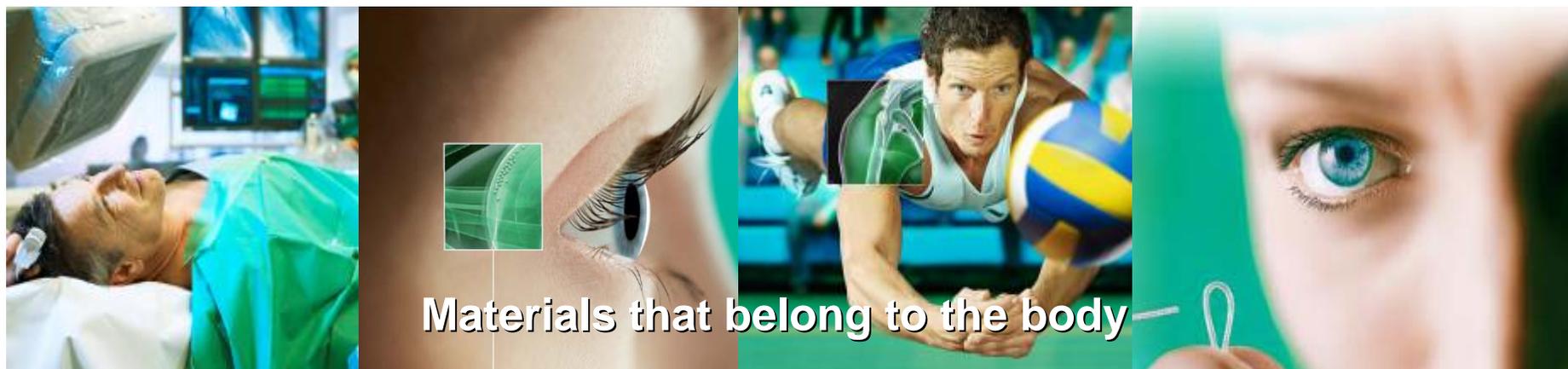


DSM Biomedical



Materials that belong to the body

Steve Hartig
President DSM Biomedical

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Safe Harbor Statement

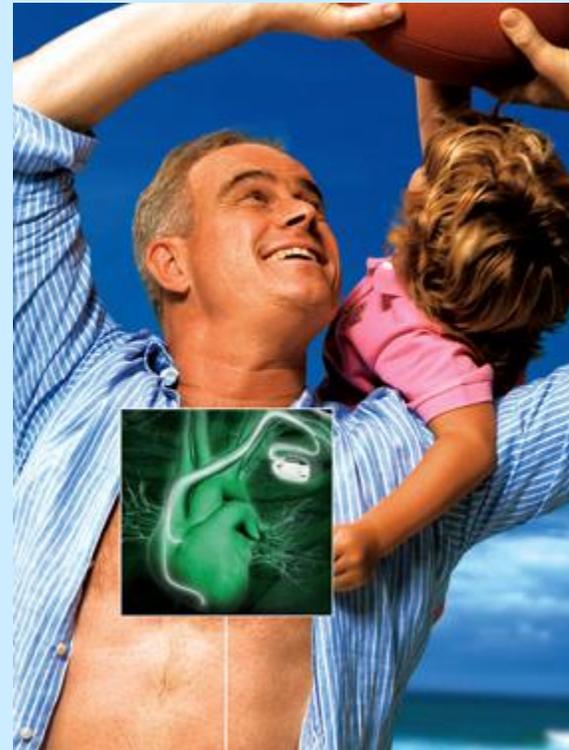
This presentation may contain forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the company. DSM cautions readers that such statements 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.

The English language version of this document is leading.

A more comprehensive discussion of the risk factors affecting DSM's business can be found in the company's latest Annual Report, which can be found on the company's corporate website, www.dsm.com

A young DSM business in a high potential market

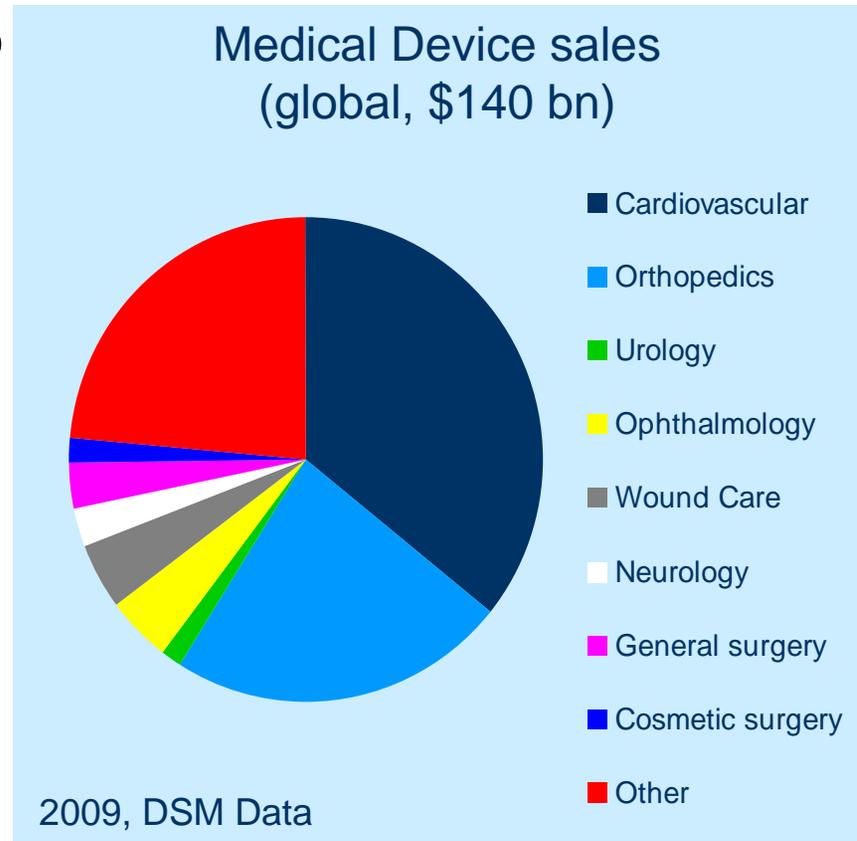
- Biomedical materials market:
 - Size: \$ 2bn
 - Growth >10%
 - High margins
 - High entry barriers
- Fit with DSM
 - Existing DSM market position
 - Innovation driven market
 - Crossover Materials Sciences & Life Sciences



Portfolio enables crossover innovation

Continued strong growth forecast in healthcare

- Changing healthcare needs due to
 - Aging population
 - Increasing obesity
 - Active elderly lifestyles
 - Demand for better healthcare solutions
- This results in higher demand for
 - Medical devices
 - Drug delivery solutions (Pharma)



Changing health care needs create new business opportunities

Healthcare requirements drive materials demand

Dyneema Purity®



Fibers for rotator cuff repairs

Trancerta™



Drug delivery platform

ComfortCoat™



Hemo-compatible
Anti-microbial catheter coating

Bionate®



Polyurethanes for
artificial spinal disks

US\$ 1.5 - 2bn biomaterials market in 2010 with 10-15% growth rate

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Tough requirements for biomedical materials

BIOSTABILITY

Examples:

- Pacemaker leads
- Hip replacements



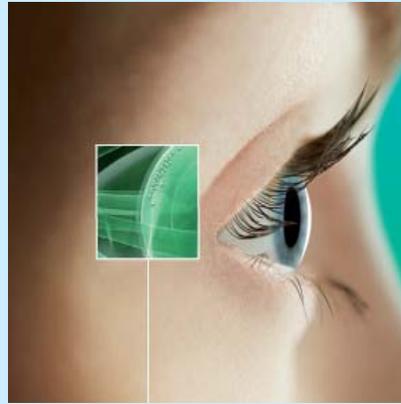
Key requirements:

1. Durable
2. Matching mechanical properties
3. Design flexibility

BIOCOMPATIBILITY

Examples:

- Back-of-the-eye medication
- Drug Eluting Stent



Key requirements:

1. Reach targeted area
2. Elution of active drug at right dose
3. Dissappear after use

BIO-INTERACTIVE

Example:

- Delivery of biologics for cartilage repair



Key requirements:

1. Stimulates the right tissue growth
2. Disappears after use

Broad range of opportunities for DSM

DSM uniquely equipped to meet market needs

- Cross company innovations
 - Materials and Coatings Expertise
 - Pharma and Regulatory Expertise
- Unique portfolio of novel polymer-based solutions
- Integral open innovation approach speeds up developments



Creating a long-term, sustainable position

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Open innovation in practice



DSM Biomedical stands out

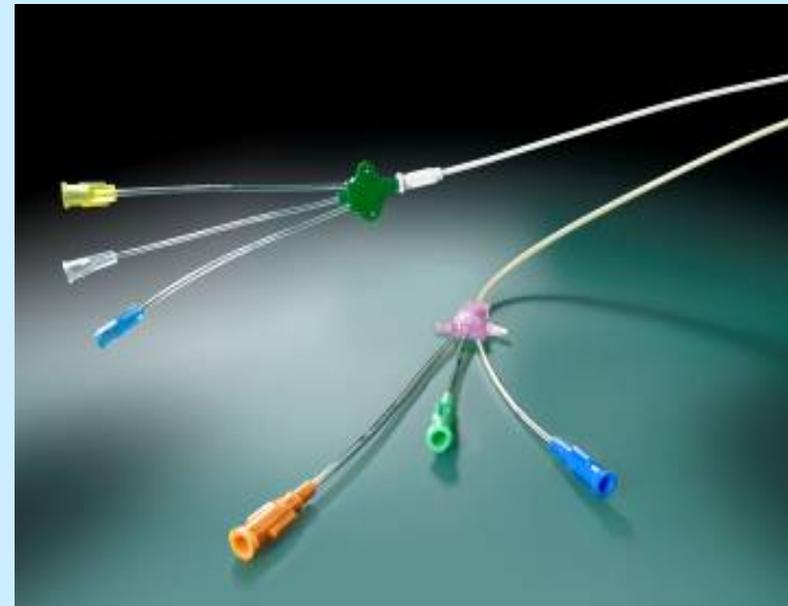
Company	Pharma	Materials	Portfolio	Size
DSM	Drug delivery	Coatings Polyurethanes UH Polyethylene Silicone hydrogel Dyneema Purity ®	Broad	Large
Ticona		UH Polyethylene	Narrow	Medium
Surmodics	Drug delivery	Coatings	Medium	Medium/Large
Durect	Drug delivery		Narrow	Medium
Flamel	Drug delivery		Narrow	Medium
Invibio (Victrex)		PEEK	Narrow	Medium
Startups			Narrow	Small

Innovation power and reliability are key drivers

An example: Medical coatings

- \$ 2.3 bn annual costs in the US related to blood stream infections
- 24,000 estimated US patient deaths per year
- DSM coating designed to thwart these infections

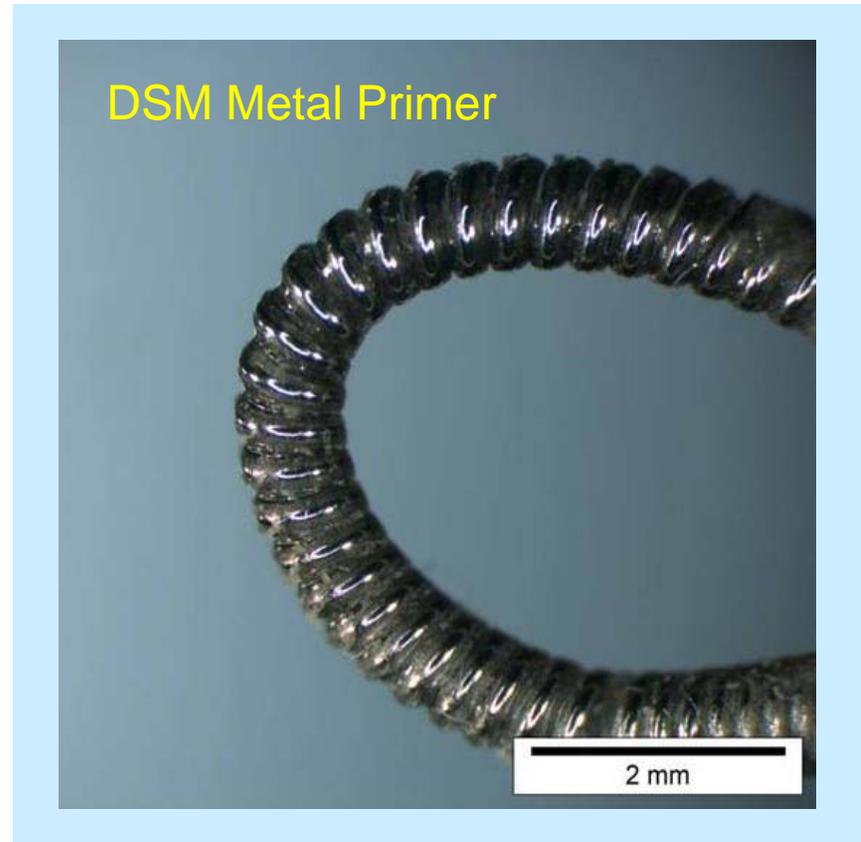
ComfortCoat™
Antimicrobial coatings



Antimicrobial coatings answer to an existing market need

Building on DSM competences

- Technology
 - DSM Desotech (UV-curing)
 - DSM Research (coatings)
 - DSM Resolve (analysis)
 - DSM Material science (performance)
 - DSM Aces (physical analysis)
 - DSM NeoResins (metal primer)
- Antimicrobial Knowledge
 - Life Sciences R&D Delft,
 - Life Sciences R&D Geleen
- c-GMP production
 - DSM Rescom (Regensburg)
 - DSM Pharma Products (Greenville)



Synergy between Life Sciences & Materials Sciences

Dyneema Purity® - Rotator cuff repair

- Strong, thin and pliable sutures play an important role in Rotator Cuff repair¹:
 - Minimizes suture breakage during tightening
 - Reduces need for additional procedures
 - Reduces patient discomfort



- Switch to Dyneema Purity®



Sutures with Dyneema Purity®: the new 'golden' standard

¹Oper Tech Sports Med 12:210-214 (2004)

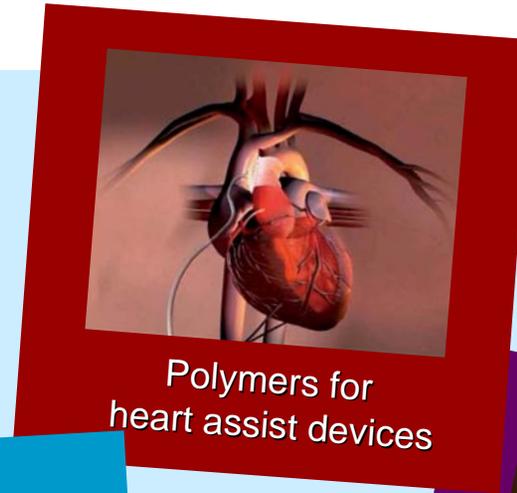
Bionate® Spinal Motion Preservation

- Back pain affects 80% of all adults at some point in their lives.
- The condition costs the US economy about \$60 bn.
- Present treatments include
 - Physical therapy
 - Painkillers, anti-inflammatory drugs
 - Spinal fusion surgery
- Future: preserve motion in the spine through artificial disks or devices



Bionate® polyurethane is the leading material in this segment

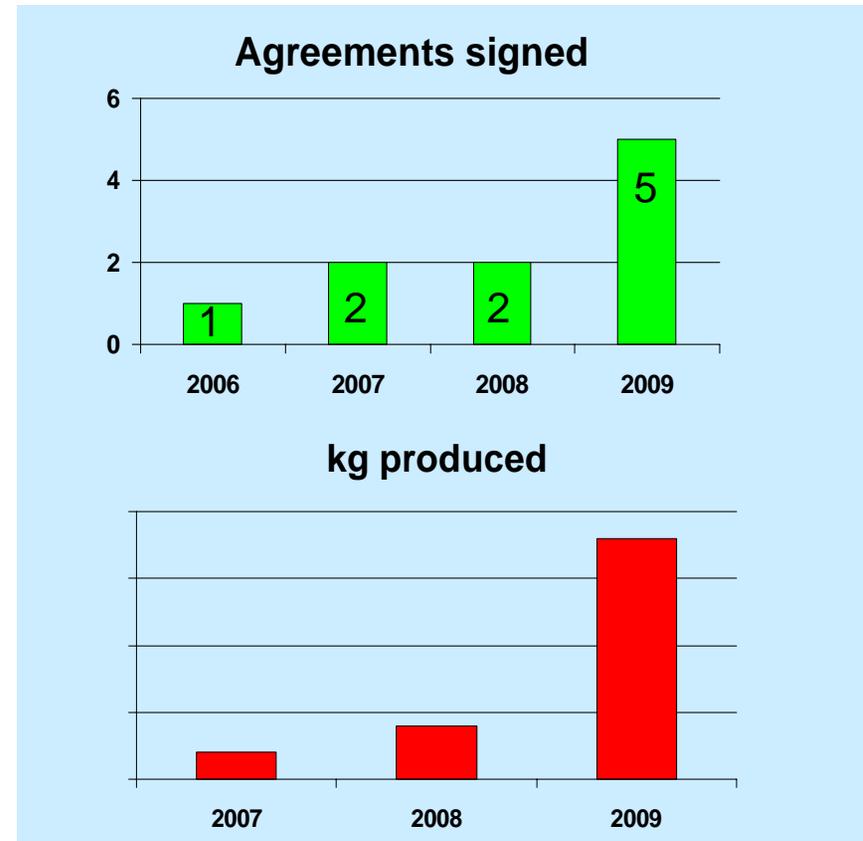
Some other examples



Strong pipeline of products at all stages of development

New way of value creation

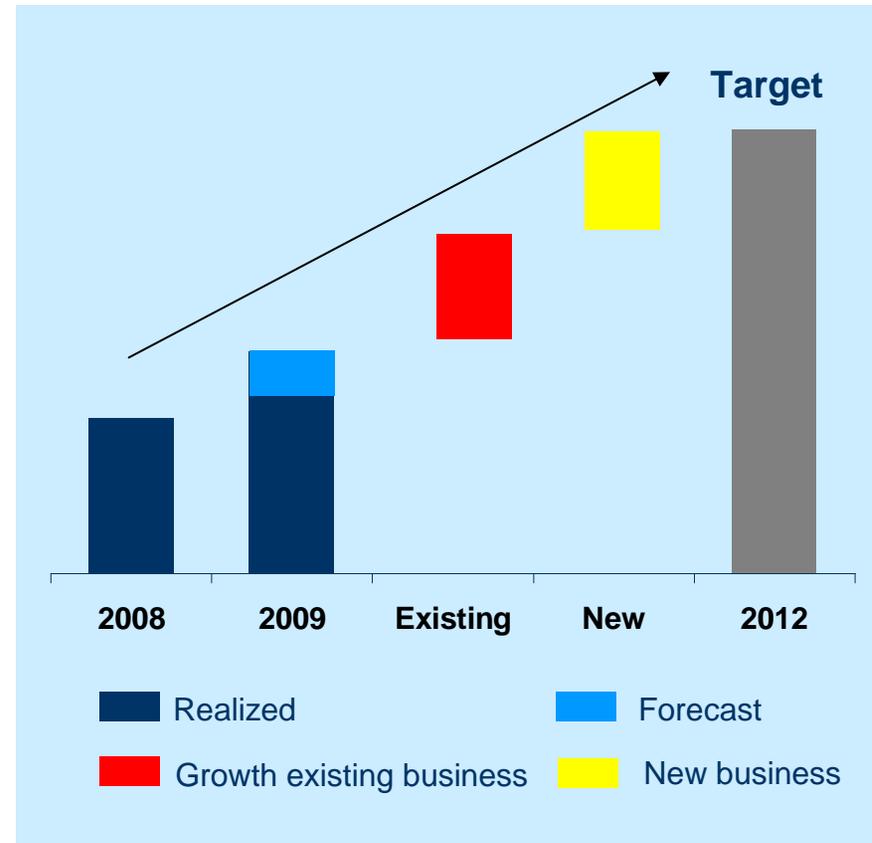
- Business Model: Licensing out IP
 - Value based pricing
 - 50-90% revenues from IP royalties
- Sustainable business
 - Long term agreements
 - High changing costs
- Outsourcing reducing risk
 - Reagents produced externally
 - Biocompatibility, effectiveness and others studies performed externally
- High quality standards (c-GMP, ISO)



Gives us the ability to capture extra value.

Contributing to DSM's mid and long-term growth

- Progress in 2009
 - 8 new license and supply agreements
 - Successful integration of PTG
 - Next generation products launched
 - In licensing of new Drug Delivery platform
 - Focus on innovative licensing driven business models
- Target 2012: € 100m revenue



DSM Biomedical steep sales growth at high margins

Conclusions

- The biomedical materials market shows large growth potential
- DSM is uniquely positioned to play a leading role in this market
- Aligning internal and external competences has led to rapid growth
- Future value creation secured through multiple opportunities



Focused innovation strategy leads to continuous growth

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