

Press Release

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DSM, Corporate Communications
e-mail : media.contacts@dsm.com
www.dsm.com

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DSM reports 2014 results

- 2014 sales of €9,181 million
- Organic sales growth 5% in Q4 2014 and 3% for 2014
- Q4 2014 EBITDA €288 million and 2014 EBITDA €1,168 million
- Strong cash from operating activities of €418 million in Q4 2014 (€808 million in 2014)
- Non-cash impairment of €186 million of the caprolactam business (after tax and non-controlling interests) included in exceptional items, leading to a net loss in Q4 2014
- Proposed dividend stable at €1.65 per ordinary share
- DSM will take further actions to improve efficiencies and to reduce costs
- DSM aims to deliver 2015 EBITDA slightly ahead of 2014

Royal DSM, the Life Sciences and Materials Sciences company, today reported its unaudited results for 2014. DSM reported sales of €9,181 million, a 4% increase versus 2013. In line with market expectations, DSM reported EBITDA of €1,168 million compared to €1,261 million in 2013. The fourth quarter 2014 EBITDA was €288 million compared to €297 million in Q4 2013.

Commenting on the results, Feike Sijbesma, CEO/Chairman of the DSM Managing Board, said:
“DSM generated 3% organic growth and delivered a relatively solid EBITDA with good cash flow from operating activities, amongst others due to improved operating working capital management. This was achieved despite the fact that 2014 was not an easy year for DSM with substantial negative exchange rate effects and tough market conditions in Nutrition and caprolactam.

DSM is already taking steps to address the challenging external environment. We will continue to focus on operational performance and this will be complemented by accelerated actions to improve efficiencies and reduce costs, specifically in Nutrition and across all functions in the company. For 2015, DSM aims to deliver an EBITDA slightly ahead of the result of 2014.”

Sales and EBITDA refer to continuing operations.

Key figures

fourth quarter				exch.			
2014	2013	+/-	in € million	volume	price/mix	rates	other
<u>Net sales</u>							
1,124	1,039	8%	Nutrition	3%	1%	3%	1%
699	655	7%	Performance Materials	4%	-1%	3%	1%
465	393	18%	Polymer Intermediates	25%	-11%	4%	0%
42	39	8%	Innovation Center	3%	-3%	8%	0%
44	49		Corporate Activities				
2,374	2,175	9%	Total continuing operations	7%	-2%	4%	0%
0	159		Discontinued operations				
full year				exch.			
2014	2013	+/-	in € million	volume	price/mix	rates	other
<u>Net sales</u>							
4,335	4,205	3%	Nutrition	3%	-1%	-1%	2%
2,792	2,729	2%	Performance Materials	4%	-2%	-1%	1%
1,727	1,579	9%	Polymer Intermediates	16%	-7%	0%	0%
154	150	3%	Innovation Center	4%	-1%	0%	0%
173	195		Corporate Activities				
9,181	8,858	4%	Total continuing operations	5%	-2%	0%	1%
102	571		Discontinued operations				

In this report:

- 'Organic sales growth' is the total impact of volume and price/mix;
- 'Discontinued operations' comprises net sales and operating profit (before depreciation and amortization) of DSM Pharmaceutical Products up to and including 10 March 2014;

Key figures

fourth quarter			in € million	full year		
2014	2013	+/-		2014	2013	+/-
EBITDA						
200	208	-4%	Nutrition	850	914	-7%
87	77	13%	Performance Materials	343	319	8%
23	30	-23%	Polymer Intermediates	83	113	-27%
-3	-3		Innovation Center	-18	-9	
-19	-15		Corporate Activities	-90	-76	
288	297	-3%	Total continuing operations	1,168	1,261	-7%
0	19		Discontinued operations	-2	51	
112	118	-5%	Core net profit, continuing operations	492	549	-10%
Net profit before exceptional items,						
89	101	-12%	continuing operations	419	497	-16%
-107	-77		Net profit after exceptional items, total DSM	145	271	-46%
0.65	0.68	-4%	Core EPS (€/share)	2.85	3.19	-11%
Net EPS before exceptional items,						
0.52	0.57	-9%	continuing operations (€/share)	2.42	2.84	-15%
-0.63	-0.46		Net EPS after exceptional items, total DSM (€/share)	0.78	1.52	-49%
418	476		Cash flow from operations	808	998	
241	204		Capital expenditures (cash, net of customer funding)	628	629	
Net debt				2,420	1,841	

In this report:

- 'Core net profit' is the net profit from continuing operations before exceptional items and before acquisition related (intangible) asset amortization;
- From 2014 onwards interest receipts and payments are no longer included in operating activities in the cash flow statement but reported in investing activities (interest received) and financing activities (interest paid). 2013 figures are restated accordingly;
- All 2013 figures are restated for the impact of the termination of proportional consolidation for joint ventures as from 1 January 2014 onward.

Review by cluster

Nutrition

fourth quarter			full year		
2014	2013	yoy	2014	2013	yoy
1,124	1,039	8%	4,335	4,205	3%
		Net sales			
		of which:			
		3% - volume growth			3%
		1% - price/mix effect			-1%
		3% - fx impact			-1%
		1% - other			2%
200	208	-4%	850	914	-7%
17.8%	20.0%	EBITDA	19.6%	21.7%	
		EBITDA margin			
125	142	-12%	596	680	-12%
		EBIT			
		Capital employed	5,034	4,496	

Organic sales growth in Q4 was 4% compared to Q4 2013 driven by 3% volume growth and 1% price/mix effect. Organic sales growth in Animal Nutrition & Health (ANH) was 10% and Human Nutrition & Health (HNH) was down by 3%.

EBITDA for Q4 was €200 million, down 4% compared to Q4 2013. Actions to reduce inventories positively impacted cash flow but negatively impacted EBITDA. Mix effects of higher sales in ANH and lower sales in HNH negatively impacted the EBITDA-margin, as the latter has, on average, somewhat higher EBITDA margins. The manufacturing performance of DSM Food Specialties also had a negative impact on EBITDA. The strengthening of the US dollar started to contribute positively during the quarter partly offset by movements in other currencies.

In Q4 DSM has made solid progress with the initiatives that address the challenging external environment. In Animal Nutrition & Health DSM decisively held its vitamin E market share in a growing market and it is reducing its costs, differentiating its offerings and supporting market expansion. In Human Nutrition & Health DSM is working on market expansion by promoting multivitamin and omega-3-based dietary supplements and implementing strategies to further penetrate the value chain in these markets. In addition, Nutrition is accelerating measures to improve operational efficiencies.

Animal Nutrition & Health net sales were €572 million in Q4 2014, up €60 million compared to Q4 2013. Sales volumes showed 7% growth with strong performance in almost all active ingredients and premix businesses. Tortuga continued to develop well and had a strong quarter.

Prices were up 3% due to higher prices for several vitamins and other active ingredients, partly offset by lower vitamin E prices.

Human Nutrition & Health net sales were €394 million in Q4 2014, slightly above Q4 2013 (€386 million) driven by a 5% positive currency development, mainly due to the stronger US dollar. Organic sales development was -3% compared to Q4 2013 owing to 1% lower volumes and 2% lower price/mix.

Sales continued to be impacted by ongoing weakness in both multivitamin and fish oil-based omega-3 markets for dietary supplements in the US. The momentum for these dietary supplements outside the US continued to be positive. DSM's consumer business i-Health again showed strong growth.

Sales in infant nutrition normalized during Q4 2014 after the destocking in previous quarters, albeit at lower growth rates compared to historic averages. DSM is uniquely positioned in this attractive end-market with its strong IP portfolio and the long-term supply agreements with major infant nutrition customers.

Western food & beverage markets remained sluggish; low consumer spending continued to weigh on the growth in various end-markets. Food and beverage sales in Asia continued to develop well.

Growth in premixes stayed healthy in all segments as customers value the innovation, quality, global footprint, and service responsiveness offered by DSM.

DSM Food Specialties continued its strong performance in enzymes. Manufacturing performance in Savoury Ingredients and cultures negatively impacted the EBITDA.

Full year organic growth for the Nutrition cluster was 2% with 3% higher volumes driven by healthy growth in Animal Nutrition & Health, partly offset by weakness in Human Nutrition & Health. Prices were down 1% versus 2013, particularly due to lower vitamin E prices.

Full year EBITDA of the cluster declined 7% in 2014, despite strong volume growth in Animal Nutrition & Health. The decline was due to the impact of negative currency effects, lower volumes in Human Nutrition & Health and lower vitamin E prices.

Performance Materials

fourth quarter			full year		
2014	2013	yoy In € million	2014	2013	yoy
699	655	7% Net sales	2,792	2,729	2%
		of which:			
		4% - volume growth			4%
		-1% - price/mix effect			-2%
		3% - fx impact			-1%
		1% - other			1%
87	77	13% EBITDA	343	319	8%
12.4%	11.8%	EBITDA margin	12.3%	11.7%	
40	39	3% EBIT	193	180	7%
		Capital employed	1,928	1,902	

Organic sales growth in Q4 amounted to 3% compared to Q4 2013 driven by 4% volume growth and slightly lower price/mix. Overall sales benefited from positive currency effects of 3%. DSM Engineering Plastics showed good volume growth driven by compounds and high performance plastics. Sales in DSM Dyneema showed strong growth driven by higher volumes. In DSM Resins and Functional Materials higher volumes were offset by lower prices reflecting lower raw materials costs.

EBITDA in Performance Materials for the quarter was up 13% compared to Q4 2013, largely driven by good volume growth, cost control and better efficiencies, resulting in improved margins. All three businesses contributed to this growth, with particular strong performance in DSM Dyneema.

Full year organic sales growth was 2%, with 4% higher volumes and 2% lower prices predominantly driven by lower raw materials costs.

Full year EBITDA was up 8% compared to 2013. All three business groups contributed to this growth, mainly due to higher volumes and continued cost control.

Polymer Intermediates

fourth quarter			full year		
2014	2013	yoy In € million	2014	2013	yoy
465	393	18% Net sales	1,727	1,579	9%
		of which:			
		25% - volume growth			16%
		-11% - price/mix effect			-7%
		4% - fx impact			0%
		0% - other			0%
23	30	-23% EBITDA	83	113	-27%
4.9%	7.6%	EBITDA margin	4.8%	7.2%	
6	16	-63% EBIT	24	71	-66%
		Capital employed	419	570	

Organic sales growth in Q4 2014 was 14% compared to Q4 2013 with higher sales volumes and lower prices. Sales benefited from positive currency effects of 4%.

EBITDA for the quarter declined compared to the same period last year as higher sales were more than off-set by inventory adjustments and somewhat lower license income.

Full year organic sales growth was 9% compared to 2013 due to the increased caprolactam sales from the second line in China, partly offset by lower caprolactam prices.

Full year EBITDA decreased compared to 2013 given lower caprolactam margins and lower license income, despite higher volumes and lower costs.

Innovation Center

fourth quarter			full year		
2014	2013	yoy <i>In € million</i>	2014	2013	yoy
42	39	8% Net sales	154	150	3%
		of which:			
		3% - volume growth			4%
		-3% - price/mix effect			-1%
		8% - fx impact			0%
		0% - other			0%
-3	-3	EBITDA	-18	-9	
-9	-11	EBIT	-45	-43	
		Capital employed	523	469	

Net sales in Q4 2014 were 8% above Q4 2013 due to DSM Biomedical benefiting from strong dollar-related sales.

EBITDA in Q4 2014 was flat compared to Q4 2013. Full year 2014 EBITDA declined due to intensified innovation programs. DSM Biomedical performed well. DSM Advanced Surfaces made good progress. The main focus of DSM Bio-based Products & Services was on starting-up the POET-DSM plant in Iowa.

Corporate Activities

fourth quarter			full year	
2014	2013	<i>In € million</i>	2014	2013
44	49	Net sales	173	195
-19	-15	EBITDA	-90	-76
-37	-29	EBIT	-149	-127

EBITDA in Q4 2014 of -€19 million was below the same period in previous year which was positively impacted by some incidentals. EBITDA for the full year 2014 was below 2013 due to the impact of a fire at an intermediates plant at DSM Nutritional Products in Sisseln (Switzerland) on the result of DSM's captive insurance company (in Q2 2014).

Pharma activities and other associates

Q4 2014 sales of joint control entities amounted to €103 million on a 100% basis (Q4 2013: €99 million) of which €94 million from DSM Sinochem Pharmaceuticals (Q4 2013: €90 million).

Total 2014 sales of joint control entities amounted to €432 million on a 100% basis (2013: €406 million) of which €399 million from DSM Sinochem Pharmaceuticals (2013: €368 million). DSM Sinochem Pharmaceuticals' performance was supported by solid growth and operational improvements at its Yushu (China) intermediates plant.

DPx Holdings (49% DSM) realized total sales (100%) of €383 million from August up to and including October 2014 (end of DPx fiscal year) with good margins. EBITDA margin in this quarter, before exceptional items, amounted to 21.5%.

Sales (100%) for the period from the closing on 11 March 2014 until 31 October 2014 amounted to €984 million. The integration of the businesses contributed to DPx by JLL Partners and DSM has been completed successfully. DPx closed the acquisition of Gallus Biopharmaceuticals, a leading contract manufacturing company specializing in biologics, on 28 October 2014. DSM is well on track to create significant value through DPx.

Financial overview

Exceptional items

Total *exceptional items from consolidated companies* in the **fourth quarter** amounted to a loss of €291 million before tax (€219 million after tax), mainly due to the impairment of the caprolactam business for an amount of €291 million which represents €186 million after tax and non-controlling interests.

Total *exceptional items from consolidated companies* for the **full year** amounted to a loss of €334 million (€252 million after tax) including €291 million impairment of the caprolactam business, €59 million restructuring costs, €12 million acquisition-related and other costs as well as a reversal of €28 million on the loss of the contribution of DSM Pharmaceutical Products to DPx that was recognized upon classification of the business as an asset held for sale at the end of 2013.

Exceptional items from associates and joint control entities all related to DPx. In the **fourth quarter** this resulted in a loss of €55 million (100%) before tax (€35 million after tax) all relating to integration, restructuring and realization of synergies by the new company. For the **full year** they amounted to €157 million (100%) before tax (€135 million after tax).

Net profit

Financial income and expense (before exceptional items) in the **fourth quarter** amounted to -€29 million compared to -€34 million in Q4 2013 due to favorable hedge results and higher capitalization of interest during construction. **Full year financial income and expense (before exceptional items)** improved from -€137 million to -€118 million. Main reason for this improvement was a positive hedge result which was partly offset by the impairment of a loan.

The effective tax rate (continuing operations, before exceptional items) was 18%, in line with 2013.

Net profit from continuing operations before exceptional items in the **fourth quarter** amounted to €89 million compared to €101 million in Q4 2013. **Full year net profit from continuing operations before exceptional items** amounted to €419 million compared to €497 million in 2013.

Net earnings per ordinary share (continuing operations, before exceptional items) amounted to €0.52 in the **fourth quarter** compared to €0.57 in Q4 2013. **Full year net earnings per ordinary share (continuing operations, before exceptional items)** were €2.42 compared to €2.84 in 2013.

Dividend

DSM's dividend policy is to provide a stable and preferably rising dividend. DSM proposes to maintain the dividend at €1.65 per ordinary share. This will be proposed to the Annual General Meeting of Shareholders to be held on 30 April 2015. An interim dividend of €0.55 per ordinary share having been paid in August 2014, the final dividend would then amount to €1.10 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 5 May 2015.

Cash flow, capital expenditure and financing

Cash provided by operating activities in the **fourth quarter** amounted to €418 million (Q4 2013: €476 million) supported by a strong decrease of operating working capital. For the **full year** *cash provided by operating activities* amounted to €808 million compared to €998 million in 2013.

Operating working capital increased over the year from €1,843 million at year-end 2013 to €1,968 million at the end of 2014 due to currency effects, however, expressed as a percentage of annualized Q4 sales this represents a lower percentage of 20.7% (year-end 2013 21.2%).

Cash used for *capital expenditure net of customer funding* in **Q4 2014** was €241 million (€247 million before customer funding) compared to respectively €204 million and €211 million in Q4 2013. For the **full year**, cash used for *capital expenditure net of customer funding* amounted to €628 million (€653 million before customer funding) which was at the same level as in 2013 being respectively €629 million and €649 million.

Net debt increased by €579 million compared to year-end 2013 and stood at €2,420 million.

DSM in motion: *driving focused growth*

Strategy update

DSM is firmly committed to its strategy, which has delivered and will continue to deliver sustainable value. DSM in motion: *driving focused growth* is the strategy that the company embarked on in September 2010, which was updated in September 2013. The next update is planned for Q4 2015. DSM continues to pursue strategic actions for Polymer Intermediates (caprolactam and acrylonitrile) and Composite Resins, which will be combined in a separate cluster as from 1 January 2015. Re-stated figures will be published in March 2015.

Below are some highlights of DSM's 2014 achievements.

High Growth Economies: from reaching out to being truly global

Sales to high growth economies reached a level of 43 percent of total sales in 2014 compared to 41 percent in 2013 and 32 percent at the start of the strategic period in 2010. DSM expanded its sales significantly in China and India with double-digit growth rates. Latin America and Eastern Europe showed mid-single digit growth. Today around 35 percent of DSM employees live and work in high growth economies. Sales in China amounted to USD 2.0 billion, versus USD 1.7 billion in 2013.

Innovation: from building the machine to doubling innovation output

In 2014 innovation sales as percentage of total sales amounted to 18 percent compared to 17 percent in 2013. DSM is therefore well on track to deliver on its target for 2015 that innovative products and solutions will account for 20 percent of total sales. Gross margins of DSM's innovation sales were higher than the average of DSM's running business. In the year good progress was made in DSM's Emerging Business Areas.

Sustainability: from responsibility to business driver

In 2014 DSM delivered good progress on all of its sustainability aspirations for 2015. In 2014, 95 percent of DSM's innovation pipeline was ECO+, while ECO+ sales as a percentage of DSM's running business increased to 49 percent in 2014 from 45 percent in 2013. DSM is on track to achieve its target of 'towards 50 percent' for 2015. Across DSM's businesses, ECO+ sales have higher margins compared to non-ECO+ sales.

Acquisitions & Partnerships: from portfolio transformation to driving focused growth

The combination of DSM Pharmaceutical Products and Patheon in DPx Holdings in March 2014 has resulted in a leading pharma services company in the Contract Development and Manufacturing Organization market. DSM owns 49 percent of DPx. DSM also announced its intention to acquire Aland, a Hong Kong-based company producing vitamin C in China, which is expected to close in the first half of 2015.

Outlook

Macro-economic uncertainty and low consumer confidence continue to impact market dynamics. DSM assumes low growth in Europe, continued economic resilience and growth in the US and a slowdown of growth in some of the high growth economies.

The volatility in currencies with the weakening of the Euro against the US Dollar and the strengthening of the Swiss franc against the Euro could have an impact on DSM's 2015 results. Based on current rates and the 2015 hedge effects, the overall impact of currencies on EBITDA in 2015 would be roughly neutral.

Spot prices in vitamin E have declined significantly in the second half of 2014. Assuming the January 2015 prices persist, the negative impact on DSM's 2015 EBITDA will be around €80 million.

DSM is addressing the current challenging external environment by continuing its focus on operational performance and commitment to enhancing profitability. The running programs will be complemented by accelerated actions to improve efficiencies and reduce costs, specifically in Nutrition and across all functions in the company. In addition, in 2015 further focus will be given to improve operating working capital management.

Taking the above into account, DSM aims to deliver an EBITDA in 2015 that is slightly ahead of the result of 2014.

Additional information

Today DSM will hold a conference call for the media from 08.00 AM to 08.30 AM CET and a conference call for investors and analysts from 09.00 AM to 10.00 AM CET. Details on how to access these calls can be found on the DSM website, www.dsm.com. Also, information regarding DSM's full year 2014 result can be found in the Presentation to Investors, which can be downloaded from the Investors section of the DSM website.

Important dates

Report for the first quarter of 2015	Wednesday, 29 April 2015
Annual General Meeting of Shareholders	Thursday, 30 April 2015
Report for the second quarter of 2015	Tuesday, 4 August 2015
Report for the third quarter of 2015	Tuesday, 3 November 2015
Capital Markets day	Wednesday, 4 November 2015

Condensed consolidated statement of income for the fourth quarter

fourth quarter 2014			<i>in € million</i>	fourth quarter 2013		
before excep- tional items	excep- tional items	total		before excep- tional items	excep- tional items	total
2,374	0	2,374	net sales*	2,334	0	2,334
288	-3	285	EBITDA from continuing operations	297	-21	276
0	9	9	EBITDA from discontinued operations	19	-6	13
288	6	294	EBITDA	316	-27	289
125	-291	-166	operating profit (EBIT)	168	-197	-29
0	6	6	operating profit from discontinued operations	11	-157	-146
125	-297	-172	operating profit from continuing operations	157	-40	117
-29	0	-29	net finance costs, continuing operations	-34	-5	-39
96	-297	-201	profit before income tax, continuing operations	123	-45	78
-16	71	55	income tax, continuing operations	-21	6	-15
9	-17	-8	share of the profit of associates / Joint Control entities	-1	8	7
89	-243	-154	net profit from continuing operations	101	-31	70
0	7	7	net profit from discontinued operations	7	-156	-149
89	-236	-147	profit for the period	108	-187	-79
3	37	40	non-controlling interests	2	0	2
92	-199	-107	net profit	110	-187	-77
92	-199	-107	net profit	110	-187	-77
-2	0	-2	dividend on cumulative preference shares	-2	0	-2
90	-199	-109	net profit used for calculating earnings per share	108	-187	-79
net earnings per ordinary share in €:						
0.52	-1.15	-0.63	- net earnings, total DSM	0.62	-1.08	-0.46
0.52	-1.19	-0.67	- net earnings, continuing operations	0.57	-0.18	0.39
0.65			- core earnings per share, continuing operations	0.68		
173.5 average number of ordinary shares (x million)						174.5
173.5 number of ordinary shares, end of period (x million)						174.0
163	297	460	depreciation and amortization	148	170	318
238 capital expenditure						243
0 acquisitions						-2
21,351 workforce (headcount) at end of period, continuing operations						20,993
5,304 of which in the Netherlands						5,383

* Excluding net sales of joint ventures: €103 million in Q4 2014 and €99 million in Q4 2013 (based on 100%)

This report has not been audited.

Condensed consolidated statement of income for the full year

full year 2014			<i>in € million</i>	full year 2013		
before excep- tional items	excep- tional items	total		before excep- tional items	excep- tional items	total
9,283	0	9,283	net sales*	9,429	0	9,429
1,168	-62	1,106	EBITDA from continuing operations	1,261	-113	1,148
-2	32	30	EBITDA from discontinued operations	51	-12	39
1,166	-30	1,136	EBITDA	1,312	-125	1,187
617	-327	290	operating profit (EBIT)	773	-297	476
-2	29	27	operating profit from discontinued operations	12	-162	-150
619	-356	263	operating profit from continuing operations	761	-135	626
-118	-7	-125	net finance costs, continuing operations	-137	-7	-144
501	-363	138	profit before income tax, continuing operations	624	-142	482
-89	81	-8	income tax, continuing operations	-110	33	-77
			share of the profit of associates / Joint Control			
7	-66	-59	entities	-17	32	15
419	-348	71	net profit from continuing operations	497	-77	420
-2	30	28	net profit from discontinued operations	9	-160	-151
417	-318	99	profit for the period	506	-237	269
9	37	46	non-controlling interests	2	0	2
426	-281	145	net profit	508	-237	271
426	-281	145	net profit	508	-237	271
-10	0	-10	dividend on cumulative preference shares	-10	0	-10
416	-281	135	net profit used for calculating earnings per share	498	-237	261
			net earnings per ordinary share in €:			
2.41	-1.63	0.78	- net earnings, total DSM	2.89	-1.37	1.52
2.42	-1.80	0.62	- net earnings, continuing operations	2.84	-0.45	2.39
2.85			- core earnings per share, continuing operations	3.19		
		172.6	average number of ordinary shares (x million)			172.2
		173.5	number of ordinary shares, end of period (x million)			174.0
549	297	846	depreciation and amortization	539	172	711
		616	capital expenditure			694
		0	acquisitions			424
		21,351	workforce (headcount) at end of period, continuing operations			20,993
		5,304	of which in the Netherlands			5,383

* Excluding net sales of joint ventures: €432 million in full year 2014 and €406 million in full year 2013 (based on 100%)

This report has not been audited.

Consolidated balance sheet: assets

<i>in € million</i>	year-end 2014	year-end 2013
intangible assets	2,867	2,690
property, plant and equipment	3,673	3,611
deferred tax assets	427	364
associates and joint ventures	762	295
other financial assets	130	152
non-current assets	7,859	7,112
inventories	1,739	1,638
trade receivables	1,570	1,477
other current receivables	199	120
financial derivatives	47	126
current investments	6	19
cash and cash equivalents	669	770
	4,230	4,150
assets held for sale*	37	637
current assets	4,267	4,787
total assets	12,126	11,899

* 2014: Refers to the announced sale of DSM Synres and DSM Euroresins in Q4 2014

2013: Refers to the integration of the DPP businesses into the DPx venture in Q4 2013

Consolidated balance sheet: equity and liabilities

<i>in € million</i>	year-end 2014	year-end 2013
shareholders' equity	5,723	5,908
non-controlling interest	213	188
equity	5,936	6,096
deferred tax liabilities	365	375
employee benefits liabilities	479	326
provisions	105	97
borrowings	1,637	1,725
other non-current liabilities	81	75
non-current liabilities	2,667	2,598
employee benefits liabilities	45	34
provisions	42	65
borrowings	1,143	841
financial derivatives	362	190
trade payables	1,361	1,272
other current liabilities	554	573
	3,507	2,975
liabilities held for sale*	16	230
current liabilities	3,523	3,205
total equity and liabilities	12,126	11,899
capital employed**	8,105	8,060
equity / total assets	49%	51%
net debt**	2,420	1,841
operating working capital, continuing operations**	1,968	1,843
OWC / net sales, continuing operations**	20.7%	21.2%
ROCE	7.8%	9.6%

* 2014: Refers to the announced sale of DSM Synres and DSM Euroresins in Q4 2014

2013: Refers to the integration of the DPP businesses into the DPx venture in Q4 2013

** Before reclassification to 'Held for Sale'

Condensed consolidated cash flow statement

<i>in € million</i>	full year	
	2014	2013
cash, cash equivalents and current investments at beginning of period	789	1,108
current investments at beginning of period	19	19
cash and cash equivalents at beginning of period	770	1,089
<i>operating activities:</i>		
- earnings before interest, tax, depreciation and amortization	1,166	1,312
- change in working capital	-74	-83
- income tax	-82	-63
- other	-202	-168
cash provided by operating activities	808	998
<i>investing activities:</i>		
- capital expenditure	-653	-649
- acquisitions	-7	-509
- disposal of subsidiaries and businesses	78	72
- disposal of other non-current assets	15	6
- change in fixed-term deposits	14	24
- interest received	108	83
- other	-70	-84
cash used in investing activities	-515	-1,057
- dividend	-175	-160
- interest paid	-302 *	-200
- repurchase of shares	-189	-73
- proceeds from re-issued shares	26	145
- change in commercial paper	250	-150
- other cash from/used in financing activities	-29	180
cash used in financing activities	-419	-258
changes exchange differences	25	-2
cash and cash equivalents end of period	669	770
current investments end of period	6	19
cash, cash equivalents and current investments end of period	675	789

* Of which -€77 million due to the settlement of the interest rate pre-hedge of the €500 million bond in Q1 2014.

Condensed consolidated statement of comprehensive income

<i>in € million</i>	full year	
	2014	2013
items that will not be reclassified to profit or loss		
remeasurements of defined benefit pension plans	-176	21
exchange differences on translation of foreign operations related to the non-controlling interest	28	-4
items that may subsequently be reclassified to profit or loss		
exchange differences on translation of foreign operations	278	-225
change in fair value reserve	4	9
change in hedging reserve	-181	31
other comprehensive income, before tax	-47	-168
income tax expense	56	-17
other comprehensive income, net of tax	9	-185
profit for the period	99	269
total comprehensive income	108	84

Condensed consolidated statement of changes in equity

<i>in € million</i>	full year	
	2014	2013
Total equity at beginning of period	6,096	6,040
changes:		
total comprehensive income	108	84
dividend	-307	-276
repurchase of shares	-189	-73
proceeds from reissue of ordinary shares	160	268
other changes	68	53
total equity end of period	5,936	6,096

Geographical information (continuing operations)

	The Nether- lands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the world	Total
full year 2014											
net sales by origin											
in € million	2,988	2,233	122	1,483	675	1,237	54	72	253	64	9,181
in %	33	24	1	16	7	13	1	1	3	1	100
net sales by destination											
in € million	659	2,440	548	1,741	973	1,472	153	204	782	209	9,181
in %	7	27	6	19	10	16	2	2	9	2	100
total assets in € million*	3,709	2,110	113	3,323	820	1,458	70	88	359	76	12,126
workforce (headcount)											
at end of period	5,304	4,951	408	3,583	1,891	3,489	478	141	866	240	21,351
full year 2013											
net sales by origin											
in € million	2,897	2,245	121	1,688	541	1,013	37	35	238	43	8,858
in %	33	25	1	19	6	12	0	0	3	1	100
net sales by destination											
in € million	652	2,414	518	1,765	902	1,275	129	215	778	210	8,858
in %	7	28	6	20	10	15	1	2	9	2	100
total assets in € million	3,494	2,540	114	3,186	755	1,247	53	85	328	97	11,899
workforce (headcount)											
at end of period	5,383	5,028	388	3,679	1,759	3,084	406	151	878	237	20,993

Notes to the financial statements

The financial statements in this press release have not been audited.

Accounting policies

The consolidated financial statements of DSM for the year ended 31 December 2014 were prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of the balance sheet date.

Heerlen, 11 February 2015

The Managing Board

Feike Sijbesma, CEO/Chairman
Geraldine Matchett, CFO
Stefan Doboczky
Stephan Tanda
Dimitri de Vreeze

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 has around 21,000 employees and delivers annual net sales of more than €9 billion. The company is listed on Euronext Amsterdam. More information can be found at www.dsm.com

Or find us on:    

For more information:

DSM Corporate Communications
Herman Betten
tel. +31 (0) 45 5782017
e-mail media.contacts@dsm.com

DSM Investor Relations
Dave Huizing
tel. +31 (0) 45 5782864
e-mail investor.relations@dsm.com

Forward-looking statements

This press release 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 press release, unless required by law.