DSM Press Release

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DSM ends 2009 with solid Q4 and very strong cash generation

- Q4 operating profit from continuing operations € 141 million in line with Q3 2009
- Life Sciences performance reflects robust Nutrition business
- Materials Sciences recovery remains on track
- Full year operating profit from continuing operations € 370 million
- Full year cash flow from operating activities very strong at € 1,276 million
- Solid financial position − dividend maintained at € 1.20 in cash
- No quantitative outlook provided for 2010.

Commenting on the results, Feike Sijbesma, Chairman of the DSM Managing Board, said: *"In what was undoubtedly one of the most challenging years in DSM's history, we stayed the course and remained fully committed to our customers, innovation and sustainability. After a difficult first half year, we delivered improved results in the second half of the year as our Materials Sciences businesses started to recover.*

"Although our full-year operating profit from continuing operations halved compared to our record performance of 2008, the decline in DSM's core activities was limited to 26%. A continued robust performance from the Nutrition business and the benefits of our early actions to improve our competitive position contributed to this performance. Our initiatives to reduce costs delivered over € 150 million in savings during the year, whilst our focus on cash resulted in an unprecedented operating cash flow of almost € 1.3 billion in 2009. Our strong financial position leaves us well placed to capitalize on any opportunity that might arise.

"As we have entered an uncertain 2010, DSM will continue its strategic transformation into a Life Sciences and Materials Sciences company. We completed the disposal of two businesses during the year and remain committed to exiting the remaining non-core operations. Whilst recognizing the uneven nature of the current economic recovery, we are cautiously optimistic."

fourth quarter 2009	2008	+/-	*in € million*	full year 2009	2008	+/-
			Continuing operations:			
2,005	2,034	*-1%*	Net sales	7,732	9,079	*-15%*
274	198	*38%*	Operating profit before depreciation and amortization (EBITDA)	836	1,209	*-31%*
141	84	*68%*	Operating profit (EBIT)	370	769	*-52%*
137	155	*-12%*	- Nutrition	521	447	*17%*
16	30	*-47%*	- Pharma	32	89	*-64%*
23	-37		- Performance Materials	68	175	*-61%*
11	-66		- Polymer Intermediates	6	19	*-68%*
-8	16		- Base Chemicals and Materials	-68	174	
-38	-14		- Other activities	-189	-135	
			Discontinued operations			
11	57		Net sales	134	218	
1	43		Operating profit before depreciation and amortization (EBITDA)	81	148	
1	39		Operating profit (EBIT)	73	134	
			Total DSM:			
2,016	2,091	*-4%*	Net sales	7,866	9,297	*-15%*
142	123	*15%*	Operating profit (EBIT)	443	903	*-51%*
89	73	*22%*	Net profit before exceptional items	244	608	*-60%*
-149	-31		Net result from exceptional items	93	-31	
-60	42		Net profit	337	577	*-42%*
			Net earnings per ordinary share in €:			
0.53	0.25	*112%*	- before exceptional items, continuing operations	1.15	3.04	*-62%*
-0.39	0.24		- including exceptional items, total DSM	2.01	3.45	*-42%*

In this report:

- *'operating profit' (before depreciation and amortization) is understood to be operating profit (before depreciation and amortization) before exceptional items.*
- *'net profit' is the net profit attributable to equity holders of Royal DSM N.V.*
- *'continuing operations' refers to the DSM operations excluding DSM Energie Holding B.V. and Stamicarbon B.V.*

Overview
In the **fourth quarter** of 2009 DSM's businesses continued to experience developments at two different speeds. Growth in most emerging markets (especially China) is back at the level before the economic downturn, whilst growth in Europe and North America is still modest and fragile, although market conditions are clearly better than at the beginning of 2009. All in all this resulted in a Q4 which was much in line with the previous quarter.

The Nutrition cluster continued to show steady growth, reflecting long-term developments, which is typical of the food and feed related markets. The Pharma cluster improved its performance temporarily in Q4, thanks to a strong increase in the sterile vaccine business related to the flu pandemic.

The Materials Sciences clusters continued to recover, although interrupted by the seasonal end-of-year effect. The impression is that the level of downstream re-stocking is limited.

In Base Chemicals and Materials most units are back at modestly profitable levels. The exception is DSM Agro, which reported a very good Q4 2008, but is now facing a loss due to very depressed margins compared to Q4 2008.

The **full year** 2009 was strongly affected by the impact of the economic downturn. However, the operating result of the core part of DSM (continuing activities, excluding Base Chemicals and Materials) was down only 26% (from € 595 million to € 438 million). This not only underlines DSM's resilience as a Life Sciences and Materials Sciences company, but also shows the company's ability to act fast if circumstances so require.

This agility is also reflected in the excellent cash performance in 2009. Total operating cash flow amounted to € 1,276 million, which was substantially more than in 2008, when DSM achieved the best operating profit in its history. On top of that, capital expenditure was reduced by about 25% compared to 2008 and two non-core activities were sold. As a result, net debt more than halved during the year to € 830 million.

DSM made good progress in 2009 towards two important targets of its *Vision 2010* strategy. Sales in China in 2009 increased to almost USD 1.2 billion, a new record for the company, strongly driven by volumes. DSM expects to come close to the USD 1.5 billion target for 2010. In 2009 innovation sales were about € 810 million, 35% more than in 2008, which is a good basis to reach the target of € 1 billion additional sales in 2010 compared to 2005.

At year-end DSM had to recognize a substantial impairment. The goodwill impairment test for Catalytica (part of DSM Pharmaceutical Products) showed that the value in use had significantly decreased compared to earlier years due to the depressed current market conditions and lower future growth rates for the business. As a result of the reduction in the recoverable amount a non-cash goodwill impairment charge of € 154 million was recognized.

Net sales

in € million	**full year** 2009	2008	differ-ence	vol-umes	prices	exch. rates	other
Nutrition	2,824	2,710	4%	-2%	3%	3%	
Pharma	721	863	-16%	-6%	-5%	-1%	-4%
Performance Materials	1,823	2,297	-21%	-16%	-7%	1%	1%
Polymer Intermediates	849	1,201	-29%	-2%	-30%	3%	
Base Chemicals and Materials	1,134	1,572	-28%	-6%	-23%	1%	
Other activities	381	436					
Total, continuing operations	7,732	9,079	-15%	-7%	-9%	1%	
Discontinued operations	134	218					
Total	7,866	9,297	-15%	-7%	-9%	1%	

Full year sales were strongly affected by the economic downturn, overall showing a negative organic development of 16%. Sales volumes were lower in all clusters, although in Nutrition this was mainly due to some de-stocking in the value chain in the first half of the year. In the Materials Sciences clusters and in Base Chemicals and Materials, volumes clearly improved in the course of the year, but the operating level is on average still 10 to 20% below the pre-downturn level. DSM Fibre Intermediates, with its strong position in China, is the positive exception with an operating level close to pre-downturn.

Prices too, were lower than in 2008 in most clusters, Nutrition being the exception. In most business groups, price developments reflected the underlying trend in raw materials. This was not the case at DSM Agro and (to a lesser extent) in DSM Anti-Infectives; in these business groups, margins were under strong pressure.

The impact of currency exchange rates on full year sales was limited.

Operating profit

The operating profit for the **fourth quarter** was at the level of Q3 2009. Nutrition continued to perform very well. Pharma showed an improved result, due to a temporary increase in the sterile vaccine business. The other clusters continued their recovery, although with the anticipated seasonal slowdown at the end of the year.

The **full year** operating profit (€ 370 million) more than halved compared to 2008, but this was strongly dominated by the activities in the non-core Base Chemicals and Materials cluster. Especially DSM Agro went from an excellent result in 2008 to a loss in 2009. DSM Elastomers and DSM Melamine also posted a loss for the year.

The core activities in Life Sciences and Materials Sciences, however, showed resilience in this very difficult year. The performance of the Nutrition cluster was very strong with an operating profit increase of 17%, driven by its differentiation and innovation strategy, and sustained focus on its value over volume strategy. Pharma had a difficult year, primarily due to the changing dynamics in the pharmaceutical industry affecting the contract pipeline.

Performance Materials and Polymer Intermediates were both hit hard in the early stages of the economic downturn, with DSM Engineering Plastics, DSM Resins and DSM Fibre Intermediates posting losses in Q1. All three business groups started to recover mid 2009, not only because of improving trading conditions, but also because of swift actions taken to reduce costs. DSM Dyneema experienced the economic downturn later in the year, in combination with lower orders relating to life protection. However, it contributed a clearly positive operating profit.

The program to reduce costs, which was started in Q4 2008, was very successful, delivering already more than € 150 million in cost savings in 2009, which is the lower limit of the amount that was announced to be achieved in 2010. The upper limit (€ 200 million) is clearly in reach for 2010.

Business review by cluster

Nutrition

fourth quarter 2009	2008	*in € million*	**full year** 2009	2008
716	703	Net sales	2,824	2,710
174	189	Operating profit before depreciation and Amortization	655	585
137	155	Operating profit	521	447

Nutrition continued the strong performance trend in the **fourth quarter**. Sales volumes increased compared to 2008. Prices remained robust at a somewhat lower level compared to the end of 2008 / early 2009. Operating profit remained strong, although at a lower level than in Q4 2008 when some non-recurring items were included. The main drivers were sales performance and the ongoing cost management and efficiency in production in DSM Nutritional Products and DSM Food Specialties.

Full year organic sales growth was 1%, reflecting the resilience of this business. After a period of de-stocking in H1 2009, volume growth returned later in the year with continued focus on value. The increase in operating profit at DSM Nutritional Products compared to 2008 was to a large extent based on favorable margins for most products, a relatively strong dollar and ongoing cost management and efficiency improvements. DSM Food Specialties' operating profit was above the 2008 level with strong performance in enzymes, such as Brewers Clarex®, and ARA (an infant nutrition ingredient).

Pharma

fourth quarter 2009	2008	*in € million*	**full year** 2009	2008
195	216	Net sales	721	863
34	45	Operating profit before depreciation and amortization	91	150
16	30	Operating profit	32	89

Fourth quarter sales were considerably higher than in the previous quarter, mainly due to temporary additional demand related to the H1N1 flu and improved market conditions for penicillin derivatives. Organic sales development compared to Q4 2008 was -6%. As a consequence of this, together with the exchange rate impact, operating profit was lower than in Q4 2008 but clearly higher than in Q3 2009.

Full year organic sales development was -11%. DSM Pharmaceutical Products' activity level remained subdued as a result of low demand from pharmaceutical companies, delay in approvals and the loss of some large contracts. DSM Anti-Infectives faced weak market conditions. As a result, the lower demand at DSM Pharmaceutical Products and lower prices for penicillin derivatives led to a much lower operating profit compared to 2008.

Performance Materials

fourth quarter 2009	2008	*in € million*	full year 2009	2008
476	492	Net sales	1,823	2,297
52	-9	Operating profit before depreciation and amortization	174	266
23	-37	Operating profit	68	175

Fourth quarter sales remained lower than in the same period of 2008 for the total cluster. However, DSM Engineering Plastics' sales exceeded those of 2008 as market sentiment improved. DSM Resins' sales were slightly lower because of lower prices. Sales at DSM Dyneema decreased substantially compared to the same period of 2008 due to weaker orders related to life protection and lower demand from industrial applications. The cluster's operating profit for the quarter improved year-on-year by € 60 million as a result of better trading conditions, active margin management, the full effect of cost control actions and the absence of inventory write-offs.

Full year organic sales development for the cluster was -23%, reflecting depressed economic conditions during most of 2009 whereas the negative impact for 2008 was limited to Q4 2008. During the year, market conditions for DSM Engineering Plastics and DSM Resins improved from a very low starting point. On the other hand, in 2009 DSM Dyneema felt the effects of unfavorable market conditions that were not as prevalent during Q4 2008. The effect of lower cluster sales on operating profit was well controlled through active margin management and cost control measures. Nevertheless, operating profit was well short of 2008.

Polymer Intermediates

fourth quarter 2009	2008	*in € million*	full year 2009	2008
249	198	Net sales	849	1,201
18	-62	Operating profit before depreciation and amortization	36	43
11	-66	Operating profit	6	19

Fourth quarter organic sales growth was 32% compared to the same quarter of 2008. The improvement was driven by higher volumes whereas average price levels were lower. Operating profit of the cluster in Q4 2009 was € 77 million higher than in 2008, which was strongly affected by inventory write-offs.

Full year organic sales development was -32% reflecting difficult economic conditions during most of the year 2009 whereas the negative impact for 2008 was mainly limited to Q4 2008. Sales volume in 2009 recovered quarter on quarter and the total is in line with 2008 volume. However, prices were volatile at a lower level, which reflects raw-material developments. The lower margins were partly offset by cost saving programs but still resulted in a lower operating profit.

Base Chemicals and Materials

fourth quarter 2009	2008	in € million	full year 2009	2008
280	310	Net sales	1,134	1,572
11	34	Operating profit before depreciation and amortization	2	245
-8	16	Operating profit	-68	174

Organic sales development in the **fourth quarter** was -8% compared to Q4 2008. In general, sales volumes improved, but prices remained below the level of 2008. DSM Melamine and DSM Elastomers posted a profit in Q4 while DSM Agro was still showing losses.

Full year organic sales development in this cluster was -29% as volumes and prices decreased with the exception of DSM Agro, which showed a firm increase in sales volumes but a substantial decline in prices. Lower raw-material costs and cost-reduction programs could only partly compensate for this impact, resulting in a drop in the operating result. DSM Agro, DSM Melamine and DSM Elastomers had to report losses for the year 2009.

Other activities

fourth quarter 2009	2008	in € million	full year 2009	2008
89	115	Net sales	381	436
-15	1	Operating profit before depreciation and amortization	-122	-80
-38	-14	Operating profit	-189	-135
		of which:		
-19	-1	- Defined Benefit Plans	-75	-3
-11	-17	- Innovation Center	-54	-59
-8	4	- Other	-60	-73

The lower **fourth quarter** result in Other activities compared to Q4 2008 was due to higher (non cash) IFRS pension costs and some non-recurring gains in Q4 2008. Share based payment costs increased following the higher DSM share price. These additional costs were partly compensated for by higher results at the captive insurance company due to a minimum of damages.

Full year operating result was below the previous year, which was mainly due to higher IFRS pension costs.

Exceptional items

Exceptional items in the **fourth quarter** comprised a pre-tax gain in relation to the disposal of Stamicarbon (€ 42 million), impairments for the goodwill of Catalytica (€ 154 million) and Lipid Technologies Provider (€ 12 million) and other charges that were principally related to actions to strengthen DSM's competitive position (€ 16 million).

Total exceptional items after tax amounted to a loss € 149 million in the fourth quarter and to a profit of € 93 million in the full year 2009.

Net result

Net result in the **fourth quarter** decreased by € 102 million compared to Q4 2008 to a loss of € 60 million, which was due to the recognized impairments which were included in the exceptional items. **Full year** *net profit* amounted to € 337 million which was € 240 million lower than in 2008.

Full year *Net earnings per share* (total DSM, including exceptional items) amounted to € 2.01 versus € 3.45 in 2008.

Net finance cost for the **fourth quarter** decreased by € 19 million due to a higher average liquidity position as well as non-recurring fair value adjustments in Other financial assets in 2008. *Net finance costs* for the **full year** amounted to € 111 million which is € 10 million higher than 2008.

The *effective tax rate* for the **full year** decreased to 23%, being 1% below the previous year, due to changes in the geographic distribution of taxable results.

Cash flow, capital expenditure and financing
As a result of DSM's continued strong focus on cash, *Cash flow from operating activities* increased to € 1,276 million for the full year 2009 compared to € 910 million in 2008. Q4 2009 operating cash flow amounted to € 326 million.

Total cash used for *capital expenditure* was € 457 million in 2009, which was € 134 million lower than in the previous year (2008 € 591 million).

Net debt once again showed a decrease during Q4 of € 239 million and ended the year at a level of € 830 million (€ 1,781 million at year-end 2008) mainly as a result of a further reduction in operating working capital during Q4. OWC finished the year at € 1,511 million (€ 591 million less than year-end 2008) being 19.5% of the 2009 net sales.

Dividend
DSM's dividend policy is to provide a stable and preferably rising dividend. For 2009 an unchanged dividend of € 1.20 per ordinary share will be proposed to the Annual General Meeting of Shareholders. An interim dividend of € 0.40 per ordinary share having been paid in August 2009, the final dividend would then amount to € 0.80 per ordinary share, to be paid in cash.

Workforce
Following the restructuring programs the workforce decreased overall by 1,314 compared to the end of Q3 2008, the beginning of the economic downturn, and stood at 22,738.

Progress update Q4 on DSM Strategy *Vision 2010*
DSM's acceleration of the strategic program *Vision 2010 – Building on Strengths*, announced in September 2007, focuses on delivering faster growth, higher margins and improved earnings quality from the company's portfolio. The strategy will transform DSM into a Life Sciences and Materials Sciences company capable of sustainable growth fueled by important societal trends.

The key drivers – market-driven growth and innovation, increased presence in emerging economies and operational excellence – remain at the heart of DSM's strategy.

In Q4 2009 sales in China amounted to USD 375 million, annualized USD 1.5 billion which is the target for the year 2010, representing an increase of 19% relative to the comparable period in 2008. In spite of a strong drop of 35% in the first quarter of the year, DSM's sales in China in full year 2009 increased 3% to USD 1,188 million, a new record for the company. DSM expects to come close to the USD 1.5 billion target for 2010.

In 2009 innovation sales were about € 810 million, 35% more than in 2008 and higher than DSM's previous estimate of € 770 million. This represents a good basis to reach the target of € 1 billion additional sales in 2010 compared to 2005.

The Product Development and Management Association (PDMA), the leading advocate and comprehensive resource for the profession of product development and innovation, selected DSM as the winner of the 2009 Outstanding Corporate Innovator (OCI) Award, thus honoring the company's strategic commitment to open innovation and its exceptional skill in continuously creating and capturing value through new product and service development.

DSM has acquired full control of the polyamide 6 polymerization facility of Nylon Polymer Company, LLC (NPC) in Augusta (Georgia, USA). Previously Shaw Industries and DSM Chemicals North America were joint venture partners in NPC. As a result of the transaction, the facility was fully integrated into DSM Engineering Plastics' activities as of 1 January 2010.

In September 2007 DSM announced that, as a result of the accelerated shift towards Life Sciences and Materials Sciences, a number of businesses which do not fit with the accelerated strategy would be carved out and disposed of.

The disposal process for DSM Elastomers, DSM Agro and DSM Melamine is underway. As reported earlier, DSM has slowed down the process in view of the current financial and economic environment but still aims to complete the disposals by the end of 2010.

On 6 October 2009 the sale of the urea-licensing subsidiary Stamicarbon B.V. to Maire Tecnimont was completed. DSM reported a book profit of € 42 million before tax on the sale as an exceptional item in the income statement for Q4 2009.

DSM Venturing made an equity investment in US-based green chemistry company Segetis, Inc. This company has developed renewable chemistry that enables the use of non-food agricultural and forestry feedstock for production of sustainable materials.

DSM Venturing also made an equity investment in Bioprocess Control AB, a market leader in providing advanced control technologies and services that enable the efficient design and optimal operation of biogas processes.

During the quarter, DSM announced and introduced many new innovations. More information can be found in the innovation section at www.dsm.com.

Remuneration
As announced in 2009, the Supervisory Board has redesigned the remuneration policy for the Managing Board. This redesign – which will be submitted to the Annual General Meeting (AGM) of Shareholders in 2010 for approval – better reflects the interest of all stakeholders. This is fully in line with DSM's core value, focusing on value creation for People, Planet and Profit in parallel and simultaneously. It also takes into account the company's long-term strategic goals and creates more external transparency on the overall remuneration package. The main elements of the revised remuneration policy are summarized below. The full proposal can be found in the 2009 annual report of DSM and will be submitted to the AGM.

The proposal creates a 50% - 50% balance between fixed base salary and variable income. The variable income will consist of both short-term and long-term performance-related incentives with a proposed 50% - 50% distribution. Both the short-term and the long-term incentives will be based for 50% on financial targets and 50% on other value-creating targets mostly related to sustainability, such as the introduction of 'green' products, energy consumption reduction, the reduction of emissions of greenhouse gases and the engagement of the company's workforce.
In this proposal the long-term-incentive will only consist of performance shares. Options will no longer be granted to the Managing Board.

The policy is to offer the Managing Board a total direct compensation approaching the median of the labor market. Within the revised remuneration policy an external benchmark will be applied only every three years to avoid (yearly) upward pressure on remuneration levels.

In addition, DSM will implement the recent recommendations made in the updated Dutch corporate governance code.

DSM will evaluate the revised remuneration policy over time and further improve it if and when necessary.

The Supervisory Board and the Managing Board have agreed not to increase the base salaries for the Managing Board in 2010, just as they did for 2009. This reflects DSM's cautious remuneration policy in view of the current economic circumstances.

Outlook
The general economic outlook remains uncertain. Although most economies are showing a partial recovery from the downturn, this recovery remains uneven. There are still risks that could affect the recovery. Financial systems are not stable yet and higher solvency ratios required for banks have an impact on their lending willingness. Government incentives are drying up and their large deficits and debts will necessitate contractive actions sooner or later. The high unemployment rate will be a burden on consumer confidence. The continued cash focus in the private sector can be a limiting factor for a fast recovery in private investments. However, continued growth is expected in emerging economies, with Asia (especially China) and Latin America having the largest impact on DSM.

The food and feed markets, which are resilient, are expected to grow with GDP in 2010. The Nutrition cluster is expected to achieve sustained good performance with an ongoing increase in demand and relatively stable price levels in both the food and feed markets.

For Pharma, results are expected to be lower due to continued low prices at DSM Anti-Infectives, ongoing challenges at DSM Pharmaceutical Products and the loss of temporary demand related to the flu-related sterile vaccine business.

Currently DSM is expecting further recovery in the automotive, electronics and textile markets although with uncertainty about the development for H2 2010. Building and construction and marine markets are expected to show limited recovery in the first half of 2010. Business conditions are currently similar to H2 2009 and therefore results in Performance Materials and Polymer Intermediates are expected to be substantially better than in 2009. DSM Dyneema is expected to return to double digit sales growth after a difficult 2009.

Operating profit in Base Chemicals and Materials is expected to be positive in 2010.

The actions taken by DSM in 2009 leave the business well prepared to capitalize on gradually improving market conditions in 2010. In view of expected developments DSM is cautiously optimistic. However, as the economic outlook still remains uncertain, no quantitative outlook will be provided for 2010.

Webcasts
The conference call for the media and the press meeting can be followed via an audio webcast, from 8.30 until 9.00 hrs (CET) and from 10.30 until 11.30 hrs (CET) respectively. For a link see the Media section on the DSM corporate website. The conference call for analysts and investors can be followed via an audio webcast (from 9.30 until 10.15 hrs (CET). For a link see the Investors section on the DSM corporate website.

Condensed consolidated statement of income for the fourth quarter

fourth quarter 2009			*in € million*	fourth quarter 2008		
before exceptional items	exceptional Items	total		before exceptional items	exceptional Items	total
2,016		2,016	net sales	2,091		2,091
275	26	301	operating profit before depreciation and amortization (EBITDA)	241	-48	193
142	-141	1	operating profit (EBIT)	123	-45	78
1		1	operating profit from discontinued operations	39		39
141	-141	0	operating profit from continuing operations	84	-45	39
-21		-21	net finance costs	-40		-40
-3		-3	share of the profit of associates	-3		-3
117	-141	-24	profit before income tax expense	41	-45	-4
-27	-8	-35	income tax expense	-5	14	9
90	-149	-59	net profit from continuing operations	36	-31	5
0		0	net profit from discontinued operations	29		29
90	-149	-59	profit for the period	65	-31	34
-1		-1	minority interests	8		8
89	-149	-60	net profit	73	-31	42
89	-149	-60	net profit	73	-31	42
-3		-3	dividend on cumulative preference shares	-3		-3
86	-149	-63	net profit used for calculating earnings per share	70	-31	39
133	167	300	depreciation and amortization	118	-3	115
		150	capital expenditure			211
		-3	acquisitions			0
			net earnings per ordinary share in €			
0.53	-0.92	-0.39	- net earnings, total DSM	0.43	-0.19	0.24
0.53	-0.92	-0.39	- net earnings, continuing operations	0.25	-0.19	0.06
		162.7	average number of ordinary shares (x million)			162.2
		163.0	number of ordinary shares, end of period (x million)			162.2
		22,738	workforce (headcount) at end of period			23,591
		7,331	of which in the Netherlands			7,452

Condensed consolidated statement of income full year

full year 2009			*in € million*	full year 2008		
before exceptional items	exceptional Items	total		before exceptional items	exceptional Items	total
7,866		7,866	net sales	9,297		9,297
917	274	1,191	operating profit before depreciation and amortization (EBITDA)	1,357	-48	1,309
443	92	535	operating profit (EBIT)	903	-45	858
73		73	operating profit from discontinued operations	134		134
370	92	462	operating profit from continuing operations	769	-45	724
-111		-111	net finance costs	-101		-101
-4		-4	share of the profit of associates	-3		-3
255	92	347	profit before income tax expense	665	-45	620
-59	1	-58	income tax expense	-162	14	-148
196	93	289	net profit from continuing operations	503	-31	472
47		47	net profit from discontinued operations	99		99
243	93	336	profit for the period	602	-31	571
1		1	minority interests	6		6
244	93	337	net profit	608	-31	577
244	93	337	net profit	608	-31	577
-10		-10	dividend on cumulative preference shares	-10		-10
234	93	327	net profit used for calculating earnings per share	598	-31	567
474	182	656	depreciation and amortization	454	-3	451
		472	capital expenditure			587
		-5	acquisitions			152
			net earnings per ordinary share in €			
1.44	0.57	2.01	- net earnings, total DSM	3.64	-0.19	3.45
1.15	0.57	1.72	- net earnings, continuing operations	3.04	-0.19	2.85
		162.4	average number of ordinary shares (x million)			164.2
		163.0	number of ordinary shares, end of period (x million)			162.2
		22,738	workforce (headcount) at end of period			23,591
		7,331	of which in the Netherlands			7,452

Consolidated balance sheet

in € million		**year-end 2009**		**year-end 2008**
intangible assets	1,053		1,200	
property, plant and equipment	3,477		3,641	
deferred tax assets	322		392	
prepaid pension costs	282		137	
associates	18		19	
other financial assets	233		176	
	--------		--------	
non-current assets		5,385		5,565
inventories	1,359		1,765	
trade receivables	1,321		1,525	
other receivables	89		107	
financial derivatives	88		86	
current investments	7		4	
cash and cash equivalents	1,340		601	
	--------		--------	
current assets		4,204		4,088
assets held for sale		25		-
		--------		--------
total assets		9,614		9,653

in € million		**year-end 2009**		**year-end 2008**
shareholders' equity	4,949		4,633	
minority interests	62		62	
	--------		--------	
equity		5,011		4,695
deferred tax liabilities	115		122	
employee benefits liabilities	298		314	
provisions	103		190	
borrowings	2,066		1,559	
other non-current liabilities	49		65	
	--------		--------	
non-current liabilities		2,631		2,250
employee benefits liabilities	26		33	
provisions	102		82	
borrowings	138		734	
financial derivatives	61		179	
trade payables	1,169		1,188	
other current liabilities	469		492	
	--------		--------	
current liabilities		1,965		2,708
liabilities held for sale		7		-
		--------		--------
total equity and liabilities		9,614		9,653

capital employed	5,673	6,558
equity / total assets	52%	49%
net debt	830	1,781
gearing (net debt / equity plus net debt)	14%	28%
operating working capital (OWC)	1,511	2,102
OWC / net sales	19.5%	22.6%

Condensed consolidated cash flow statement

in € million		full year 2009		2008
Cash and cash equivalents at beginning of period		601		369
operating activities:				
- earnings before interest, tax, depreciation and amortization	1,191		1,309	
- change in working capital	568		-166	
- other changes:				
- gain from disposals	-313		-8	
- other	-170		-225	
cash flow from operating activities		1,276		910
investing activities:				
- capital expenditure	-457		-591	
- acquisitions	-16		-120	
- disposal of subsidiaries	279		8	
- disposal of other non-current assets	8		19	
- other	-87		-110	
net cash used in investing activities		-273		-794
dividend		-205		-220
net cash used in / from financing activities		-64		305
changes in consolidation and exchange differences		5		31
Cash and cash equivalents at end of period		1,340		601

Condensed consolidated statement of comprehensive income

in € million	full year 2009	2008
exchange differences on translation of foreign operations	2	51
changes in actuarial gains and losses and asset ceiling	104	-1,185
other changes	89	-56
income tax expense	-43	348
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other comprehensive income	152	-842
profit for the period	336	571
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Total comprehensive income	488	-271

Condensed consolidated statement of changes in equity

in € million	full year 2009	2008
Total equity at beginning of period	4,695	5,383
Changes:		
- total comprehensive income	488	-271
- dividend	-207	-224
- repurchase of ordinary shares	-	-250
- proceeds from reissue of ordinary shares	18	47
- other changes	17	10
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Total equity at end of period	5,011	4,695

Condensed report business segments

full year 2009 (in € million)

	Continuing operations								Discon-tinued operations	Total
	Nutrition	Pharma	Perform-ance Materials	Polymer Interme-diates	Base Chemicals and Materials	Other activities	Elimina-tion	Total		
net sales	2,824	721	1,823	849	1,134	381	-	7,732	134	7,866
supplies to other clusters	61	11	25	256	150	34	-537	-	-	-
total supplies	2,885	732	1,848	1,105	1,284	415	-537	7,732	134	7,866
operating profit before depreciation and amortization	655	91	174	36	2	-122	-	836	81	917
operating profit	521	32	68	6	-68	-189	-	370	73	443
total assets	4,233	1,250	2,555	793	1,049	9,331	-9,597	9,614	-	9,614
workforce (headcount) at end of period	7,110	4,374	4,633	1,321	1,846	3,454	-	22,738	-	22,738

full year 2008 (in € million)

	Continuing operations								Disccon-tinued operations	Total
	Nutrition	Pharma	Perform-ance Materials	Polymer Interme-diates	Base Chemicals and Materials	Other activities	Elimina-tion	Total		
net sales	2,710	863	2,297	1,201	1,572	436	-	9,079	218	9,297
supplies to other clusters	50	27	29	390	244	32	-772	-	-	-
total supplies	2,760	890	2,326	1,591	1,816	468	-772	9,079	218	9,297
operating profit before depreciation and amortization	585	150	266	43	245	-80	-	1,209	148	1,357
operating profit	447	89	175	19	174	-135	-	769	134	903
total assets	3,835	1,445	2,706	710	1,333	8,730	-9,106	9,653	-	9,653
workforce (headcount) at end of period	7,043	4,401	4,978	1,427	2,305	3,385	-	23,539	52	23,591

Notes to the financial statements
The full financial statements are included in the annual report 2009 that is available on www.dsm.com as of today.

Accounting policies
The consolidated financial statements of DSM for the year ended 31 December 2009 were prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of the balance sheet date.

Heerlen, 24 February 2010.

The Managing Board

Feike Sijbesma, Chairman/CEO
Rolf-Dieter Schwalb, CFO
Nico Gerardu
Stephan Tanda

Important dates

Annual General Meeting of Shareholders	Wednesday, 31 March 2010
Ex-dividend quotation	Tuesday, 6 April 2010
Record date	Thursday, 8 April 2010
Report for the first quarter:	Wednesday, 28 April 2010
Payment date final dividend 2009	Friday, 30 April 2010
Report for the second quarter	Tuesday, 3 August 2010
Report for the third quarter	Tuesday, 2 November 2010
Annual report 2010	Wednesday, 23 February 2011

DSM – the Life Sciences and Materials Sciences Company
Royal DSM N.V. creates solutions that nourish, protect and improve performance. Its end markets include human and animal nutrition and health, personal care, pharmaceuticals, automotive, coatings and paint, electrical and electronics, life protection and housing. DSM manages its business with a focus on the triple bottom line of economic prosperity, environmental quality and social equity, which it pursues simultaneously and in parallel. DSM has annual net sales of about € 8 billion and employs some 22,700 people worldwide. The company is headquartered in the Netherlands, with locations on five continents. DSM is listed on Euronext Amsterdam. More information: www.dsm.com

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