Driving Profitable Growth
through science-based, sustainable solutions

Presentation to Investors
Q4 & Full Year 2015 results

ROYAL DSM
HEALTH NUTRITION MATERIALS
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 Q4 2015 performance can be found in the Q4 2015 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
Highlights Q4

- Q4 Group: net sales up 6% to €1,926 million and EBITDA up 3% to €261 million
- Q4 Nutrition: 7% organic growth with strong volume growth in both Animal and Human Nutrition
- Q4 EBITDA: Nutrition up 3%, Materials up 13%
- Strong Q4 operating cash flow of €313 million supported by working capital reduction
- 2015: solid performance with Group net sales of €7,722 million and EBITDA up 4% to €1,075 million
- Proposed dividend stable at €1.65 per ordinary share
- Outlook 2016: “DSM aims to deliver increased full-year EBITDA and ROCE in line with the targets set out in its Strategy 2018: Driving Profitable Growth”
“DSM’s fourth quarter performance, slightly ahead of expectations, was encouraging. We are particularly pleased with our progress in Nutrition, where both Animal and Human Nutrition delivered strong organic growth. Performance Materials continued to benefit from improved margins. In addition, our focus on cash flow and working capital efficiency contributed to a strong operating cash flow of €313 million.

This good progress in Q4 completes a year in which we achieved solid results. We delivered strong organic growth in Nutrition despite lower vitamin E prices. Cost savings and good margin management helped drive higher margins in Performance Materials, which also benefited from lower input costs. Currencies, while being a mixed bag, had a favorable effect overall despite the strengthened Swiss franc.

We expect to make further progress with our growth initiatives in 2016 both in Nutrition and Performance Materials although the macro-economic context remains challenging. These will be underpinned by our group-wide cost and productivity improvement programs as well as our disciplined focus on capital allocation and working capital. We are on track with these initiatives which will help drive improved profitability and return on capital that we target with our Strategy 2018.”
## Key financials | Q4 and Full Year 2015

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q4 2015</th>
<th>Q4 2014</th>
<th>% Change</th>
<th>FY 2015</th>
<th>FY 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales - Continuing Operations</td>
<td>1,926</td>
<td>1,811</td>
<td>6%</td>
<td>7,722</td>
<td>7,051</td>
<td>10%</td>
</tr>
<tr>
<td>EBITDA - Continuing Operations</td>
<td>261</td>
<td>254</td>
<td>3%</td>
<td>1,075</td>
<td>1,038</td>
<td>4%</td>
</tr>
<tr>
<td>EBITDA margin - Continuing operations</td>
<td>13.6%</td>
<td>14.0%</td>
<td></td>
<td>13.9%</td>
<td>14.7%</td>
<td></td>
</tr>
<tr>
<td>ROCE - Continuing Operations (%)</td>
<td>7.6%</td>
<td>8.2%</td>
<td>1) ROCE calculated based on weighted average capital employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period, before exceptional items - Cont. Ops.</td>
<td>96</td>
<td>97</td>
<td>-1%</td>
<td>381</td>
<td>409</td>
<td>-7%</td>
</tr>
<tr>
<td>Profit for the period, after exceptional items - Total DSM</td>
<td>23</td>
<td>-107</td>
<td></td>
<td>88</td>
<td>145</td>
<td>-39%</td>
</tr>
<tr>
<td>Net EPS before exceptional items - Cont. Ops.</td>
<td>0.53</td>
<td>0.56</td>
<td>-5%</td>
<td>2.14</td>
<td>2.34</td>
<td>-9%</td>
</tr>
<tr>
<td>Net EPS after exceptional items - Total DSM</td>
<td>0.12</td>
<td>-0.63</td>
<td></td>
<td>0.45</td>
<td>0.78</td>
<td>-42%</td>
</tr>
<tr>
<td>Cash Flow - Continuing Operations</td>
<td>313</td>
<td>276</td>
<td>13%</td>
<td>800</td>
<td>663</td>
<td>21%</td>
</tr>
<tr>
<td>Exceptional items after tax - Total DSM²</td>
<td>-63</td>
<td>-219</td>
<td></td>
<td>-304</td>
<td>-252</td>
<td></td>
</tr>
</tbody>
</table>

1) ROCE calculated based on weighted average capital employed
2) Excluding share of profit of associates/ Joint Control entities
## Net sales development | Q4 2015

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q4 2015</th>
<th>Q4 2014</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>1,926</td>
<td>1,811</td>
<td>6%</td>
<td>3%</td>
<td>-2%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Nutrition</td>
<td>1,264</td>
<td>1,124</td>
<td>12%</td>
<td>7%</td>
<td>0%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Performance Materials</td>
<td>601</td>
<td>618</td>
<td>-3%</td>
<td>-1%</td>
<td>-7%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Innovation Center</td>
<td>40</td>
<td>42</td>
<td>-5%</td>
<td>-15%</td>
<td>1%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Corporate Activities</td>
<td>21</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>0</td>
<td>563</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Notes:**

- **Volume:** Change in sales volume due to changes in the number of units sold.
- **Price/mix:** Change in sales price due to price changes and mix changes in the product.
- **FX:** Change in sales due to foreign exchange rate movements.
- **Other:** Other factors affecting sales.
### Net sales development | Full Year 2015

<table>
<thead>
<tr>
<th>in € million</th>
<th>FY 2015</th>
<th>FY 2014</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>4,963</td>
<td>4,335</td>
<td>14%</td>
<td>6%</td>
<td>0%</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Performance Materials</td>
<td>2,528</td>
<td>2,460</td>
<td>3%</td>
<td>0%</td>
<td>-4%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Innovation Center</td>
<td>155</td>
<td>154</td>
<td>1%</td>
<td>-11%</td>
<td>0%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Corporate Activities</td>
<td>76</td>
<td>102</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong></td>
<td>1,213</td>
<td>2,232</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in € million</td>
<td>Q4 2015</td>
<td>Q4 2014</td>
<td>% Change</td>
<td>FY 2015</td>
<td>FY 2014</td>
<td>% Change</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td><strong>EBITDA - Continuing Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>1,075</td>
<td>1,038</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Performance Materials</td>
<td>206</td>
<td>200</td>
<td>3%</td>
<td>822</td>
<td>850</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>Innovation Center</td>
<td>90</td>
<td>80</td>
<td>13%</td>
<td>384</td>
<td>323</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Corporate Activities</td>
<td>-1</td>
<td>-3</td>
<td></td>
<td>-9</td>
<td>-18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>-34</td>
<td>-23</td>
<td></td>
<td>-122</td>
<td>-117</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Q4 2015 sales up 12% compared to Q4 2014; 7% organic sales growth
- Strong volume growth in both Animal and Human Nutrition & Health
- Prices on average flat: negative impact of significantly lower vitamin E prices compensated by higher prices for a range of other nutritional products including in-sourced materials for DSM premix business
### Nutrition | Key financials

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q4 2014</th>
<th>% Change</th>
<th>FY 2015</th>
<th>FY 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,264</td>
<td>1,124</td>
<td>12%</td>
<td>4,963</td>
<td>4,335</td>
<td>14%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>206</td>
<td>200</td>
<td>3%</td>
<td>822</td>
<td>850</td>
<td>-3%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>16.3%</td>
<td>17.8%</td>
<td></td>
<td>16.6%</td>
<td>19.6%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>123</td>
<td>125</td>
<td>-2%</td>
<td>535</td>
<td>596</td>
<td>-10%</td>
</tr>
<tr>
<td>Capital Employed</td>
<td></td>
<td></td>
<td></td>
<td>5,309</td>
<td>5,034</td>
<td></td>
</tr>
<tr>
<td>ROCE (%)</td>
<td></td>
<td></td>
<td></td>
<td>10.3%</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>Total Working Capital</td>
<td></td>
<td></td>
<td></td>
<td>1,368</td>
<td>1,376</td>
<td></td>
</tr>
<tr>
<td>Total Working Capital as % of Sales</td>
<td></td>
<td></td>
<td></td>
<td>27.1%</td>
<td>30.6%</td>
<td></td>
</tr>
</tbody>
</table>

1) ROCE calculated based on weighted average capital employed
2) Annualized last quarter sales

- **Q4 2015 EBITDA** was up 3% despite the negative impact of lower vitamin E prices (~€25 million) and a scheduled maintenance shut-down

- **Q4 2015 EBITDA margin** of 16.3% (slightly >17% when adjusted for maintenance shut-down)
Q4 2015 sales strong with 9% organic growth despite tougher comparative figures:
- Volumes were strong, in particular in premixes and specialty solutions (incl. enzymes, eubiotics) supported by positive year-end effects on timing of orders
- Europe and Latin America (including Tortuga) performed well, Asia was slightly weaker
- Prices up 2%: lower vitamin E prices more than compensated for by higher prices of other nutritional products (including insourced materials)

FX had negative impact on total sales; stronger US dollar more than offset by weakness in South American currencies, especially the Brazilian real
Total EBITDA impact of lower Vitamin E prices was ~€25m in Q4 2015 and ~€100m in 2015 (compared to 2014)
Q4 2015 sales were strong in Human Nutrition & Health, with 5% organic growth
- Achieved against the background of ongoing weak conditions in the US and Latin America
- Q4 2015 growth was encouraging, although the comparison with Q4 2014 was relatively easy

By segment:
- **Food & beverage** markets mixed: weak in the US & Latin America; good performance in Europe and Asia
- **Dietary Supplements**: Improved sales in US in both fish oil- and (multi)vitamin-based supplements despite continued weakness in the US market. *i-Health* delivered strong double-digit sales growth again
- **Infant Nutrition** reported higher volumes compared to the same period in 2014
Q4 2015 sales 3% below Q4 2014:
- Prices down 7% reflecting lower input costs
- Volumes marginally down but with an improved momentum towards the end of Q4

**DSM Engineering Plastics**: Volumes up, mainly driven by good performance in compounds and specialty products. Polyamide 6 polymer volumes were down

**DSM Resins and Functional Materials**: Volumes weak due to ongoing sluggish market conditions. However, during the quarter DSM continued to see transition towards more sustainable waterborne resins especially in China

**DSM Dyneema** sales somewhat lower. Weak demand in Commercial marine; Life protection sales performed well

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### Sales bridge - Q4 2014 to Q4 2015

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Volume</th>
<th>Price/mix</th>
<th>FX</th>
<th>Other</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>618</td>
<td>-1%</td>
<td>-7%</td>
<td></td>
<td>5%</td>
<td>601</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Sales bridge - Full Year 2014 to Full Year 2015

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>Volume</th>
<th>Price/mix</th>
<th>FX</th>
<th>Other</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,460</td>
<td>0%</td>
<td>-4%</td>
<td></td>
<td>7%</td>
<td>2,528</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Performance Materials | Key financials

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q4 2014</th>
<th>% Change</th>
<th>FY 2015</th>
<th>FY 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>601</td>
<td>618</td>
<td>-3%</td>
<td>2,528</td>
<td>2,460</td>
<td>3%</td>
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<tr>
<td>EBITDA</td>
<td>90</td>
<td>80</td>
<td>13%</td>
<td>384</td>
<td>323</td>
<td>19%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>15.0%</td>
<td>12.9%</td>
<td></td>
<td>15.2%</td>
<td>13.1%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>54</td>
<td>51</td>
<td>6%</td>
<td>250</td>
<td>204</td>
<td>23%</td>
</tr>
<tr>
<td>Capital Employed</td>
<td></td>
<td></td>
<td></td>
<td>1,723</td>
<td>1,744</td>
<td></td>
</tr>
<tr>
<td>ROCE (%)&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td>14.4%</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>Total Working Capital</td>
<td></td>
<td></td>
<td></td>
<td>225</td>
<td>342</td>
<td></td>
</tr>
<tr>
<td>Total Working Capital as % of Sales&lt;sup&gt;2&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td>9.4%</td>
<td>13.8%</td>
<td></td>
</tr>
</tbody>
</table>

1) ROCE calculated based on weighted average capital employed
2) Annualized last quarter sales

- **Q4 2015 EBITDA** up 13% as result of:
  - Efficiency and cost saving programs carried out over recent years
  - Good margin management and favorable currency developments

- As expected, **Q4 EBITDA margin** of 15% slightly below the two preceding quarters, as lower prices were partly passed down the value chain
Innovation Center | Key financials

- **Q4 2015 sales** in line with full year:
  - Strong sales development at DSM Advanced Surfaces and positive currency effects offset by lower volumes at DSM Biomedical as a consequence of weak biomedical device markets driven by the health care reforms in the US

- **Q4 2015 EBITDA** in line with the full year and showed an improvement driven by:
  - More focused innovation activities and cost savings
  - Currencies
  - License income from bio-succinic acid technology

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q4 2015</th>
<th>Q4 2014</th>
<th>% Change</th>
<th>FY 2015</th>
<th>FY 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>40</td>
<td>42</td>
<td>-5%</td>
<td>155</td>
<td>154</td>
<td>1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-1</td>
<td>-3</td>
<td></td>
<td>-9</td>
<td>-18</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>-14</td>
<td>-9</td>
<td></td>
<td>-43</td>
<td>-45</td>
<td></td>
</tr>
<tr>
<td>Capital Employed</td>
<td></td>
<td></td>
<td></td>
<td>560</td>
<td>523</td>
<td></td>
</tr>
</tbody>
</table>
### Corporate Activities | Key financials

**Q4 2015 EBITDA:** lower than the prior year, mainly as a result of costs related to a warehouse fire at the Chemelot site (the Netherlands) which were partially covered by DSM’s insurance captive, resulting in a loss at Corporate Activities.

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q4 2015</th>
<th>Q4 2014</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>21</td>
<td>27</td>
<td>76</td>
<td>102</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-34</td>
<td>-23</td>
<td>-122</td>
<td>-117</td>
</tr>
<tr>
<td>EBIT</td>
<td>-48</td>
<td>-39</td>
<td>-169</td>
<td>-168</td>
</tr>
</tbody>
</table>

-34 - 23 - 122 - 117
-48 - 39 - 169 - 168
### Key Joint Ventures and Associates | Key financials

<table>
<thead>
<tr>
<th>in € million, based on 100%</th>
<th>DSM Sinochem</th>
<th>Patheon¹</th>
<th>ChemicalInvest²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4 2015</td>
<td>Q4 2014</td>
<td>% Change</td>
</tr>
<tr>
<td>Sales</td>
<td>86</td>
<td>94</td>
<td>-9%</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>16%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>478</td>
<td>383</td>
<td>25%</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>24%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>514</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>-3%</td>
<td>n.a.</td>
<td>0%</td>
</tr>
</tbody>
</table>

1) Patheon (formerly reported as DPx Holding) respective periods are: for the 4th quarter from 1 August - 31 October, for YTD 2015 from 1 Nov 2014 - 31 October 2015 and for YTD 2014 from 11 March 2014 - 31 October 2014.

2) ChemicalInvest full year figures refer to the period from 1 August - 31 December 2015.

- **DSM Sinochem Pharmaceuticals** (50% DSM) delivered improved results supported by favorable currency developments and growth in new niche products.
- **Patheon** (49% DSM) delivered higher results supported by organic growth and the contribution of acquisitions.
- **ChemicalInvest** (35% DSM) results were impacted by weakness in caprolactam.
Focus on Cash Flow and Total Working Capital resulted in strong Full Year Operating Cash Flow of €800 million.

- Total Working Capital amounted to €1,343 million compared to €1,587 million at year-end 2014 (17.4% of annualized sales).
  - Total working capital year-end 2015 included cash related liabilities of joint ventures of €137 million. Excluding these liabilities, Total Working Capital as % of annualized sales amounted to 19.2%.
Net Debt and ROCE development

- In 2015, Net Debt decreased by €99 million compared to the end of 2014 reflecting higher free cash flow from operations, positively impacted by the proceeds from disposals, which was partly offset by unfavorable developments of derivatives.

- ROCE at 7.6% was lower compared to 2014 as a result of a slightly lower EBIT and a higher Capital Employed that was impacted by FX partly offset by positive working capital development.
Dividend proposal to AGM: stable at €1.65

- Dividend policy “stable and preferably rising”

- Proposal to AGM on 29 April 2016: Maintain the dividend of €1.65 per ordinary share:
  - €0.55 interim dividend (paid in August 2015)
  - €1.10 final dividend (payable in May 2016)

- Payable in cash or ordinary shares [at the option of the shareholder at the condition to be specified in the notes of the AGM]

- Dividend in cash will be paid after deduction of 15% Dutch dividend withholding tax

- The ex-dividend date: 3 May 2016
Animal Nutrition
- Continued good market conditions, with no significant pressure from animal diseases

Human Nutrition
- Continued slow market conditions in the Americas, but own growth initiatives gradually kicking in

Performance Materials
- Uncertain macro economic conditions are causing a continued soft volume environment
- Low input prices to remain supportive for margins in the short term, but over time margins will normalize
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
4 November 2015 DSM presented **Strategy 2018: Driving Profitable Growth**

- Following a period of important transformation, DSM will focus on ensuring that the potential of the current business portfolio translates into improved financial results

- Two headline financial targets
  - **High single-digit annual EBITDA growth** & **High double-digit basis point annual ROCE growth**

- Shorter, three-year, strategic period to reflect current focus on performance as well as the dynamic nature of today’s marketplace
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.
Driving profitable growth supported by cost reduction and efficiency improvement programs

- Cost reduction/efficiency improvement programs target overall savings of €250-300m by 2018 (of which €25m was achieved in 2015)
- Enhance financial performance through consistent improvements in capital efficiency
  - Total working capital aimed to be structurally below 20%
  - Capital expenditure primarily support growth areas, with approx. two-thirds focused on Nutrition

**Cost savings:** total €250-300m by 2018

**DSM-wide support functions** €125-150m (by end 2017)

- **Nutrition Program** €130-150m (by 2018)

**Timing of cumulative cost savings**

- One-time costs
  - 2017 ~€50m
  - 2016 ~€100m
  - 2015 ~€80m

Graphs showing cost savings and timing of cumulative cost savings.
DSM wide savings in support functions & staff | Structural savings of €125-150 million to be fully achieved by the end of 2017

Breakdown by function

Breakdown by cluster

Aim of the program

- External benchmark identified savings potential
- New organizational/operating model:
  - Strong business and market focus;
  - All support functions globally leveraged;
  - Elimination of duplications, delayering and demand reduction;
  - One shared services organization and increased outsourcing;
- 900-1,100 FTE involved
- Effectiveness of R&D-spend under review
Nutrition improvement program
Cost savings & efficiency improvements in Nutrition €130-150m by 2018

Breakdown by category

- **Efficiency gains**
  - Yield
  - Energy
    - “Making the same with less inputs”
- **Purchasing**
  - “Lowering the cost of our direct raw materials”
- **Fixed cost reduction**
- **Throughput gain in sold-out units**
  - “Getting more volume out of the same equipment”

Aim of the program

- Purchasing savings related to direct raw materials sourcing, energy, intermediates and indirect spend
- Fixed costs reduction, including ~100 FTE
- Efficiency gains related to increase uptime, yields and throughput to enable accelerated growth
Drive growth in Nutrition
Global products and local solutions

Capitalizing on every step in the value chain

- Global leader in nutrition, with broadest portfolio of specialty nutritional ingredients
- Unparalleled local network
- Uniquely positioned in all steps of the value chain

Aspirations 2018 underpinning Group targets

- Annual EBITDA growth: high single-digit
- Annual ROCE growth: high double-digit bps
- EBITDA margins: 18-20% over the period
- Above-market sales growth (at stable prices)
Nutrition has a unique, global and broad portfolio in food/feed nutritional ingredients with increased solutions offering capabilities.

Broad portfolio providing resilience

- Fat soluble vitamins (e.g. A,D,E)
- Water soluble vitamins (e.g. B,C)
- Carotenoids
- Marine PUFAs
- Microbial PUFAs
- Enzymes & Cultures
- Minerals & DCP
- Savory / yeast extracts
- Nutraceutical ingredients
- Aroma intermediates
- Other blend ingredients
- Other

Active ingredients
- Forms
- Premixes
- i-Health/B2C
Growth 2016-2018 in Animal Nutrition | Continued outperformance

Key actions driving profitable growth

- Double-digit growth from feed enzymes and eubiotics solutions, tailored to local conditions / requirements
- Growth in underpenetrated species (aqua, pet, dairy)
- Leverage Tortuga in Latin America beyond Brazil
- Further expansion of global premix network

1 CAGR %
Animal Nutrition has a complete portfolio of targeted feed ingredients and has further growth opportunities beyond the historical core area of poultry.

**Animal Nutrition market by product (excl. premix)**

- Carotenoids (2-3%)
- Vitamins (2-3%)
- Enzymes (4-6%)
- Eubiotics (5-6%)
- Minerals & Chelates (4-5%)
- Amino Acids (4-6%)

**Total potential market:** €10bn

(x) = Growth rate 2016-18 (CAGR, %)

**DSM market share = ~30%**

**Animal Nutrition application landscape**

1 Landscape includes Carotenoids, Vitamins, Enzymes, Eubiotics and Minerals / Chelates
Growth 2016-2018 in Human Nutrition | Step-up to above market growth

Key actions driving profitable growth

- Repair growth in North-America, returning Dietary Supplements (Vitamins, Omega-3) and F&B to growth
- Continued double-digit growth of i-Health business
- Accelerating forward solutions and premix globally
- Capture business in Pharma, Clinical, and Sports Nutrition
- Upgraded organization, new tools, rigorous execution

1 CAGR %
**Human Nutrition** is leading in nutritional ingredients and has ample opportunities to further expand in a diversified application landscape.

**Specialty Food Ingredients market and growth by product**

- Total potential market: €33bn
- Nutritional Ingredients (3-4%)
- Color (5%)
- Preservation (2%)
- Texture (4%)
- Taste (4%)
- Processing Aids (3%)

**DSM market share = ~20%**

**Diversified application landscape**

- Dietary Supplements (47%)
- Fortified Dairy (20%)
- Fortified Food (15%)
- Fortified Beverages (7%)
- Medical Nutrition (3%)
- Pharma (3%)
- Early Life (2%)

*(x) = Growth rate 2016-18 (CAGR, %)*

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1. Total specialty food ingredients market, excluding ~€20bn of commodity ingredients, e.g., soy proteins
2. Breakdown of targeted markets, excluding Food Specialties Food & Beverages sales (mainly bio ingredients)
3. Nutritional Improvement Programs includes sales through governmental / NGO supply programs. Excludes BOP (bottom of the pyramid) sales through traditional retail channels
Growth 2016-2018 in Food Specialties | All segments strongly contributing to growth aspirations of Nutrition

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Growth 2016-2018</th>
<th>DSM Growth 2016-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savory</td>
<td>3-4%</td>
<td>3-4%</td>
</tr>
<tr>
<td>Cultures &amp; Enzymes</td>
<td>5-6%</td>
<td>6-7%</td>
</tr>
<tr>
<td>Hydrocolloids</td>
<td>3-4%</td>
<td>7-8%</td>
</tr>
<tr>
<td>Sweetener(^2) platform</td>
<td>&gt;10%</td>
<td></td>
</tr>
</tbody>
</table>

1 CAGR %
2 Growth of market for non-artificial high-intensity sweeteners (which includes Stevia)
Materials end market segments offer growth options enhanced by substitution based on application development capabilities.

1 Food packaging is the 3rd application area for Engineering Plastics
2 The Building and Construction (B&C) Industry is the main area of application for Resins
Differentiated approach has led to a more attractive Materials portfolio, with a higher growth and returns profile.

Aspirations 2018 underpinning Group targets:

- Annual EBITDA growth: high single-digit
- Annual ROCE growth: high double-digit bps
- EBITDA margins: >15% over the period
- Above-market sales growth (at stable prices)
Materials expects to grow sales above market growth\(^1\)

### Key actions driving profitable growth

#### Engineering Plastics
- Highly specified application development for global customers in High Performance Plastics’ ‘winning’ segments
- Continue to grow by leveraging global presence and footprint in PA6 Compounds

#### Dyneema
- Development of new application segments and product solutions in existing segments for Fiber Solutions
- Continue re-focus on growing Personal Protection segment

#### Resins & Functional Materials
- Grow customer base facilitating Fiber-to-Home trend
- Drive substitution from solvent to water and other sustainable solutions in Coatings

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1 CAGR %
Innovation Center supports innovation in core businesses and develops new Emerging Business Areas

**Aspirations underpinning Group targets**

- Support innovation in core businesses to facilitate earnings growth beyond 2018
- Develop and extract value from Emerging Business Areas
- Cost of Innovation Support: - €15-20m EBITDA/year
- EBITDA contribution of the Emerging Business Areas: from +€5m (2015) to +€30-40m 2018
- Overall Innovation Center EBITDA break-even in 2016
DSM expects to extract significant value from its partnerships in the coming years

<table>
<thead>
<tr>
<th>Partnership</th>
<th>DSM Share</th>
<th>FY 2015 Sales</th>
<th>EBITDA%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSM Sinochem Pharmaceuticals Antibiotics</td>
<td>50%</td>
<td>€429m</td>
<td>13%</td>
</tr>
<tr>
<td>Patheon Pharma Contract Manufacturing</td>
<td>49%</td>
<td>€1,814m</td>
<td>21%</td>
</tr>
<tr>
<td>ChemicalInvest Bulk Chemicals</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* - DSM share
DSM is stepping up its **sustainability aspirations**

**Global sustainability agenda** linked to DSM businesses / competences

<table>
<thead>
<tr>
<th>Sustainability aspirations</th>
<th>2010</th>
<th>2015¹</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dow Jones Sustainability</td>
<td>Gold Class</td>
<td>Gold Class</td>
<td>Gold Class</td>
</tr>
<tr>
<td>Index</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brighter Living Solutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eco+</td>
<td>39%</td>
<td>57%</td>
<td>---</td>
</tr>
<tr>
<td>Eco+/People+</td>
<td>---</td>
<td>60%</td>
<td>65%</td>
</tr>
<tr>
<td>GHG efficiency improvements²</td>
<td>---</td>
<td>20%</td>
<td>45% (2025)</td>
</tr>
<tr>
<td>Employee engagement³</td>
<td>70%</td>
<td>70%</td>
<td>-&gt;75%</td>
</tr>
<tr>
<td>Safety (Frequency Index</td>
<td>0.57</td>
<td>0.47</td>
<td>0.25</td>
</tr>
<tr>
<td>Recordables)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Malnutrition**

- Addressing **Deficiencies (North/West)**, e.g. Vitamin D

**Climate Change & Energy**

- Circular Economy & Bio-based renewables, e.g. bioplastics/fuels & Niaga

- Addressing **Hunger (South & East)**, e.g. MixMe

- **Climate Change & New Energies**, e.g. light-weight materials, solar coatings & biofuels

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**Sustainability as a business driver:**

*Driving Sustainable Markets*

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1 Estimated 2015 figures (Employee Engagement in 2014 was 69%)

2 Compared to 2008; supported by Energy Efficiencies (> 1% annually) and Renewable Electricity (50% in 2025)

3 Striving to reach High Performance Norm; in addition we strive to improve our (executives) Diversity Mix in (underrepresented) Nationalities (from 39% in 2010, to 50% in 2015 to 60% in 2020) and Gender (female executives from 9% in 2010, to 15% in 2015 to 5% in 2020)
Wrap up Strategy 2018

Committed to Drive Shareholder Value
- Above market growth
- Cost reductions and efficiencies
- High single-digit EBITDA growth

Committed to Maintain a strong balance sheet
- Extract value from Joint Ventures
- Improve operating cash flows
- Capital efficiency
DSM’s IR App @your service

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