

## Press Release

DSM (China) Ltd.  
DSM China Corporate Communications

476 Libing Road, Zhangjiang Hi-Tech Park  
201203 Pudong New Area, Shanghai,  
China

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### DSM reports Q2 2014 results

- Q2 2014 EBITDA from continuing operations €293 million
- Q2 2014 EBITDA includes negative currency effect of about €29 million and a €16 million impact from the fire at a nutrition plant in Switzerland
- Nutrition delivered improved result versus last two quarters with €222 million EBITDA
- Performance Materials Q2 EBITDA of €88 million up compared to Q2 2013 and Q1 2014
- Q2 cash flow from operating activities €126 million
- Interim dividend of €0.55 per ordinary share
- Full year 2014 outlook in line with current market expectations
- Sales in China amounted to USD 487 million, versus USD 395 million in Q2 2013

Royal DSM, the Life Sciences and Materials Sciences company, today reported second quarter 2014 EBITDA from continuing operations of €293 million compared to €332 million in Q2 2013, and €272 million in Q1 2014. Nutrition showed improvement compared to the last two quarters. Performance Materials continued its encouraging underlying trend and delivered higher results. Polymer Intermediates was negatively impacted by lower caprolactam margins.

Commenting on the results, Feike Sijbesma, CEO/Chairman of the DSM Managing Board, said:

*“DSM delivered improved results versus the first quarter, despite persistent currency headwinds. Performance Materials saw continued positive momentum in a number of end-markets, whereas Polymer Intermediates has seen weaker business conditions for caprolactam.”*

*Market conditions in Nutrition have shown some improvement with good Animal Nutrition performance in Q2, while Human Nutrition still operates in a low growth macro environment for some end-markets due to ongoing pressure on consumer spending. In this environment, the resilience of our integrated value chain is demonstrated by robust margins, highlighting the quality of our Nutrition business. In addition we are undertaking initiatives in the US to reinforce the attractiveness of our dietary supplements end-user categories.*

*We continue to focus on efficiencies to protect profitability and improve cash flow in the current environment. Despite the weakness in caprolactam, we continue to anticipate to deliver improving financial results in the coming quarters.”*

#### Strategic investment in China

DSM opened its China Animal Nutrition Center in Bazhou, south of Beijing. With its focus on swine and poultry nutrition and the capabilities to conduct world-class scientific and application research, the facility will support the development of tailored solutions to meet the needs of the fast growing

poultry and swine markets in China. Moreover, DSM reached agreement to acquire Aland (HK) Holding Limited ("Aland"), a Hong Kong-based company producing vitamin C in mainland China. Subject to customary conditions, the transaction is expected to close in the next six to nine months.

*"DSM in China achieved good performance in Q2, with sales increasing by around 23 percent from a year earlier," said Dr. Jiang Weiming, DSM China President. "Driving innovations is key for DSM in China to achieve sustainable growth. Our innovation efforts focus on developing local solutions to meet the local business needs. We will continue to invest in China while enhance our efforts in sustainable development."*

#### **DSM - Bright Science. Brighter Living.™**

Royal DSM is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders simultaneously. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM's 24,500 employees deliver annual net sales of around €10 billion. The company is listed on NYSE Euronext. More information can be found at [www.dsm.com](http://www.dsm.com).

DSM began trading with China in 1963 and established its first China sales office and first manufacturing facility in early 1990s. The company currently has 42 affiliates in China including 25 manufacturing sites and employs about 3,400 people. DSM China regional headquarters and China Science and Technology Center is located in Shanghai. DSM's business is growing healthily and steadily in China with revenue of more than USD1.7 billion in 2013. For further information, please visit [www.dsm.com.cn](http://www.dsm.com.cn).

#### **Media enquiries:**

**Wendy Zhang**  
**DSM China Limited**

Tel: 021 - 6141 8003  
Email: [wendy.zhang@dsm.com](mailto:wendy.zhang@dsm.com)