

Royal DSM N.V.
Annual Results 2010

Life Sciences and Materials Sciences
Presentation to Investors

HEALTH • NUTRITION • MATERIALS



DSM

BRIGHT SCIENCE. BRIGHTER LIVING.

DSM – Bright Science. Brighter Living.™

Royal DSM N.V. 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. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM's 22,000 employees deliver annual net sales of around € 9 billion. The company is listed on NYSE Euronext. More information can be found at www.dsm.com.



- Operational performance Q4 2010
- Strategy *Vision 2010* successfully completed
- DSM in motion: *driving focused growth*
- Outlook 2011

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Overview

- **Operational performance Q4 2010**
- Strategy *Vision 2010* successfully completed
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Highlights Q4 / FY 2010

DSM reports strong 2010 results and proposes dividend increase to € 1.35

- Vision 2010 strategy successfully completed; DSM will now drive focused growth
- Q4 operating profit from continuing operations up 17% to € 170 million
- Full-year operating profit from continuing operations up 74% to € 752 million
- Very good Nutrition performance drives Life Sciences results
- Significant improvement in Materials Sciences results
- Continued strong cash flow from operating activities of € 1.1 billion in 2010
- Dividend increase of 12.5% to € 1.35 per ordinary share proposed for 2010
- 2011 is expected to be another strong year for DSM towards achieving the 2013 targets



Dear Investor,

"I am proud to report such strong financial results for 2010, which reflect our focus on innovation and our customers across the globe as well as cost and cash management supported by an improving economic climate. Within the Life Sciences businesses, our Nutrition business continued to record very good results, whilst Pharma needs improvement. The Materials Sciences businesses delivered a significant improvement during the year with a record result for Polymer Intermediates."

"The year 2010 was the last in a period of transformation for DSM to become a focused Life Sciences and Materials Sciences company. We successfully completed our Vision 2010 strategy, including divesting the remaining non-core assets within the promised timescale. Subsequently, through a series of important transactions we have started to build additional strong growth platforms for the next phase of our strategy 'DSM in motion: driving focused growth' as evidenced by the announced acquisition of Martek and the announced joint venture with Sinochem for our anti-infectives business. We are confident that 2010 has laid the foundation for achieving our new strategic growth and profitability objectives and therefore we are proposing to raise our dividend from € 1.20 to € 1.35 instead of the € 1.30 announced in September 2010."



Feike Sijbesma
Chairman of the
Managing Board

Results Q4 / FY 2010 - Key figures

Q4-10	Q4-09	Δ%	(€ million)	FY-10	FY-09	Δ%
Continuing operations before exceptional items:						
2,082	1,758	+18%	Net Sales	8,176	6,725	+22%
276	260	+6%	EBITDA	1,161	834	+39%
170	145	+17%	EBIT	752	433	+74%
Total DSM before exceptional items:						
2,202	2,016	+9%	Net Sales	9,050	7,866	+15%
180	142	+27%	EBIT	838	443	+89%
Total DSM including exceptional items:						
149	-60		Net profit	507	337	
0.89	-0.39		EPS (€)	3.03	2.01	



- In the strong fourth quarter of 2010 DSM's businesses developed as expected. In general the underlying trading conditions remained favorable. Compared to Q3 2010 there was organic sales growth of 4%, reflecting both continued volume growth and pricing strength. However, currency developments were unfavorable, due to a weaker US dollar and a very strong Swiss franc. In addition, project costs related to the implementation of DSM's new strategy increased as indicated before. All in all, Q4 operating result was equal to Q3 despite the traditionally seasonally weaker quarter and the Swiss franc exchange rate increase. Compared to Q4 2009 the operating result was 17% higher, mostly due to strong performance of the Materials Sciences businesses.
- The Nutrition cluster continued its very good business performance, but was negatively affected by the development of the Swiss franc, which was 13% stronger versus the Euro in Q4 2009. Nevertheless, the cluster's operating result was similar to Q4 2009. Pharma showed some seasonal improvement in Q4, but the business dynamics in the pharmaceutical industry remained very challenging.
- Most businesses in Performance Materials experienced the traditional year-end slowdown in demand. Unit margins in Q4 increased despite higher feedstock prices. Polymer Intermediates delivered its best quarter in history, reflecting excellent demand, pricing strength and a unique global presence.
- Exceptional items in the fourth quarter amounted to +€ 46 million (+€ 32 million after tax). Included were pre-tax gains in relation to the disposal of the Sarlink® business of DSM Elastomers (+€ 10 million) and the reversal of the remaining, previously recognized impairment of the cash generating unit DSM Anti-Infectives (+€ 55 million). Furthermore releases of pension provisions related to disposals (+€ 19 million) and one-time non-cash charges (-€ 13 million) in connection with the change of the Dutch pension plan to a defined contribution plan were recognized. Impairments in the Linz (Austria) operations (Intermediates and DSM Pharmaceutical Products) resulted in a pre-tax charge of -€ 26 million.
- Full year exceptional items after tax amounted to a loss of € 40 million.
- Full year *Net earnings per share* amounted to € 3.03 in 2010 versus € 2.01 in 2009.

Operating Profit - DSM core business

EBIT (€ million)	FY - 2010	FY - 2009	FY - 2008
Nutrition	569	521	447
Pharma	7	32	89
Performance Materials	179	68	175
Polymer Intermediates	192	6	19
Others	-195	-194	-139
DSM core business	752	433	591

- Full year EBIT was € 752 million, which was 74% above 2009 and 27% above 2008



- Operating profit in the fourth quarter amounted to € 170 million, which was 17% higher than in Q4 2009. Nutrition's profit was almost equal to Q4 2009. The positive trend in the business was offset by the very strong Swiss franc. Pharma results were lower than in Q4 2009 which included strong orders in flu related sterile vaccines. The combined Materials Sciences businesses continued to improve volumes and margins.
- Full year operating profit was € 752 million, which was 74% above 2009. After 17% operating profit growth in 2009, Nutrition delivered 9% growth in 2010. This is a reflection of Nutrition's ability to strengthen its market position based on its innovation and differentiation strategy in combination with a good operational performance. The Pharma results were lower, reflecting continuing challenges in the pharmaceutical industry and the one-off effect of flu related sterile vaccines business in 2009. The Performance Materials operating profit was substantially better than in 2009 and topped the 2008 level. Polymer Intermediates posted an excellent performance and its best year ever. In both caprolactam and acrylonitrile, margins were the driver.

Net sales growth Q4-2010 versus Q4-2009

(€ million)	Q4-10	Q4-09	Diff.	Volume	Price	FX	Other
Nutrition	758	716	6%	4%	-5%	7%	
Pharma	190	195	-3%	-6%	-2%	5%	
Performance materials	640	476	35%	15%	10%	6%	4%
Polymer intermediates	382	249	53%	3%	41%	9%	
Others	112	122					
Continuing Operations	2,082	1,758	18%	7%	7%	6%	-2%*

* Including the effect of the deconsolidation of DSM's interest in Utility Support Group BV and EdeA v.o.f., which were reported in Other activities



- Organic sales growth in the fourth quarter was 14%, evenly spread over volumes and prices. Performance Materials was the main driver for volumes, Polymer Intermediates for prices. Currency exchange rates had a 6% positive effect. Deconsolidations resulted in a 2% decrease.

Net sales growth 2010 versus 2009

(€ million)	FY-10	FY-09	Diff.	Volume	Price	FX	Other
Nutrition	3,005	2,824	6%	6%	-4%	4%	
Pharma	739	721	3%	0%	-1%	4%	
Performance materials	2,507	1,823	38%	24%	7%	4%	3%
Polymer intermediates	1,398	849	65%	15%	44%	6%	
Others	527	508					
Continuing Operations	8,176	6,725	22%	13%	6%	4%	-1%

* Including the effect of the deconsolidation of DSM's interest in Utility Support Group BV and EdeA v.o.f., which were reported in Other activities



- Full year sales were very strong compared to 2009. Nutrition showed strong volume growth with slightly lower prices. At constant exchange rates, sales in Pharma were virtually flat.
- Materials Sciences showed a very strong volume increase resulting in an operating level which was back to pre-crisis level in most businesses. Pricing was very strong especially in Polymer Intermediates.

Nutrition

Q4-10	Q4-09	Δ%	(€ million)	FY-10	FY-09	Δ%
Continuing operations before exceptional items:						
758	716	+6%	Net Sales	3,005	2,824	+6%
167	174	-4%	EBITDA	702	655	+7%
136	137	-1%	EBIT	569	521	+9%
22.0%	24.3%		EBITDA margin	23.4%	23.2%	

- Q4 2010 organic sales development was -1% because higher sales volumes were offset by lower prices
- EBIT in line with Q4 2009 and Q3 2010 despite a negative impact of the strong Swiss franc



- Fourth quarter organic sales development was -1% as higher sales volumes were offset by lower prices. DSM's Quali-C™ continues to command a solid premium despite increased price pressure in vitamin C. Operating profit was in line with Q4 2009 and Q3 2010 despite a negative impact of the strong Swiss franc. Performance of personal care and savory ingredients was particularly strong compared to 2009.
- Full year performance was above 2009, in both sales and profitability. Organic sales growth was 2%, mainly driven by higher volumes. Operating profit of DSM Nutritional Products and DSM Food Specialties increased further, due to good market conditions, excellent manufacturing performance, good cost control and favorable currency exchange rates. The cluster remained focused on its value over volume strategy.

Pharma

Q4-10	Q4-09	Δ%	(€ million)	FY-10	FY-09	Δ%
Continuing operations before exceptional items:						
190	195	-3%	Net Sales	739	721	+3%
27	34	-21%	EBITDA	65	91	-29%
12	16	-25%	EBIT	7	32	-78%
14.2%	17.4%		EBITDA margin	8.8%	12.6%	

- Q4 2010 sales were considerably higher than in Q3 2010, however lower y-o-y mainly due to flu related sterile vaccines business in Q4 2009
- As a consequence of this, operating profit was lower than in Q4 2009



- Fourth quarter sales were considerably higher than in the previous quarter, mainly due to seasonally high shipments in DSM Pharmaceutical Products. However, organic sales development compared to Q4 2009 was -8% mainly due to orders in the flu related sterile vaccines business in Q4 2009. As a consequence, operating profit was lower than in Q4 2009.
- Full year organic sales development was -1%. The much lower operating result compared to 2009 was mainly due to DSM Pharmaceutical Products as it continued to face challenges as a result of low demand from pharmaceutical companies, delay in approvals and the loss of some large contracts. DSM Anti-Infectives' improved performance in its continuing business could not completely offset the loss of margin as a result of the termination of clavulanic acid production in 2009.

Performance Materials

Q4-10	Q4-09	Δ%	(€ million)	FY-10	FY-09	Δ%
Continuing operations before exceptional items:						
640	476	+35%	Net Sales	2,507	1,823	+ 38%
59	52	+13%	EBITDA	299	174	+ 72%
30	23	+30%	EBIT	179	68	+163%
9.2%	10.9%		EBITDA margin	11.9%	9.5%	

- 2010 Q4 organic sales growth was 25%. All three business groups contributed to this growth
- DEP, DR improved unit margins, but further increased feedstock prices in Q4 are not yet fully reflected in pricing
- The operating result clearly improved compared to Q4 2009



- Fourth quarter organic sales growth was 25%, of which 10% prices and 15% volumes. All three business groups (DSM Engineering Plastics, DSM Dyneema and DSM Resins) contributed to this growth. The operating result clearly improved compared to Q4 2009. DSM Engineering Plastics and DSM Resins improved unit margins, but the further increased feedstock prices in Q4 are not yet fully reflected in pricing.
- Full year organic sales growth was 31%, highlighting a very strong recovery from the depressed year 2009 in all three business groups. Prices were flat at DSM Dyneema, but clearly increased in the other two business groups. The sales increase was reflected in the operating result, which showed a significant improvement, especially in the first half of the year because of downstream restocking. The second half of the year was affected by increased feedstock prices.

Polymer Intermediates

Q4-10	Q4-09	Δ%	(€ million)	FY-10	FY-09	Δ%
Continuing operations before exceptional items:						
382	249	+53%	Net Sales	1,398	849	+ 65%
68	18	+278%	EBITDA	229	36	+536%
55	11	+400%	EBIT	192	6	
17.8%	7.2%		EBITDA margin	16.4%	4.2%	

- 44% Organic sales growth in Q4 2010, mainly reflecting very strong prices
- Volume growth was restricted because of capacity limitations
- Record operating profit



- Organic sales growth in the fourth quarter was 44%, mainly reflecting very strong prices. Volume growth was restricted because of capacity limitations. Although feedstock prices increased, this was clearly compensated for by better prices. This resulted in a record operating profit.
- Full year organic sales growth was 59%, reflecting very strong trading conditions for caprolactam as well as acrylonitrile. These excellent trading conditions resulted in an unprecedented operating profit.

Strong cash flow

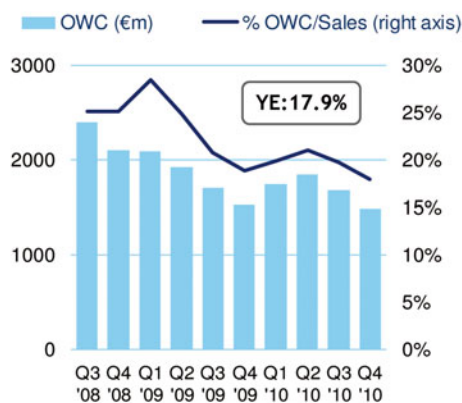
Cash Flow (€ million)	FY 2010	FY 2009
Cash from operating activities	1,103	1,276
Cash from investing activities*	-132	-273
Free cash flow from operations*	971	1,003

Balance sheet (€ million)	YE 2010	YE 2009
Net debt	-108	830
Gearing	-2%	14%

* Excl. fixed term deposits

- Q4 2010 operating cash flow € 413m

OWC development Q3'08 - Q4'10



- As a result of DSM's strong focus on cash, Cash flow from operating activities amounted to € 1,103 million for the full year 2010. Operating cash flow for the fourth quarter amounted to € 413 million (Q4 2009 € 326 million).
- Operating working capital (continuing operations) in % of net sales decreased from 18.6% at the end of 2009 to 17.9% at the end of 2010.
- Total cash used for Capital expenditure was € 416 million for the full year of 2010, which was € 41 million lower than the previous year (2009 € 457 million). Total cash used for capital expenditure in the fourth quarter was € 165 million (Q4 2009 € 120 million).
- Compared to year-end 2009 Net debt decreased by € 938 million and resulted in a net debt of minus € 108 million. At the end of 2010 € 837 million was invested in higher yielding term deposits (duration 3 to 6 months), which are shown in the cash flow statement as 'current investments'.

Proposal to AGM to increase dividend

- Dividend policy “stable and preferably rising”
- Proposal to AGM (April 2011):
 - Increase dividend by 12.5% to € 1.35
 - Introduce optional stock dividend
- Further dividend increase to at least € 1.50 in coming years

Dividend per ordinary share (€)



- DSM’s dividend policy is to provide a stable and preferably rising dividend. In September 2010 DSM indicated that it would propose a dividend increase of € 0.10 per ordinary share from € 1.20 to € 1.30 for 2010. In view of the strong financial results achieved in 2010 and the company’s confidence that the foundations are in place to achieve its new strategic growth and profitability objectives, DSM now proposes to increase the dividend by € 0.15 (12.5%) to € 1.35 per ordinary share. This will be proposed to the Annual General Meeting of Shareholders to be held on 28 April 2011. An interim dividend of € 0.40 per ordinary share having been paid in August 2010, the final dividend would then amount to € 0.95 per ordinary share. The dividend will be payable in cash or in the form of ordinary shares at the option of the shareholder. Dividend in cash will be paid after deduction of 15% Dutch dividend withholding tax. The ex-dividend date is 2 May 2011.
- DSM reiterates that for the coming years the company intends to further increase the dividend to at least € 1.50 per ordinary share, barring unforeseen circumstances and assuming that DSM will be able to fulfill its growth aspirations.

Changes in financial reporting structure in 2011

- Introduction of the new functional P&L
- Introduction of a new Innovation cluster
- Change in Dutch pension plan from a Defined Benefit Plan into a Defined Contribution Plan



- DSM has provided the investment community with comparative figures for 2009 to reflect the new functional P&L reporting structure on February 16th. DSM will use this new P&L from the publication of the full year 2010 results onwards.
- DSM will provide the comparative 2010 figures for the new Innovation cluster and the change in Dutch pension plan from Defined Benefit Plan into Defined Contribution Plan in April 2011.

Announcement to repurchase shares

- Intention to repurchase 5,000,000 ordinary shares
- To cover commitments from existing management and personnel option plans
- Starting on 24 February 2011

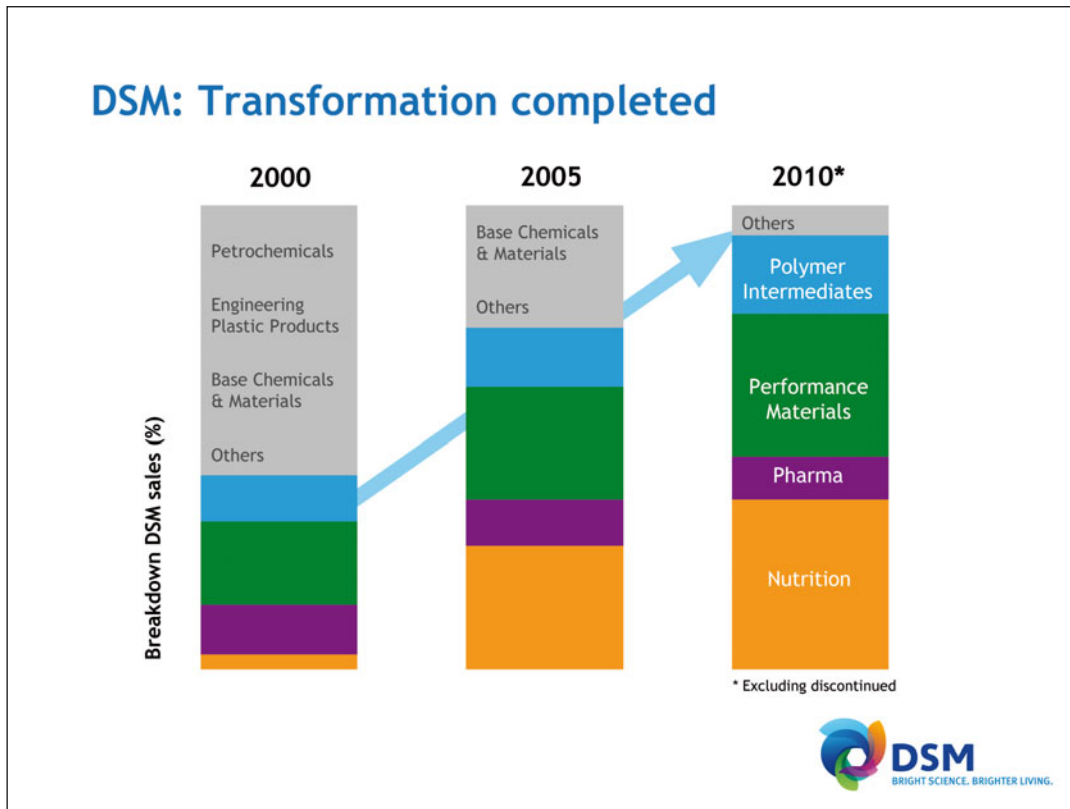


- Royal DSM, today announces that it intends to repurchase 5,000,000 ordinary shares, starting on 24 February 2011, in order to cover its commitments under existing management and personnel option plans.
- DSM has signed a Discretionary Management Agreement with the bank that will execute the repurchase. The repurchase price will be based on the daily VWAP (Volume Weighted Average Price). Volumes to be repurchased will on average be 10% of the daily trading volume on Euronext Amsterdam, within a bandwidth of 7-13% per day.
- In accordance with the present regulations DSM will inform the market about the progress made in the execution of this program through weekly press releases.

Overview

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- Fundamental changes have taken place in DSM's portfolio over the past ten years. As a result of a series of major and minor divestments (such as the petrochemicals business and a number of base chemical businesses) as well as a number of acquisitions, DSM's profile today is very different from that of ten years ago.
- DSM has transformed itself from a predominantly 'chemical' company in 2000 to a focused Life Sciences and Materials Sciences company. More than 50% of DSM's portfolio in 2000 has been divested. Net sales of DSM's Nutrition business have increased more than tenfold in ten years as a result of the Roche Vitamins acquisition and organic growth. Life Sciences as a percentage of total DSM sales (continued operations) increased from 14% in 2000 to more than 45% today.
- After the successful divestment program - part of Accelerated Vision 2010 - DSM's portfolio now has a clearer focus, and the quality of earnings has significantly improved. A large proportion of group revenues and earnings are now in high-margin, high-quality businesses that have significantly lower cyclicality.

“Vision 2010” strategic objectives achieved

- Successful transformation to Life Sciences and Materials Sciences

Divestments

• DSM Energy	Closed 2009
• Urea Licensing	Closed 2009
• DSM Agro	Closed 2010
• DSM Melamine	Closed 2010
• Citric Acid	Closed 2010
• TPV Sarlink	Closed 2010
• DSM Special Products	Closed 2010
• EPDM	Expected 2011

Acquisitions & Partnerships

• Polymer Technology Group (Biomedical)
• Pentapharm (Personal Care)
• DSM's polycarbonate business swap for MCC's polyamide business (Performance materials)
• Several venturing activities (Innovation)
• JV with Crucell/Johnson&Johnson (Pharma)
• JV with Roquette (Biobased products)
• JV with DuPont (Biomedical)

- Building strong China position
- Establishing innovation infrastructure, culture and goals
- Maintaining industry leadership in sustainability (a.o. by using biotech)
- Launching successfully Cultural Change Program
- Weathering the downturn whilst “staying the course”
- Focus on innovation and customers as well as cost and cash management



- In the past three years, DSM has transformed its business into a focused Life Sciences and Materials Sciences company by divesting non-core businesses and making selective acquisitions.
- Several businesses have been divested (see table above). The selling of the Keltan® business of DSM Elastomers has been announced and is expected to close in the first few months of 2011, while the selling of Maleic Anhydride and Derivatives is underway.
- In addition to the portfolio changes, DSM further increased its presence in China while improving its position in other High Growth Economies such as India, Russia and Brazil.
- Apart from exceeding the *Vision 2010* target of adding € 1 billion in sales through innovation between 2006 and 2010, DSM has also succeeded in increasing the number of product launches.
- In 2009 DSM regained its number one position in the chemical industry sector in the Dow Jones Sustainability Index. DSM is recognized as a technology leader in second-generation biofuels and bio-based materials.
- The transformation of DSM's organization will be further supported by DSM's culture change program, which has established a shared understanding of essential DSM values and principles to drive growth: external orientation and drive for innovation, accountability for performance, and inspirational leadership.
- By responding rapidly and effectively to the changing economic conditions by focusing on costs, cash and working capital, reducing net debt, while at the same time “staying the course” by continuing to concentrate on customers, innovation and values/sustainability - DSM emerged from the economic downturn as a stronger company.

Strong performance in a challenging period

	Actual 2010	Target 2010
Organic growth ¹⁾	19%	> 5% per year on average
EBITDA margins / net sales margin per cluster		
• Nutrition	23.4%	> 18%
• Pharma	8.8%	> 19%
• Performance Materials	11.9%	> 17%
• Polymer Intermediates ²⁾	16.4%	> 13%
Growth from innovation	€ 1.3bn	€ 1bn
Sales in China	US\$ 1.6bn	US\$ 1.5bn
CFROI ³⁾	9.2%	WACC (7.5%) + 100bp
Sustainability	All achieved	Energy savings 2% / year other targets
Total Shareholders return	130% vs. 146% for peer group ⁴⁾	Above peer group average

1) Average over the period 2006 - 2010: 5%

2) On average over the period 2006 - 2010: 9.2%

3) Achieved in 4 out of 5 years during the *Vision 2010* period

4) Total Shareholder Return 2006 - 2010 DSM: 131%, peer group: 151%. This peer group consists of AkzoNobel, BASF, Clariant, Danisco, DuPont, EMS Chemie Holding, Kerry, LANXESS, Lonza Group, Novozymes, Rhodia and Solvay



- In the period 2006-2010 DSM gave its portfolio a greater and clearer focus and it successfully completed its *Vision 2010* strategy, despite the most severe economic downturn of the last 70 years.
- The targets in the Accelerated *Vision 2010* strategy were set assuming that there would be no adverse general economic and trading conditions affecting DSM specifically.
- DSM achieved the targets set out in Accelerated *Vision 2010*, except for the EBITDA margin targets for Performance Materials due to the economic downturn and Pharma which faced considerable challenges in a changing market place. Polymer Intermediates is currently above the target though on average over the period the target could not be achieved.
- Market-driven growth and innovation was a key driver of DSM's *Vision 2010* strategy and contributed significantly to growth. Organic sales growth from continuing operations in 2010 amounted to 19%, of which 13% as a result of higher volumes and 6% due to higher prices. Over the period 2006-2010, average organic sales growth amounted to 5%.
- DSM is proud to have clearly exceeded its *Vision 2010* target of generating an additional € 1 billion in sales from innovation by 2010 compared to 2005. In 2010 innovation-driven sales were about € 1,280 million compared to about € 810 million in 2009.
- Over the last few years DSM has been experiencing growth rates in China of around 20% per year on average. Sales in China in 2010 amounted to USD 1,631 million, 37% more than in 2009 and a new record for the company. DSM is proud that it exceeded the sales target of USD 1.5 billion that it had set for 2010. The target was increased from USD 1.0 billion in 2007.



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 **DSM**
BRIGHT SCIENCE. BRIGHTER LIVING.

A new era, a new brand

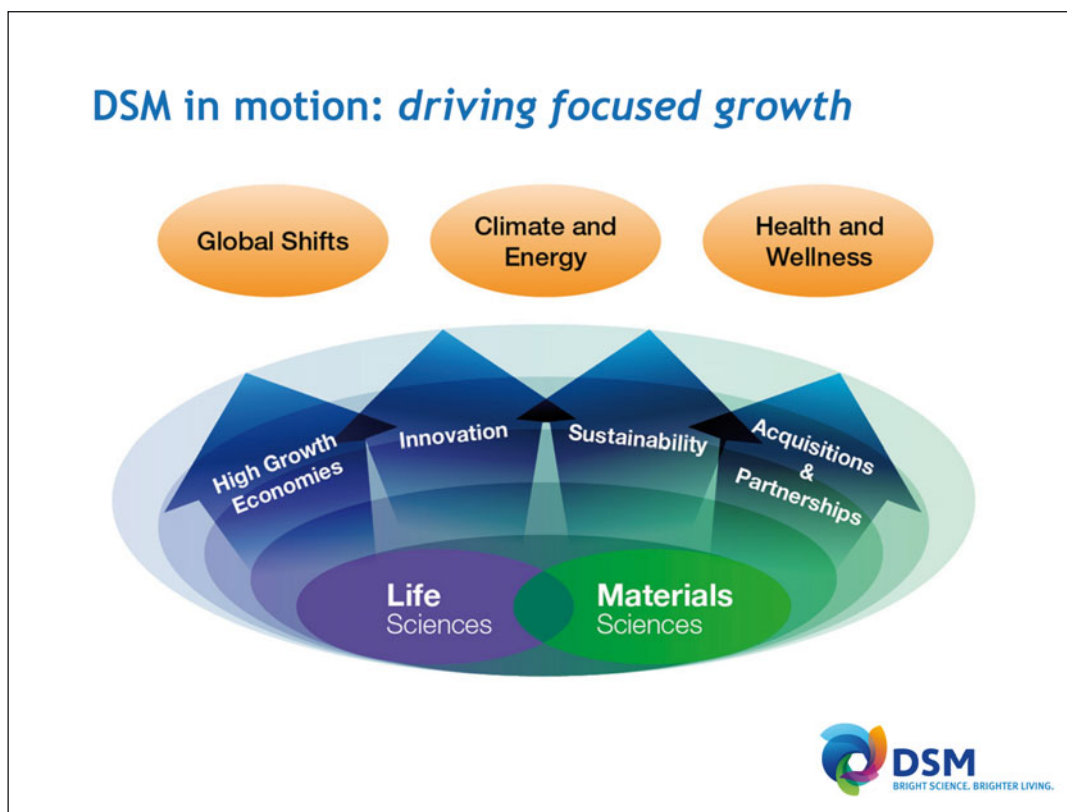


Bright Science. Brighter Living.™ - symbolizes :

- The strategy: portfolio transformation completed, entering a new era of growth: DSM, the Life Sciences and Materials Sciences Company
- The culture change program (adapting to our businesses)
- Our People, Planet, Profit approach;
Sustainability: value to business driver
- One DSM: the way we work together



- As the transformation of DSM into a Life Sciences and Materials Sciences company active in health, nutrition and materials is complete, a new corporate brand is a logical step. The new DSM brand demonstrates very clearly - to customers, suppliers, shareholders, the communities in which the company works as well as to DSM employees - that DSM has turned a page. The new brand is a symbol of the company's transition to 'the new DSM': a Life Sciences and Materials Sciences company addressing key global societal trends.
- The new brand is a reflection of the overall positioning - internal and external - of the company. It stands for the newly created DSM (the Life Sciences and Materials Sciences company) and the DSM culture (adapting to the new portfolio). In addition, it represents the values and the One DSM philosophy and fits with the mission to create brighter lives for people today and generations to come.



- DSM in motion: *driving focused growth* marks the shift from an era of intensive portfolio transformation to a strategy of maximizing sustainable and profitable growth of 'the new DSM'. The current businesses compose the new core of DSM in Life Sciences and Materials Sciences.
- The Emerging Business Areas (EBAs) provide strong, long-term growth platforms, which optimally combine the available competences in Life Sciences and Materials Sciences. DSM has formulated an ambitious growth perspective for the EBAs DSM Bio-based Products & Services, DSM Biomedical and DSM Advanced Surfaces. The focus on the EBA programs Personalized Nutrition and Specialty Packaging will be reduced and they will be partnered, exited or transferred to other parts of DSM.
- DSM's focus on Life Sciences (Nutrition and Pharma) and Materials Sciences (Performance Materials and Polymer Intermediates) is fueled by three societal trends: Global Shifts, Climate and Energy and Health and Wellness. The main underlying drivers of these trends are the world's population growth and increasing life expectancy on the one hand, and increasing economic prosperity and consumption in the high growth economies on the other. DSM aims to meet the unmet needs resulting from these societal trends with innovative and sustainable solutions.
- Regional organizations, functional excellence groups and shared services enhance the performance of the business groups which together create 'One DSM'. DSM will capture regional business opportunities and synergies and implement excellence throughout the global organization.
- It is DSM's ambition to fully leverage the unique opportunities in Life Sciences and Materials Sciences, using four growth drivers (High Growth Economies, Innovation, Sustainability and Acquisitions & Partnerships) and bringing all four drivers to the next level. At the same time DSM aims to make maximum use of the potential of all four growth drivers to mutually reinforce each other.
- The culture change program that is currently in progress (focusing on external orientation, accountability for performance and inspirational leadership) will be further anchored with an emphasis on collaboration and speed of execution to support this strategy. All this is based on sustainability as DSM's core value and its belief in diversity, including internationalization.

Driving focused growth, ambitious targets

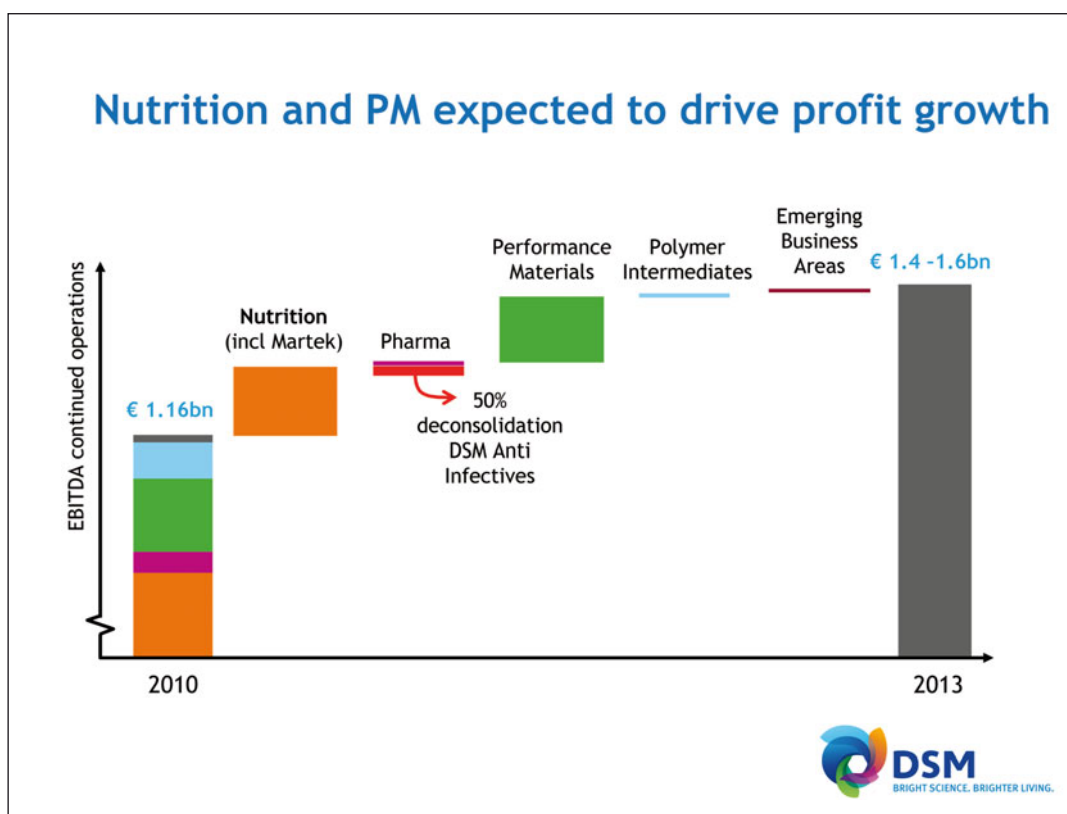
Profitability targets 2013	
EBITDA	€ 1.4 - 1.6bn
ROCE	> 15%

Sales targets 2015	
Organic sales growth	5% - 7% annually
China sales	from US\$ 1.5bn to > US\$ 3bn
High Growth Economies sales	from ~ 32% towards 50% of total sales
Innovation sales	from ~ 12% to 20% of total sales

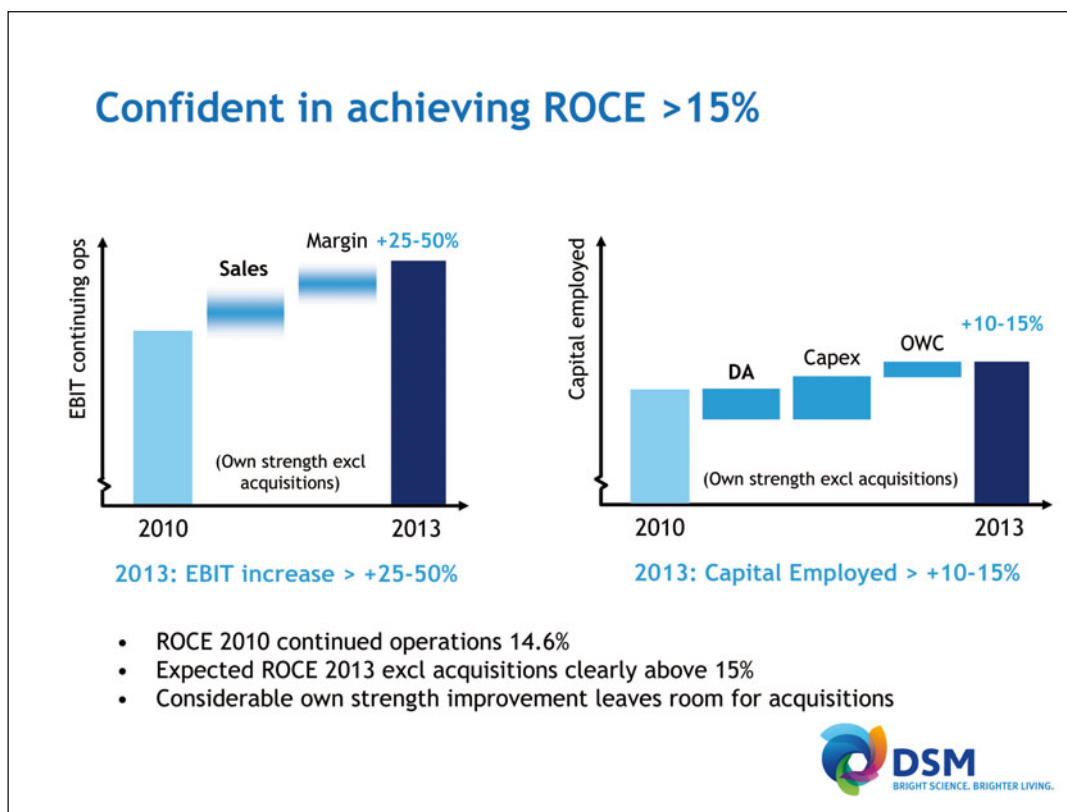
EBA aspiration 2020	
EBA sales	> € 1bn



- DSM has set itself ambitious targets for the next strategy period. With the transformation completed, DSM can now focus on, and accelerate, growth. The company has high aspirations, based on an assessment of the opportunities, particularly in high growth economies.
- For 2013 two profitability targets have been set: an increase in EBITDA to a level of € 1.4 - 1.6 billion and an increase in Return on Capital Employed (ROCE) to more than 15%.
- The following sales targets have been set for 2015. DSM aims for organic sales growth of 5%-7% per year, enhanced by acquisitions and partnerships. It strives to more than double its sales in China from USD 1.5 billion in 2010 to more than USD 3.0 billion in 2015. Towards 50% of DSM's total net sales should be in High Growth Economies by 2015.
- Innovation sales - which from now on will be measured as sales from innovative products and applications introduced in the last five years - are targeted to be approximately 20% of total net sales by 2015.
- For the period 2011 - 2015 capital expenditure can be expected which is comparable to that in the accelerated *Vision 2010* period (€ 500-550 million per year on average). For the total period, capital expenditure is expected to amount to € 2.5 - 2.7 billion, of which approximately USD 1 billion in China. In addition, DSM aspires to have working capital as a percentage of net sales below 19%.
- For the Emerging Business Areas (EBA) DSM aspires to achieve combined sales of more than € 1 billion for 2020.



- For 2013 two profitability targets have been set: an increase in EBITDA to a level of € 1.4 - 1.6 billion and an increase in Return on Capital Employed (ROCE) to more than 15% in 2013. The EBITDA and ROCE targets are a combination of organic growth of DSM's core businesses and acquisitions and partnerships, the main contribution being expected to come from the clusters Nutrition and Performance materials.
- EBITDA growth in Nutrition is expected to be realized through sales growth of 2% above GDP while maintaining an EBITDA margin of >20% towards 23%. Further sales and EBITDA growth will come from acquisitions and partnerships such as the recently announced acquisition of Martek Biosciences Corp.
- In the Performance Materials cluster EBITDA growth is expected through sales growth on a double GDP level on the one hand, and margin improvement towards >17% on the other. The margin improvement is expected to come from active margin management, the effect of operational gearing due to a recovery of the building and construction market, increasing sales of sustainable innovative products with higher average margins, and an above average growth in Dyneema®. Further sales and EBITDA growth will come from acquisitions and partnerships.
- The Pharma cluster focuses on increasing its EBITDA margin towards 15-20%. Key elements in achieving this EBITDA margin level are i) the world scale, low cost production plant for 6-APA, a key intermediate for anti-infectives which is expected to go on stream at the end of 2011 / beginning 2012; ii) the already announced 50/50 joint venture with Sinochem in anti-infectives; iii) improved asset utilization through new pipeline products in DPP, iv) and a partnership for DPP improving the value proposition towards a strategic supplier and extending the product portfolio to include generic products.
- The sales volume in the Polymer Intermediates cluster is expected to grow after 2013 through its capacity expansion in China by 200 kta in 2014. The EBITDA margin is expected to be maintained at 14% on average over the cycle through active margin management and solid operational performance.
- For the Emerging Business Areas a sales target of more than € 1 billion has been set for 2020.



- DSM uses the following definitions for ROCE and capital employed:
 - *Return on capital employed* (ROCE) - Operating profit as a percentage of average capital employed.
 - *Capital employed* - The total of the carrying amount of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, less trade payables and other current liabilities.

Clear sustainability aspirations support strategy

Sustainability aspirations 2011 - 2015	
Dow Jones Sustainability Index:	Top ranking ("Gold")
ECO+ (innovation pipeline):	at least 80% of pipeline is ECO+
ECO+ (running business):	from ~34% towards 50%
Energy efficiency:	20% improvement from 2008 till 2020
Greenhouse Gas emissions:	25% reduction from 2008 till 2020
Engagement Survey:	towards High Performance Norm
Diversity & People+:	to be updated in 2011



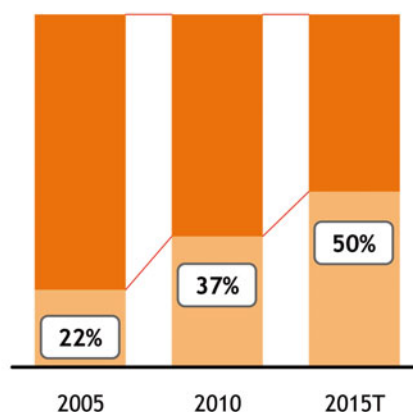
- As part of its new strategy, DSM in motion: *driving focused growth*, DSM has formulated the ambition to go to the next level in sustainability: *from responsibility to a business driver*.
 - Engagement Survey: towards High Performance Norm.
 - Further diversity and People aspirations will be updated in 2011.
- DSM's strategy is strongly connected to the company's mission to create brighter lives for people today and for generations to come. DSM believes sustainability will be a key differentiator and value driver over the coming decades and that the company is uniquely positioned to capture new value-creating opportunities.
- In the field of sustainability a number of ambitious aspirations have been set. For 2011 - 2015 the following value creating performance aspirations have been defined regarding sustainability:
 - Top ranking ('Gold') in the Dow Jones Sustainability Index.
 - Percentage of ECO+ products in the innovation pipeline should be at least 80%.
 - ECO+ products as percentage of running business should increase from about 34% towards 50%.
 - Energy efficiency improvement: 20% by 2020, compared to 2008.
 - Greenhouse-gas emissions: -25% (absolute) by 2020, compared to 2008.

Accelerating growth in High Growth Economies

From reaching out to becoming truly global

- Sales to high growth economies in 2010 was 37% of total sales
- Over 70% of DSM's growth in period to 2015 is expected to come from high growth economies
- Other recent Highlights
 - Partnerships to produce and sell Engineering Plastics in Russia
 - JV with Russian Tatenergo (Tatarstan) in feed premixes
 - Manufacturing collaborations for resins in Turkey and India

High Growth Economies sales %



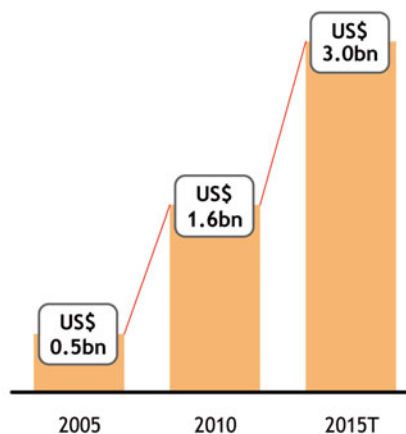
- In High Growth Economies, DSM's ambition is to go to the next level: from reaching out to being truly global.
- DSM has actively pursued growth opportunities in high growth economies across all businesses. In the past five years the share of sales from these economies has increased from 22% in 2005 to 37% in 2010. DSM has built a strong local presence in different regions in the last few years. A significant factor in DSM's *Vision 2010* was the fact that DSM exceeded the ambitious sales growth target of USD 1.5 billion in China (in 2007 this target was increased from USD 1.0 billion).
- DSM's ambition now is to broaden this approach and accelerate growth in multiple economies and regions. By 2015 DSM expects sales from high growth economies to grow towards 50% of its total net sales. Over 70% of DSM's growth in the period to 2015 is expected to come from high growth economies.
- The two joint ventures of DSM Engineering Plastics and KA relate to marketing and sales of engineering plastics in Russia and other members of the Commonwealth of Independent States (CIS) and secondly for the production of engineering plastics compounds in a plant located in Togliatti (Russia). The strategic cooperation between DSM and KA will also result in a license grant under DSM's proprietary cyclohexanone technology to be applied at KA's Togliatti caprolactam plant, resulting into a further increase of its capacity to meet the growing demand for this polyamide 6 intermediate.
- DSM has signed a joint venture agreement with Tatenergo JSC (Republic of Tatarstan) for the construction of an Animal Nutrition & Health premix plant in the Republic of Tatarstan. This is another step confirming DSM's commitment to expanding its worldwide presence in micronutrient premixes and business development in the Russian Federation.
- DSM Composite Resins and Kemrock Industries & Exports signed a Memorandum of Understanding to form a joint venture for manufacturing unsaturated polyester and vinyl ester specialty resins in India.
- DSM acquired the unsaturated polyester resins business of Dyo Boya Fabrikalari Sanayi ve Tic. A.S. (DYO) in Turkey. In addition both parties have signed a long-term tolling agreement to support local manufacturing of the DSM specialty unsaturated polyester resins portfolio for the Turkish markets.

Further step-up in China

Doubling China sales by 2015

- 2010 China sales is US \$ 1.6bn
- Above Vision 2010 target
- Other recent Highlights:
 - Partnership announced with Sinochem in anti-infectives
 - Premix network further enlarged
 - Cooperation in food & feed research with Fudan University
 - New research centers for engineering plastics and composites
 - New 200kt caprolactam facility announced with Sinopec
 - Acquisition in high performance fibers

Impressive growth China sales



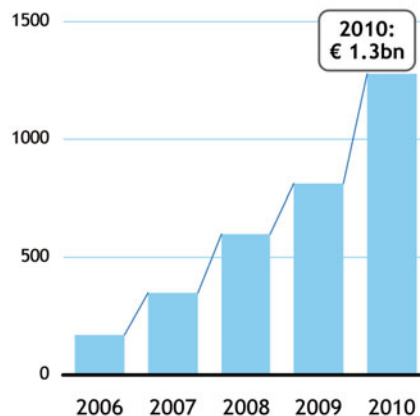
- In China, DSM has had a significant presence for a number of years. China is changing very rapidly, transforming from the world's manufacturing base into one of the world's leading economies with the highest growth rates and with innovation playing an increasing role. China has become one of the largest markets in the world, accompanied by an increasing demand for Life Sciences and Materials Sciences products.
- Economic prosperity and strong domestic demand, driven by a fast-rising income level, are expected to fuel economic growth for the coming decades. In 1998, DSM reported less than USD 100 million in sales in China. In 2005 sales had increased more than sixfold to over USD 600 million.
- Over the last few years DSM has been experiencing growth rates in China of around 20% per year on average. Sales in China in 2010 amounted to USD 1,631 million, a new record for the company. 2010 was 37% more than in 2009 in USD, and even 44% when calculated in Euros. DSM is proud that it exceeded the sales target of USD 1.5 billion that it had set for 2010. The target was increased from USD 1.0 billion in 2007.
- Some examples of the key business opportunities that the company has identified in China are:
 - Partnership announced with Sinochem. DSM is building a new 6-APA plant in China to strengthen its position in the fast-growing antibiotics market in the country.
 - Expansion of DSM Nutritional Product's premix network.
 - Announcement of renewal of 5-year cooperation agreement between DSM and Fudan University in maintaining, as well as further deepening, their long-term strategic cooperation in nutrition and health research.
 - Providing high-performance materials for the automotive, building & construction, electronics and packaging markets.
 - Building the second caprolactam production line in China, effectively doubling capacity by 2014 in the country.
- DSM announced in February 2011 an agreement to acquire the majority shareholding in Shandong ICD High Performance Fibre Co Ltd. ("ICD"), based in Laiwu, Shandong province, China.

Innovation

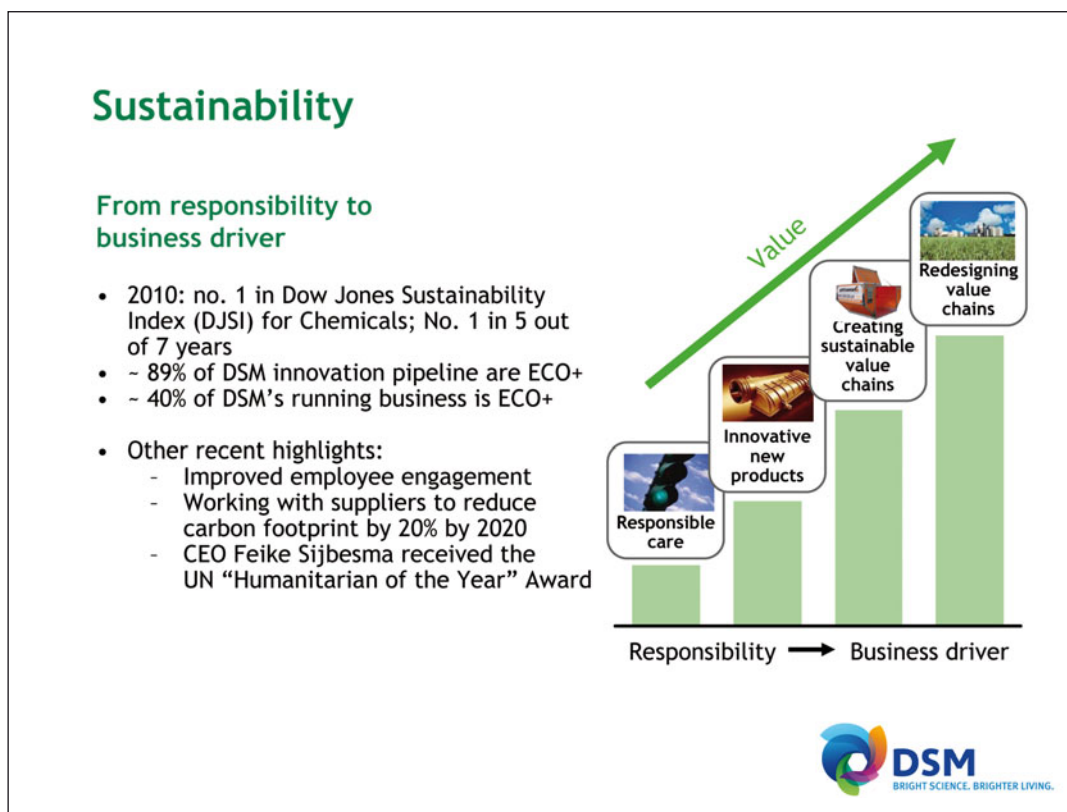
From building the machine to doubling the output

- € 1.3bn innovation sales (2010)
- € 1.0bn 2010 target exceeded despite strong headwinds
- 2015: innovation sales 20% of total sales (new definition)
- 2020: EBA sales >€ 1bn
- Other recent Highlights:
 - Continued high level of new launches (65 launches in 2010)
 - a.o. breakthroughs in 2nd generation biofuels, new ingredient for heart health, halogen free flame retardant materials
 - 244 patent applications filed

Total innovation sales (€m)



- In innovation, DSM's ambition is to go to the next level: from building the machine to doubling innovation output.
- DSM is proud to have clearly exceeded its Vision 2010 target of generating an additional € 1 billion in sales from innovation by 2010 compared to 2005. In 2010 innovation-driven sales were about € 1,280 million compared to about € 810 million in 2009.
- Furthermore, DSM has made a big step in improving innovation practices and culture in the company and has succeeded in considerably increasing the number of launches (from about 25 back in 2006 to a steady launch rate of approximately 60 per year now).
- The number of innovation launches in 2010 (65) remained at the high level achieved in 2009 (62). The large diversified portfolio of innovations yields a stable income profile, which will be complemented by a broad range of new launches that the company is currently developing. With its well-filled pipeline DSM is confident the innovation contribution will remain high after 2010.
- DSM has adopted a new innovation target definition which is more in line with other mainstream innovators in the industry: percentage of sales created by new products and applications introduced in the last five years, replacing the previous target of an absolute amount of additional sales through innovation.
- DSM aims to increase innovation sales from ~ 12% towards 20% of total sales by 2015. This target reflects DSM's aspiration to further boost innovative growth as well as portfolio renewal and the speed of innovation.
- In addition, the Emerging Business Area programs have resulted in strong, long-term growth platforms which optimally combine the available competences in Life Sciences and Materials Sciences. The EBAs should grow to a combined turnover of more than € 1 billion in 2020.



- In sustainability, DSM's ambition is to go to the next level: from responsibility to a business driver. DSM is consciously expanding its sustainability approach. From an internal value and a tool for making a responsible contribution to society, sustainability has become a strategic business driver.
- In 2010 DSM was once again ranked the global number one in sustainability in the chemical sector of the Dow Jones Sustainability Index. In 2004, 2005, 2006 and 2009 DSM had also been named the global number one in this sector and in 2007 and 2008 it ranked amongst the top leaders in the sector.
- Many DSM products and services help improve ecological performance by for example reducing CO₂ and other GHG emissions along the value chain. In 2010, ~ 89% of DSM's innovations pipeline and ~ 40% of DSM's running business were ECO+ solutions - products and services that, when considered over their whole life cycle, offer clear ecological benefits compared to the mainstream solutions they compete with.
- In 2010 DSM executed its third worldwide Employee Engagement Survey. The survey had an excellent response rate of 90%, which is one of the highest response rates compared to other companies. The results showed a 3 percentage point improvement in the level of engagement of employees (the percentage scoring favorable) compared to the second survey in 2009, which was already a significant improvement on the results of the 2007 survey. Taking all responses together, 71% scored favorably on the DSM Engagement Index and 19% scored a neutral response.
- Using 2010 as a reference, DSM is working with suppliers to reduce their carbon footprint by 20% by 2020. This has already resulted in a number of incremental improvements via more efficient synthetic routes, and there are also a number of radical improvements in the pipeline (suppliers moving from chemical routes to biorenewable synthesis and energy providers coming up with breakthroughs in the area of renewable energy).
- DSM CEO Feike Sijbesma received the prestigious 2010 Humanitarian of the Year Award from the United Nations Association of New York for his outstanding commitment to corporate social responsibility and in particular for DSM's partnership with the United Nations' World Food Programme (WFP).

Acquisitions and partnerships

From portfolio transformation to growth

- Partnership with Sinochem in anti-infectives
- DSM to acquire Martek and adding new growth platform

Other recent highlights:

- Acquisition of AGI: adding green winning UV resins
- Acquisition of Shandong ICD High Performance Fibre Co Ltd. in Fiber solutions
- 2 JVs and licensing deal with KuibyshevAzot: DSM moving in fast growing Russian market



- In Acquisitions & Partnerships, DSM's ambition is to go to the next level: from portfolio transformation to driving focused growth.
- The agreement with Sinochem Group to form a 50/50 global joint venture for the business group DSM Anti-Infectives is one of the first major milestones of DSM's new strategy.
- In December 2010 DSM announced the intended acquisition of Martek, a US based producer of high value products from microbial sources that promote health and wellness through nutrition. This transaction will be the first major acquisition by DSM after its successful transformation into a Life Sciences and Materials Sciences company.
- The intended acquisition of 51% in AGI Corporation (Taiwan) will allow DSM to not only strengthen its UV technology platform, an innovative and environmentally friendly technology, but also expand its position in high growth economies. It is therefore consistent with all four growth drivers.
- DSM announced in February 2011 an agreement to acquire the majority shareholding in Shandong ICD High Performance Fibre Co Ltd. ("ICD"), based in Laiwu, Shandong province, China. Closing of this transaction is expected in the course of 2011. The acquisition of the majority share in ICD will bring complementary manufacturing and technology assets to DSM in addition to strengthening DSM's presence in this key market.
- As announced in January 2011 DSM's strategic cooperation with Russia-based KuibyshevAzot OJSC will result in two joint ventures. In both of these, DSM Engineering Plastics will hold a majority share. In addition, KuibyshevAzot will be granted a license under DSM Fibre Intermediates' technology for the production of cyclohexanone.

DSM to acquire Martek Biosciences in Nutrition

Context

- PUFAs are clinically proven to have important human health benefits
- One of the largest, fastest growing health ingredients introduced in recent history
- Martek is a leader in this field with strong positions, especially in Infant Nutrition applications

Acquisition

- Positions DSM as a leader in PUFAs and in Infant Nutrition
- Greatly strengthens DSM's presence in the United States
- Expands DSM's technology platform in the field of algal fermentation

Growth

- Martek's growth globally will be accelerated by
 - DSM's global market reach, technology base and application skill capabilities
 - DSM's insights in food and beverage and dietary supplement markets
 - DSM's strength in industrial biotechnology and related applications

MARTEK
life enriched.™



- Polyunsaturated fatty acids (PUFAs), namely Omega 3-DHA and Omega 6-ARA, are an established health ingredient category and have gained increasing acceptance and credibility, though they are still in a relatively early stage of development. There is strong scientific evidence that PUFAs have a wide variety of health benefits including playing a key role in the development of brain function, the nervous system and cardiovascular health. Dominant applications are in infant formula and emerging applications in food & beverage, dietary supplements and feed.
- The PUFA category has attractive growth characteristics, having experienced high double digit growth over the past ten years. DSM fully expects double digit growth to continue in this category.
- Martek is the leader in microbial derived PUFAs, providing a sustainable and vegetarian source of products. It has two branded products: life'sDHA and life'sARA. Martek is the partner of choice for the key players in the infant formula business with long-standing contractual agreements, many of which have been recently renewed until 2014 to 2016.
- Martek has built an exciting pipeline of growth opportunities, based on their algal and other microbial-based biotechnology platform.
- The acquisition of Martek will add a major new growth platform to DSM's business and fits well with its emphasis on opportunities in natural and healthy ingredients. The acquisition is entirely consistent with DSM's growth strategy as a Life Sciences and Materials Sciences company.
- DSM has the ability to add significant value by leveraging its global market reach, technology base and application skill capabilities in order to build on Martek's strong position in infant formula. The acquisition will also help to accelerate the further growth in markets outside the US, as well as in non-infant formula markets, like food, feed and nutritional supplements.

EPS accretive from day one

Financial impact of acquisition

- DSM impact on a full year basis*
 - Additional sales € 270-290m
 - Additional EBITDA € 85-90m
- Expected restructuring costs € 25-30m in 2011
- EPS accretive by 15 to 20 euro cents per ordinary share



Expectations by 2015

- Double digit sales growth
- Stable to rising EBITDA margins
- The transaction is expected to close at the end of February 2011



* Based on FY 2010 Martek reporting



- On 8 December 2010, Martek announced its FY 2010 results (FY end 31 Oct):
 - Total sales growth - including the newly added Branded Consumer Health Products - was 32%. Excluding this, growth was around 15%.
 - Total Product Sales FY 2010: USD 435 million, total sales (incl. contract manufacturing): USD 450 million.
- The acquisition will have the following impact on DSM financials (based on the FY 2010 reporting of Martek):
 - The additional net sales for DSM on a full year basis are estimated to be € 270 - 290 million, due to the sales by DSM Food Specialties to Martek.
 - Normalized EBITDA is estimated to be between € 85-90 million.
- The expected restructuring costs for 2011 are expected to be between € 25-30 million.
- The transaction will be EPS accretive from the start, given the highly attractive profitability of Martek. DSM anticipates that the acquisition of Martek will add 15 to 20 euro cents to earnings per share on a full year basis.
- The transaction will be entirely funded from DSM's available cash and DSM is comfortable that this fits nicely within the bands the company established with the rating agencies. Standard & Poor's recently upgraded DSM to A 'flat' and Moody's rates DSM as A3, both with a stable outlook.
- Martek's sales growth after acquisition is expected to be at the double digit level with stable to rising margins.

DAI Partnership enables strong growth in China

Context

- Demand and supply moving to Asia and high growth economies
- DSM strongest global player (market and technology position)
- DAI partnership in Asia/China key for further development

JV

- Sinochem excellent JV partner in context of DAI strategy
- JV will enable accelerated growth in high growth economies



SINOCHEM GROUP

Growth

- Global 50/50 joint venture with Sinochem
 - Strategic focus of JV fully in line with DSM strategy
 - Strengthening position β -lactam anti-infectives business, especially in China
 - Forward integration into finished dosage in selected markets
 - 50 % Participation by Sinochem for € 210m



- World demand for - and production of - anti-infectives is moving rapidly towards Asia and other high growth economies. Global demand growth for beta-lactam antibiotics is expected to accelerate from 2010 onwards driven by increased demand in the high growth economies, of which China and the rest of Asia are key components.
- DSM is the global market leader in beta-lactams, the largest class of anti-infectives, with a broad global footprint and market-leading technology.
- Until today, DSM was underrepresented in China, given the size of the market opportunity there and the size of DSM's current international capabilities. This joint venture will bring DSM a big step closer to realizing this opportunity.
- Sinochem is one of China's biggest central-state owned enterprises, and is committed to growing generic pharmaceutical sales with DSM by utilizing its vast pharma distribution infrastructure in China, the rest of Asia and across the world. Sinochem has a proven and impressive track record of growing business in Asia, and DSM is delighted to have them as its partner.
- Inline with its strategy 'DSM in motion: *driving focused growth*', this partnership will benefit from the strengths of both Sinochem and DSM and will allow DSM to grasp market opportunities in China and other high growth economies, in addition to securing European and American access to high quality products. Furthermore, this partnership will accelerate DSM's process of forward integration into dossiers and finished dosage in selected markets.
- As part of the joint venture agreement, Sinochem Group will take a 50% equity interest in DSM Anti-Infectives for a total cash consideration of € 210 million on a cash and debt free basis.

Value creation now and tomorrow

Financial impact of JV

- 50% Participation by Sinochem for € 210m
- Transaction will have retro-active effect from 1 January 2011

Expectations by 2015

- DAI to increase its sales to > € 600m
- EBITDA margin >15%

Accounting effects

- proportionate consolidation by DSM for 50%

Closing is expected in Q2 2011 following customary approvals and notifications



- The Sinochem Group will take a 50% equity interest in DSM Anti-Infectives for a total cash consideration of € 210 million on a cash and debtfree basis.
- The closing of the transaction is expected in the second quarter of 2011 following customary approvals and notifications. The transaction will be retro-actively effective from the start of 2011.
- DSM is very excited about this partnership, and expects DAI sales to increase by 2015 to over € 600 million, generating EBITDA margins in excess of 15%.

Acquiring green, winning UV curable resins

- Positions DSM as No.1 global leader in sustainable & innovative resins for paint and inks
 - UV winning technology
 - Highest market growth, highly innovative,
 - Solvent free systems, environmental friendly
- AGI Corporation
 - Strong Asian player (sales 2009 NTD 3,561m, ~ € 90m)
 - DSM intends to acquire 51%
- Expectations by 2015
 - High single digit sales growth
 - Increasing margins from 2010 level
 - Substantial synergies in Sales and R&D



- DSM announced that it intends to acquire a 51% stake in AGI Corporation of Taiwan (AGI) through a subscription for newly to be issued shares combined with a public tender offer, subject to AGI corporate approvals and to regulatory and other customary conditions, approvals and notifications.
 - AGI offers a broad range of environmentally friendly UV (ultraviolet) curable resins and other products. These products are used in coatings for paper, wood, plastic and graphic arts applications. AGI reported net sales in 2009 of NTD 3,561 million (approximately € 90 million). AGI is listed on the emerging companies board of the GreTai Securities Market in Taipei. This intended transaction is consistent with DSM's strategic focus on high growth economies, sustainability, innovation and partnerships.
 - The intended acquisition will be for a 51% stake for about € 48 million and will consist of a mix of newly to be issued shares and purchases from existing shareholders by way of a public tender offer, as further described below.
 - The acquisition of 51% of AGI will allow DSM Resins to strengthen its UV technology platform. UV curing is environmentally friendly and the winning technology for the future. UV paint and ink systems have a low eco-footprint in combination with low total operational costs.
- Therefore the acquisition will enhance the innovative and sustainable character of DSM's portfolio. This expansion in UV paint and ink system markets will allow DSM Resins to realize its ambition to become the global leader in sustainable and innovative resins, the key ingredients of paints and inks.
- It is currently anticipated that the public tender offer will be launched through a wholly-owned DSM subsidiary towards the end of Q1 2011 following AGI corporate approvals for the private placement of new shares. The tender offer and the private placement are mutually conditional upon each other. The overall transaction is subject to customary conditions precedent, including receipt of all required approvals and consents and no material adverse change having occurred. DSM intends to apply for regulatory approvals in Taiwan and other relevant jurisdictions shortly following this announcement.
 - A group of shareholders who together own approximately 16.4% of the current outstanding AGI shares have entered into agreements under which they have agreed to tender their shares to DSM. The intended transaction is expected to close in Q2 of 2011. However, the transaction process may be terminated if not all of the above approvals and consents are obtained, and conditions met, within six months.

Acquiring high performance fibers in China

- Strategic step underlines DSM's commitment to its strategic objectives in China
- Business with strong potential and a proven track record of success
- Shandong ICD High Performance Fibre Co Ltd.
 - A leading player in the Chinese high performance fiber market
 - Complementary manufacturing and technology assets
 - Local production facilities
- Expectations by 2015
 - Double digit sales growth
 - EBITDA margin clearly above the cluster target



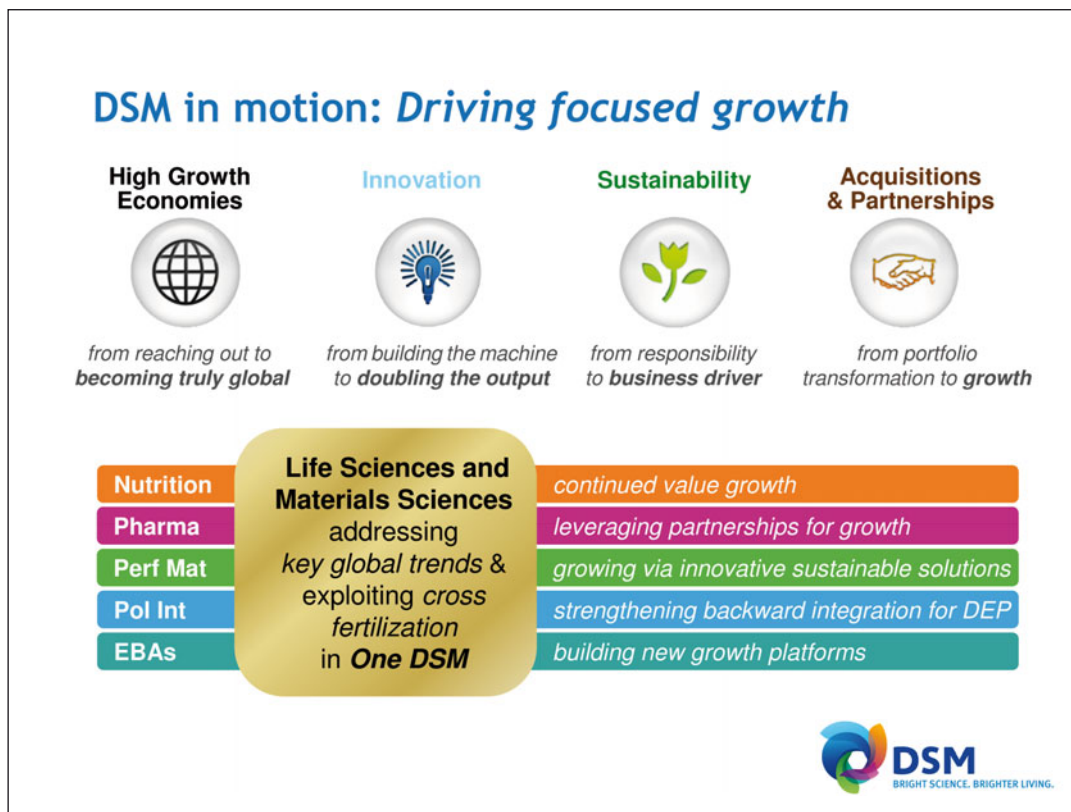
- DSM has announced in February 2011 that it has signed an agreement to acquire the majority shareholding in Shandong ICD High Performance Fibre Co Ltd. ("ICD"), based in Laiwu, Shandong province, China. Closing of this transaction is expected in the course of 2011.
- The acquisition of the majority share in ICD will bring complementary manufacturing and technology assets to DSM in addition to strengthening the company's presence in this key market. The agreement with ICD, a manufacturer of UHMWPE (ultra high molecular weight polyethylene) fiber and a potential strong player in the Chinese market for high performance fibers, concludes an extensive selection process by DSM to find the right company in the Chinese market.
- This strategic step underlines DSM's commitment to its sales growth and strategic objectives in China and reflects its policy of acquiring businesses with strong potential and a proven track record of success. The acquisition of the majority share in ICD also fits in DSM's corporate strategy DSM in motion: driving focused growth with expansion in High Growth Economies as one of the growth drivers.
- For DSM, the acquisition of a majority share in ICD represents a key milestone in the global development of its high performance materials business, DSM Dyneema. The parties have agreed not to disclose the financial terms of this transaction.

DSM moving in fast growing Russian market

- DSM first Western Engineering Plastics supplier with own compounding facilities in Russia
- Two JVs of DSM with KuibyshevAzot
 - 80% share in compounding plant
 - 51% share in Marketing & Sales JV focused on Russia and CIS
- Licensing deal for cyclohexanone
 - 15 year royalty income
 - Drawing rights in PA6 (or precursor)
- JVs enable DSM to capture opportunities in fast growing Russia (Double digit market growth)



- DSM and KuibyshevAzot OJSC (KA) announced in January 2011 a strategic cooperation. As a result of this strategic cooperation, DSM Engineering Plastics will enter into two joint ventures with KA. In both joint ventures DSM Engineering Plastics will hold a majority share. In addition, KA will be granted a license under DSM Fibre Intermediates' technology for the production of cyclohexanone.
- The two joint ventures of DSM Engineering Plastics and KA relate to marketing and sales of engineering plastics in Russia and other members of the Commonwealth of Independent States (CIS) and secondly for the production of engineering plastics compounds in a plant located in Togliatti (Russia). The strategic cooperation between DSM and KA will also result in a license grant under DSM's proprietary cyclohexanone technology to be applied at KA's Togliatti caprolactam plant, resulting into a further increase of its capacity to meet the growing demand for this polyamide 6 intermediate.
- DSM is excited to be able to partner with KA, one of Russia's leading companies in the intermediates industry. Russia is an increasingly important market for engineering plastics and it is expected that the market for PA6 will double in the next five years. With its partnership with KA, DSM expects that DSM Engineering Plastics will be in an excellent position to capitalize on this anticipated growth.
- DSM Engineering Plastics and KA are joining forces in a marketing and sales joint venture to better capture opportunities in the growing market for engineering plastics in Russia and other countries in the region. The joint venture will concentrate on polyamide 6 (PA6), both compounds and high viscosity applications including film. DSM Engineering Plastics will hold a 51% stake in the joint venture.
- DSM Engineering Plastics also intends to acquire 80% in the engineering plastics compounding plant located on KA's manufacturing site in Togliatti. As such, DSM will be the first western PA6 supplier with its own manufacturing presence in Russia and the CIS. Financial details and capacity of the plant will not be disclosed.
- As a result of the license agreement between DSM and KA, DSM will realize royalty income over 15 years. DSM Fibre Intermediates will also participate via drawing rights in part of the increased production capacity of KA.
- DSM has proprietary world-class cyclohexanone and caprolactam technologies with multiple licensees worldwide.
- The establishment of the joint ventures and related agreements is subject to regulatory approval. Closing of the intended acquisition of the compounding plant is expected in Q1 2011.



- DSM has transformed itself into a Life Sciences and Materials Sciences company, exploiting the cross-fertilization between these two areas. DSM addresses the key global trends (global shifts, climate and energy and health and wellness) with innovative solutions for global markets. This will be supported by leveraging and developing the company's competences and organization to realize the company's ambitious goals as 'One DSM'.
- It is DSM's ambition to bring all four growth drivers to the next level. At the same time DSM aims to make maximum use of the potential of all four growth drivers to mutually reinforce each other.
 - High Growth Economies: from reaching out to becoming truly global
 - Innovation: from building the machine to doubling the output
 - Sustainability: from responsibility to business driver
 - Acquisitions & Partnerships: from portfolio transformation to growth
- For each cluster a clear strategy has been defined:
 - Nutrition: continued value growth
 - Pharma: leveraging partnerships for growth
 - Performance Materials: growing via innovative sustainable solutions
 - Polymer Intermediates: strengthening backward integration for DSM Engineering Plastics
 - EBAs: building new growth platforms
- DSM will use the regions, functional excellence groups and shared services, creating 'One DSM' to capture regional business opportunities and synergies and to implement excellence throughout the global organization.
- In short: DSM's strategy is about driving focused growth with ambitious targets.



Overview

- Operational performance Q4 2010
- Strategy *Vision 2010* successfully completed
- DSM in motion: *driving focused growth*
- Outlook 2011



DSM
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Outlook

- Nutrition is expected to achieve sustained good performance
- Business conditions are expected to be similar to 2010 for Pharma
- Performance Materials is expected to benefit significantly from continued global growth
- Polymer Intermediates is expected to continue its excellent performance
- Dutch pension plan changed into a defined contribution plan (accounting effect of - € 33 million on EBITDA)
- The tax rate considerably lower -21% - including Martek
- 2011 is expected to be another strong year for DSM towards achieving the 2013 targets



- The consensus economic outlook for 2011 is positive. High growth economies, in particular China, are continuing to drive global growth, whilst the US and Western European economies are expected to continue their gradual recovery. It is therefore anticipated that the end-markets that are relevant for DSM will show continued growth.
- Inflation, however, is expected to increase during the year, resulting in higher prices for energy and certain raw materials compared to 2010 as is already seen today. DSM will actively seek to offset these through price increases. Currency exchange rates are expected to remain volatile in 2011; especially the current rate of the Swiss franc is unfavorable for the Nutrition cluster.
- The Nutrition cluster is expected to achieve sustained good performance. The Nutrition cluster's results are expected to be positively impacted by the acquisition of Martek. The focus within the Pharma cluster will be on the strategy execution such as the announced anti-infectives joint venture with Sinochem. Business conditions are expected to be similar to 2010.
- The Performance Materials cluster is expected to benefit significantly from continued global growth in the relevant end-markets such as automotive, electronics and packaging. There are early signs of recovery in the building and construction markets for the second half of the year. Polymer Intermediates is expected to continue its excellent performance in 2011 in view of very favorable trading conditions.
- In connection with the new collective labor agreement in the Netherlands the Dutch pension plan was changed from a defined benefit plan into a defined contribution plan with a fixed premium. In this new scheme the financial risks related to the pension plan will be borne by the pension fund and its (former) participants. DSM's cash contribution to the pension plan will be similar to the contribution in 2010. The change will, however, have a negative accounting effect (non-cash) of € 33 million on operating profit from 2011 onward compared to 2010.
- The tax rate for continuing operations excluding exceptional items is expected to be considerably lower going forward at a level of about 21% - even including US-based Martek - compared to 24% for 2010. This is mainly caused by a different geographic spread of results after the divestments and acquisitions, but also due to the application of preferential tax regimes.
- Based on the above, 2011 is expected to be another strong year. This gives DSM confidence that it will meet the 2013 EBITDA target of € 1.4 to 1.6 billion, with ROCE expected to exceed 15%.

Conclusion

- DSM reports strong 2010 results, record EBIT for new portfolio
- Transformation *Vision 2010* successfully completed
- Dividend increase of 12.5% to € 1.35 proposed

- DSM in motion: *driving focused growth*
Started to build additional strong growth platforms for next phase
 - Intended acquisition of Martek Biosciences in Nutrition
 - Announced JV with Sinochem in Anti-Infectives

- 2011 is expected to be another strong year for DSM
- Tax rate considerably lower ~21% - including Martek
- Confident about reaching DSM's profitability targets by 2013
 - EBITDA of €1.4 - 1.6 billion
 - ROCE >15%



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DISCLAIMER

This document 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.

Examples of forward-looking statements include statements made or implied about the company's strategy, estimates of sales growth, financial results, cost savings and future developments in its existing business as well as the impact of future acquisitions, and the company's financial position. These statements can be management estimates based on information provided by specialized agencies or advisors.

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 the company's actual performance and position to differ materially from these statements.

These factors include, but are not limited to, macro-economic, market and business trends and conditions, (low-cost) competition, legal claims, the ability to protect intellectual property, changes in legislation, changes in exchange and interest rates, changes in tax rates, pension costs, raw material and energy prices, employee costs, the implementation of the company's strategy, the company's ability to identify and complete acquisitions and to successfully integrate acquired companies, the company's ability to realize planned disposals, savings, restructuring or benefits, the company's ability to identify, develop and successfully commercialize new products, markets or technologies, economic and/or political changes and other developments in countries and markets in which DSM operates.

As a result, DSM's actual future performance, position and/or financial results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

DSM has no obligation to update the statements contained in this document, 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, a copy of which can be found on the company's corporate website, www.dsm.com

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Information about ordinary DSM shares

DSM ordinary shares (ISIN code NL0000009827, fondscode 00982) are listed on the stock exchanges of Amsterdam. Options on DSM shares are traded on the European Option Exchange in Amsterdam. In the USA a sponsored unlisted American Depositary Receipts program is being run via Citibank NA (Cusip 780249108); four ADRs represent one ordinary DSM share.

per ordinary share in €	2010	2009	2008	2007	2006
net profit before exceptional items	3.27	1.44	3.64	3.07	2.85
net profit	3.03	2.01	3.45	2.35	2.83
cash flow	5.62	6.05	6.20	5.56	5.21
shareholders' equity	31.52	28.92	27.12	30.42	30.03
dividend:	1.35 ¹	1.20	1.20	1.20	1.00
- interim dividend	0.40	0.40	0.40	0.33	0.33
- final dividend	0.95	0.80	0.80	0.87	0.67
pay-out including dividend on cumulative preference shares as % of net profit before exceptional items	38%	84%	36%	35%	38%
dividend yield (dividend as % of average price of an ordinary DSM share)	3.8%	4.8%	3.9%	3.3%	2.9%
share prices on Euronext Amsterdam:					
- highest price	42.85	34.84	41.27	39.87	39.70
- lowest price	30.43	16.93	15.76	31.63	28.58
- at 31 December	42.61	34.46	18.33	32.33	37.43
number of ordinary shares outstanding: (x 1,000)					
- at 31 December	166,468	163,037	162,227	166,897	184,850
- average	164,047	162,364	164,196	178,541	189,550
daily trading volumes on Euronext Amsterdam:					
- average	995	1,270	1,783	1,590	1,301
- lowest	85	75	152	94	267
- highest	3,629	4,376	5,894	11,347	5,268

Footnote:

¹ Subject to approval by the Annual General Meeting of Shareholders

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