordinary shares, at the option of the shareholder
  - A maximum of 40% of the total dividend amount is available for stock dividend
  - Dividend in cash will be paid after deduction of 15% Dutch dividend withholding tax
- The ex-dividend date is 4 August 2016
  - The interim dividend will be payable as from 25 August 2016
Business conditions

Nutrition

- **Animal Nutrition**
  - Robust market conditions with the exception of Latin America
  - Maintenance stop in the fat-soluble vitamins
  - Further positive vitamin price effects

- **Human Nutrition**
  - Robust market conditions in Asia and Europe. Continued softness in the Americas
  - Own growth initiatives to drive above average market growth
  - Further marketing campaigns to support i-Health expansion, amongst others

Materials

- Markets for specialties to remain robust
- Polyamide 6 polymer to remain weak
- Support from low input costs is likely to fade over time
- Typical seasonality effects at year-end
Update on the improvement programs

Strategy 2018 | Driving Profitable Growth
Strategy 2018 (recap)

**Two headline financial targets**

1. High single-digit annual EBITDA growth
2. High double-digit basis point annual ROCE growth

**Clear actions identified to achieve targets**

- Businesses aim to outpace market growth in all segments
- €250-300m cost reduction and efficiency improvement programs
- Consistent improvements in capital efficiency

**Additional items underpinning strategy**

- Stepping up sustainability aspirations
- Global organizational and operational adjustments
- Extract value from Pharma & Bulk Chemicals ventures
Well-identified initiatives to drive Strategy 2018 targets (recap)

- DSM is confident it has the right business strategies in place to meet the needs of its customers and succeed in its markets, providing innovative and sustainable solutions.
- Aim to accelerate growth and outpace market growth in all its key segments.
- In addition to its growth initiatives, self-help programs will further help delivery of the Strategy 2018 targets.
DSM is rigorously executing its ambitious cost reduction and efficiency improvement programs across the company. All of these well-identified programs are on track with the milestones set for 2016.

The plans are on track to reach the overall savings of €250-300 million by 2018 vs. the 2014 baseline.

1 Vs. 2014 baseline
In control of one-time costs

- FTE reduction in service organization on track to reach target:
  - FTE reduction up to and incl. Q2 2016 is ~470 FTE vs. an ambition of 900-1,100 FTE (end of 2017)
- One time restructuring costs in H1 2016 amount to ~€35m

1 Vs. 2014 baseline
**DSM-wide savings in support functions & staff** | Strong progress made with globally leveraging support functions at lower costs

**Breakdown by function (recap)**

- **Other functions** (Corporate / Business Services)
- **Purchasing** (organization and indirects)
- **Communications**
- **ICT**
- **HR**
- **Finance**

**Savings: €125-150m**

**Work streams closely monitored and on track**

**HR**
- Implementation of new functional design progressing well, e.g., Talent Suite (SuccessFactors) implemented in area of talent development and compensation, payroll outsourced in combination with employee/manager self service

**Finance**
- New functional design approved & communicated
- Demand reduction program
- Shared service Finance increased scope

**ICT**
- New functional design approved & communicated (phase 2 in FTE reduction and savings)
- Outsourcing and standardization of personal workplaces successfully initiated and ongoing

**Sourcing**
- FTE reduction announced
- External spend savings anchored/realized for Q1&2

**Comm.**
- New functional design being implemented, strong commitment regions/business
- Staffing NL and Switzerland implemented

**Other**
- New functional design signed off and top structure of cross-functional shared service organization defined
- New Operating Model for Excellence Centers (Operations, M&S) implemented (incl. FTE reduction)

---

1 Vs. 2014 baseline; of which -€25m in 2015
Implementing structural changes in DSM:

- **STRATEGY** - Globally leveraged support functions at lower cost
- **STRUCTURE** - Combine all resources into globally steered functions to support the business
  - Eliminate duplications, delayer and reduce demand
  - Business to focus on R&D, Innovation, Direct Sourcing, Manufacturing & Operations and Marketing & Sales
- **SYSTEM** - One shared services organization and increased outsourcing
  - Complete supplier base rationalization: preferred suppliers only
  - Outsourcing/offshoring of non-core service functions in IT, Finance and HR
  - New Operating Models for all service functions
  - Demand reduction programs across the organization to lower demand for service functions
- **PEOPLE** - Change & Culture program to anchor the new DSM agile operating model within the company changing mindsets and behaviors

**Change & Culture Program**

Drive and embed change (leadership) in DSM

- **Results**
  - Top/bottom line growth
  - Talent development
- **Organization**
  - Focus & Leverage
  - Accountability/Speed
- **Behavior**
  - ONE DSM Culture Leadership model
- **Mindset**
  - Trust/Support
  - Can do

**ONE DSM Culture Agenda**

- External Orientation
- Accountability for Performance
- Collaboration with Speed
- Inclusion & Diversity
**Nutrition-specific improvement program** | Successful initiation of programs combined with a continuous search for further improvements

---

### Cost improvements (recap)

- **Efficiency gains** (Yield & Energy)
  - "Making the same with less inputs"

- **Purchasing**
  - "Lowering the cost of our direct raw materials"

- **Fixed cost reduction**
  - (-100 FTE)
  - "Lowering costs"

- **Throughput gain in sold-out units**
  - "Getting more volume out of the same equipment"

### Savings: €130-150m

---

### Work streams closely monitored and on track

<table>
<thead>
<tr>
<th>Work streams</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing</td>
<td>Purchasing savings implemented</td>
</tr>
<tr>
<td>Fixed cost reduction</td>
<td>Cost reduction programs are being executed. Remaining part will be captured in the upcoming period</td>
</tr>
<tr>
<td>Throughput gains</td>
<td>Increased output at sold-out units on track</td>
</tr>
<tr>
<td>Efficiency gains</td>
<td>Substantial number of measure sheets have been implemented, resulting in unit costs reduction</td>
</tr>
<tr>
<td></td>
<td>Targeted gains for 2018 confirmed</td>
</tr>
</tbody>
</table>

---

Vs. 2015
Update on the sustainability aspirations

Strategy 2018 | Driving Profitable Growth
DSM has stepped up its sustainability aspirations

**Sustainability aspirations**

**Key focus areas**
- Nutrition
- Climate change and renewable energy
- Circular and bio-based economy

**Sustainability as Business Growth Driver**

**Brighter Living Solutions: ECO+ and People+**
- Profitable solutions better for people and planet
- Aspiration: 65% of DSM products by 2020
- 2016 YTD: 61%

**Operational Aspirations**
- GHG efficiency improvements: 45% by 2025
- Employee engagement favorable score: 75% by 2020
- Safety: Frequency recordable index: 0.25 by 2020
- Leading in reporting benchmarks: Gold class DJSI

1 Please see DSM’s Annual Report 2015 for definitions and additional information
2 Relative improvement as compared to baseline 2008
3 2015 score, 2016 Employee Engagement Survey will be held in H2
DSM’s global sustainability agenda aligned with the ‘Sustainable Development Goals’ set by the UN

- DSM contributes to many of the Sustainable Development Goals but especially:
  - No hunger
  - Good health
  - Renewable energy
  - Responsible consumption
  - Climate Action
  - Partnerships for the goals
Meet the Management and DSM’s Top Executives

Deep dives in our businesses

Visit of the Omega Nutrition production facility

More information via sandra.segers@dsm.com