Rolf-Dieter Schwalb, CFO / Member of the Managing Board

Driving focused growth

DSM Capital Markets Day 2013

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HEALTH · NUTRITION · MATERIALS

Overview

- What has been achieved since 2010
- Mid-term review outcome
- Financial policies and metrics to steer the business
- Way forward

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What we have delivered so far

Profitability targets 2013		2013 expectation
EBITDA	€ 1.4 - 1.6bn	Towards € 1.4bn
ROCE	>15%	9-10%

Sales targets 2015		2013 H1 realization
Organic sales growth	5% - 7% annually	1%
China sales	from US$ 1.5bn to >US$ 3bn	US$ 0.8bn
High Growth Economies sales	from ~32% towards 50% of total sales	~40%*
Innovation sales	from ~12% to 20% of total sales	18%

EBA aspiration 2020		2013 H1 realization
EBA sales	>€ 1bn	~€ 75m

* 40% in 2013 H1 is incl. pro forma sales Tortuga in Q1 2013

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Updated 2015 targets

Profit targets 2015	
• EBITDA margin (%)	14% -15%
• ROCE	11% -12%
Sales target 2015	
• Organic sales growth	5%-7% annually
• China sales	towards US$ 3bn
• High Growth Economies sales	about 45% of total sales
• Innovation sales	20% of total sales
• ECO+ sales	towards 50% of total sales
Cluster targets 2015	
• Nutrition	EBITDA margin 20% - 23% Sales growth GDP +2%
• Performance Materials	EBITDA margin 13% - 15% Sales growth at double GDP

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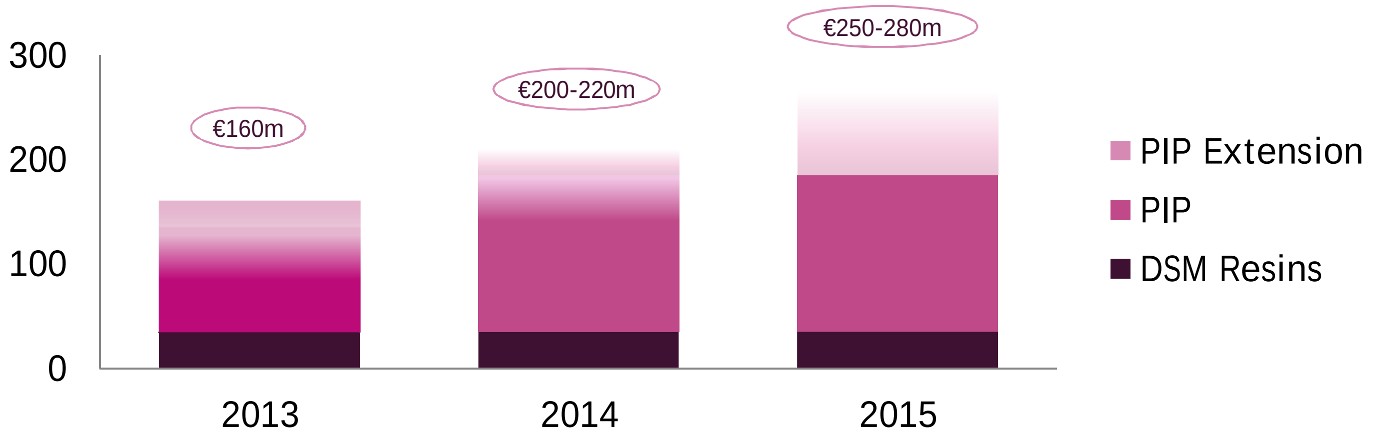
Profit Improvement Program on track

Cumulative Benefits (€ million)



- Expected structural annual benefits of €250-280 million by 2015; several programs will continue thereafter
- PIP one-off costs in 2013 will be ~ €80 million
- Total cumulative EBITDA benefits of these PIP programs by end 2013 are estimated at ~ €160 million

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Examples of broad range of projects started

Life Sciences

- The restructuring of DNP sites (Grenzach, Dalry) is progressing as planned
- Restructuring of Pharma Chemicals in Linz, Austria has started and will continue to run until 2015. Biosolutions in Capua, Italy is nearly completed
- Closure of anti-infectives site in Zhangjiakou, Hebei province, China

Materials Sciences

- In Engineering Plastics, a comprehensive program was initiated in 2012 to cut fixed costs, to improve operational efficiency, pricing and margin management and to accelerate the growth of innovative specialty products. This program is well under way
- Restructuring initiatives at Dyneema are being completed
- In Resins, a program was initiated in 2011 and resulted in strong cost reduction in 2013

Corporate Activities*

- Worldwide payroll is being outsourced to 3rd party service provider
- Transfer of support activities to shared service centers in India and China ongoing
- Restructuring of the global IT support network ongoing

→ Headcount reductions on track with plan

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Savings to be fully effective by 2015

	Annual Savings by 2015	Provisions / Impairments 2012	Provisions / Impairments 2013e
Life Sciences	~ €90-100m	~ €70m	~ €25m
Materials Sciences	~ €110-120m	~ €40m	~ €10m
Corporate Activities	~ €50-60m	~ €40m	~ €45m
Total DSM	~ €250-280m	~ €150m	~ €80m

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Financial policies clearly defined and unchanged

- Priorities for cash allocation unchanged:
  1. Capex for organic growth
  2. Dividend
  3. Acquisitions
  4. Cash return to shareholders

- Dividend policy
  “stable and preferably rising dividend”

- Commitment to Single A rating

- Systematic, risk-management-oriented hedging strategy

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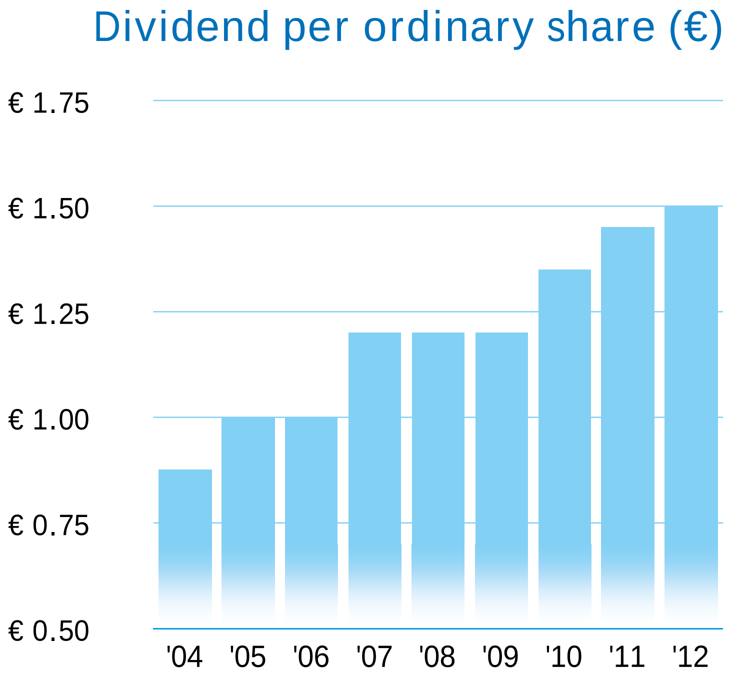
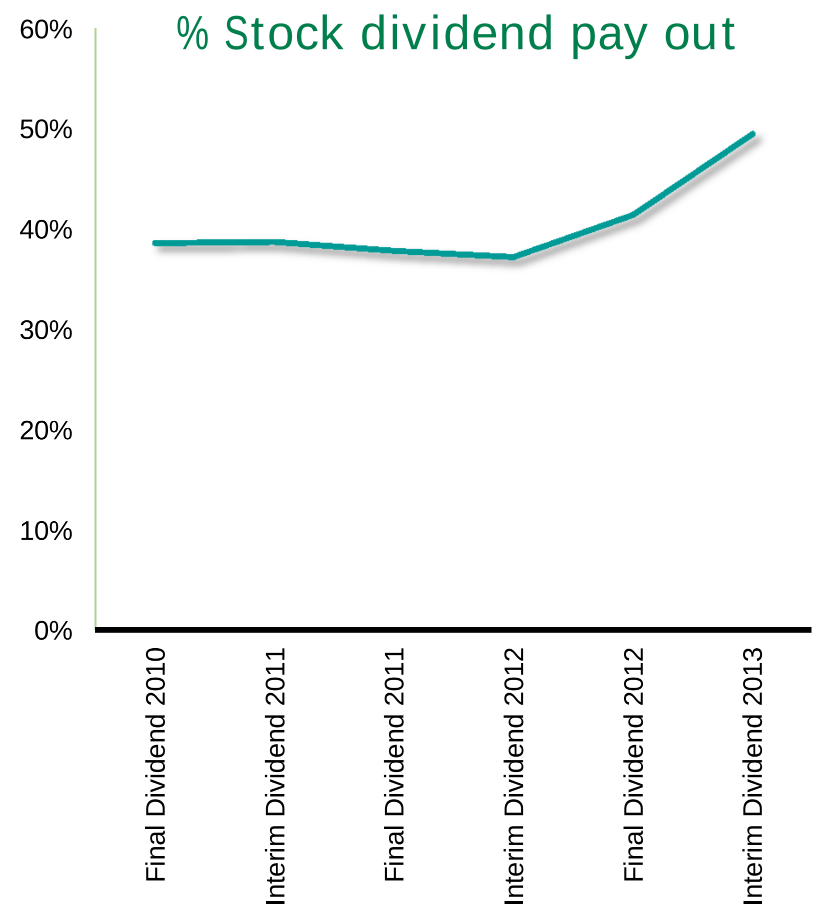
Dividend paid to shareholders

- Dividend policy “stable and preferably rising”
- Since the announcement of the CSD in 2010, dividend has been increased by 25% from €1.20 to €1.50
- Payable in cash or ordinary shares
- Interim dividend for the year 2013: €0.50 per ordinary share, which, as usual, represents one third of the total dividend paid for the previous year (2012)



Supportive uptake of stock dividend

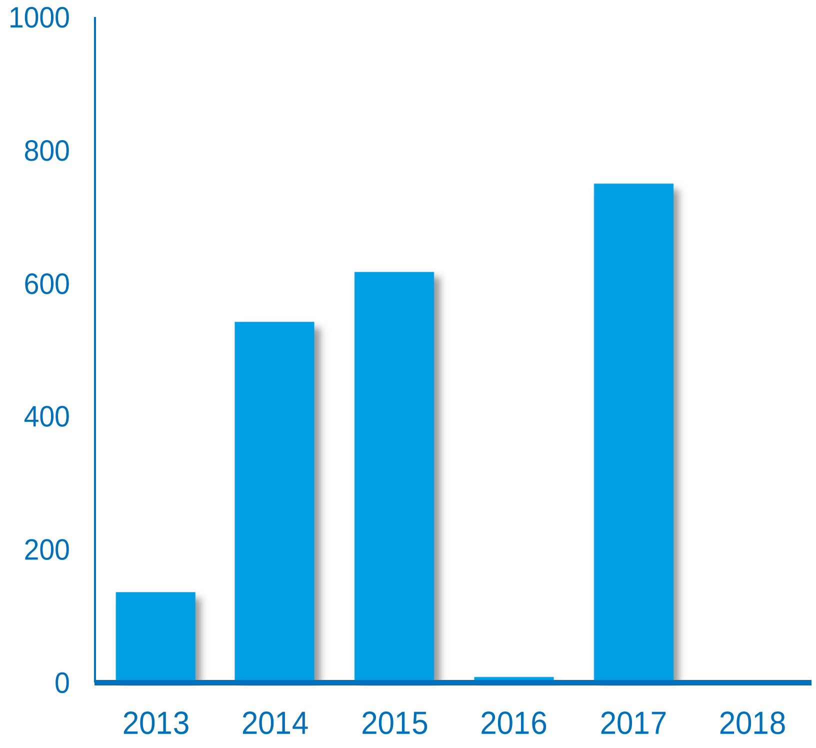
- Of the interim dividend paid on August 28, 49.5% was paid as stock dividend
- Current number of treasury shares are sufficient to pay stock dividend until the FY dividend for 2015
- In Q4 2013, DSM expects to launch a share buyback program for 4-5 million shares to cover its commitments under existing management and personnel option plans. This program is anticipated to continue into Q1 2014



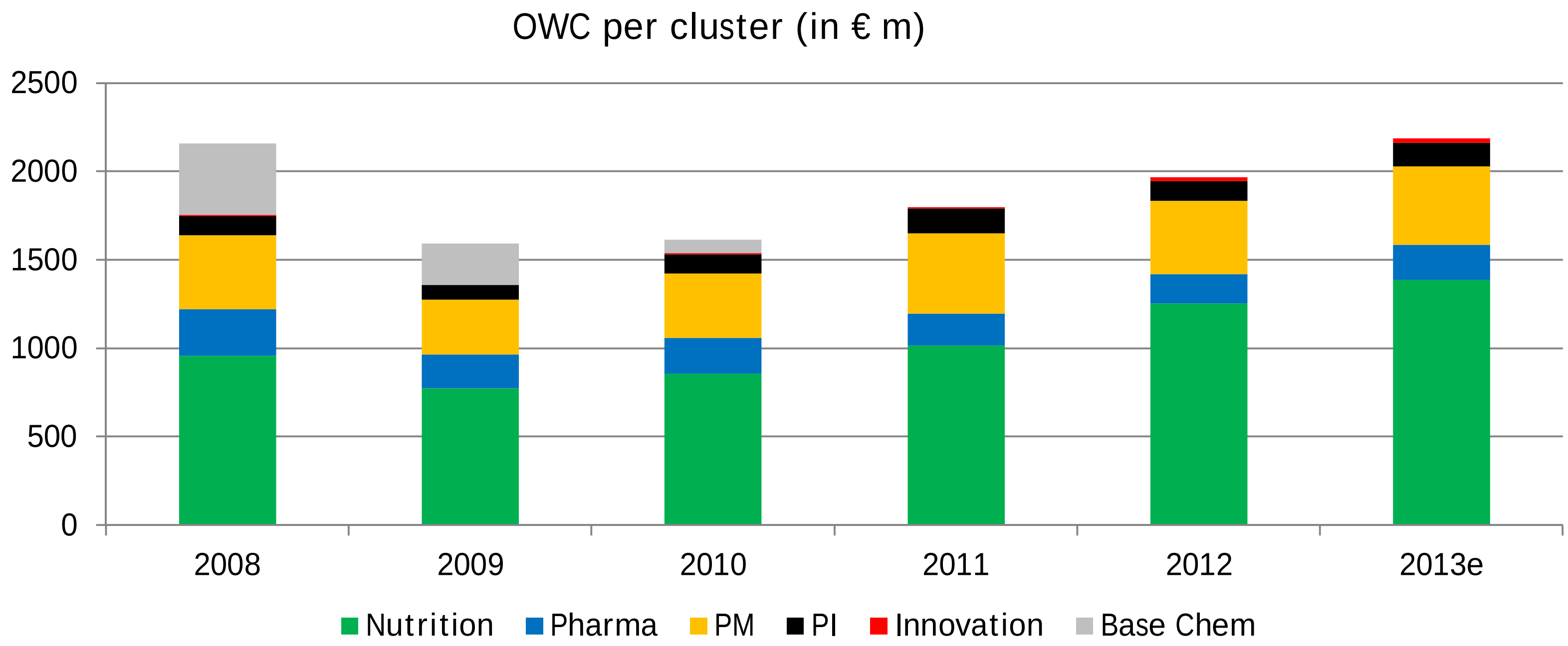
Solid financial base, committed to Single A

- Total long term debt ~€2bn, no covenants in outstanding bonds
- Single A credit rating by Moody's (A3) and S&P (A)
- Committed credit facilities of €1bn, fully undrawn
- Updated €4bn EMTN program
- Continued risk mitigation, including hedging of currency exposures

Debt maturity profile (€ m)

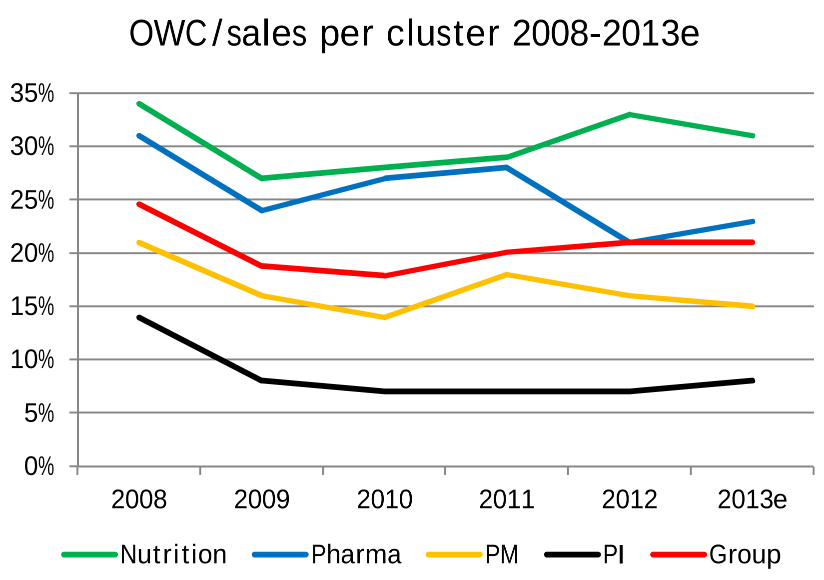


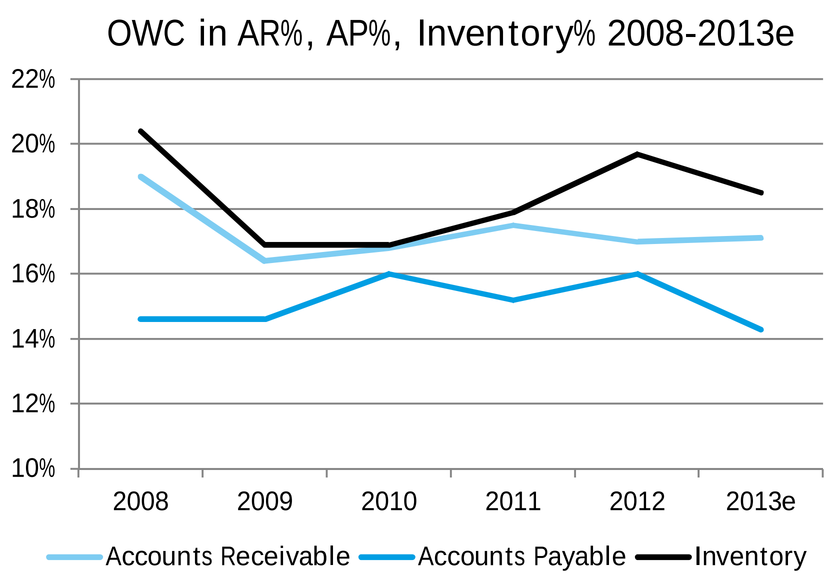
OWC development reflects changes in portfolio



- The move to higher value/specialties business and away from typical chemical commodities has not lead to a relevant change in the overall level of OWC since 2008

OWC needs further improvement





- Because our clusters have different OWC ratios, any mix effect on the overall OWC ratio
- Nutrition OWC ratio needs improvement
- For 2013, we expect OWC/sales on group level to be around 21%, at the same level as in 2012

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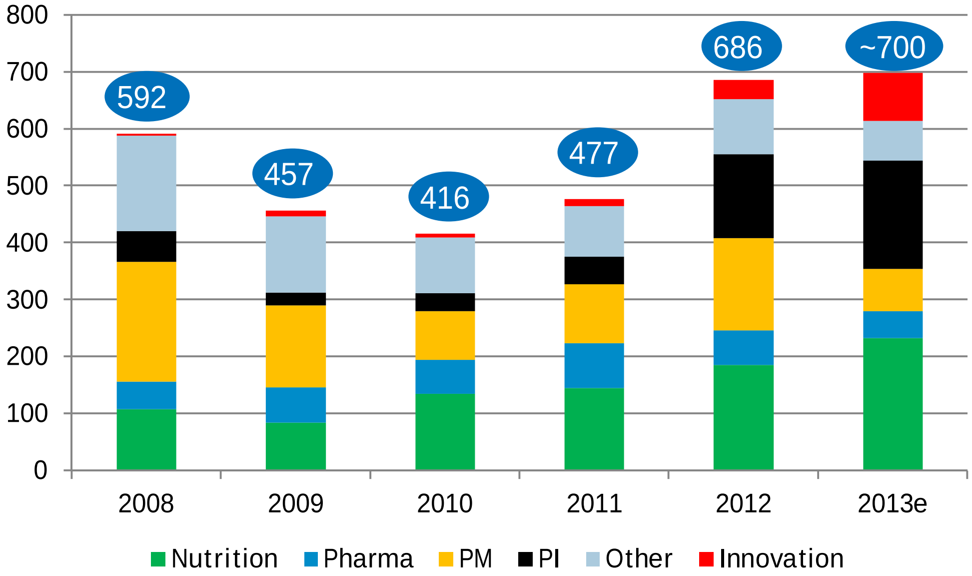
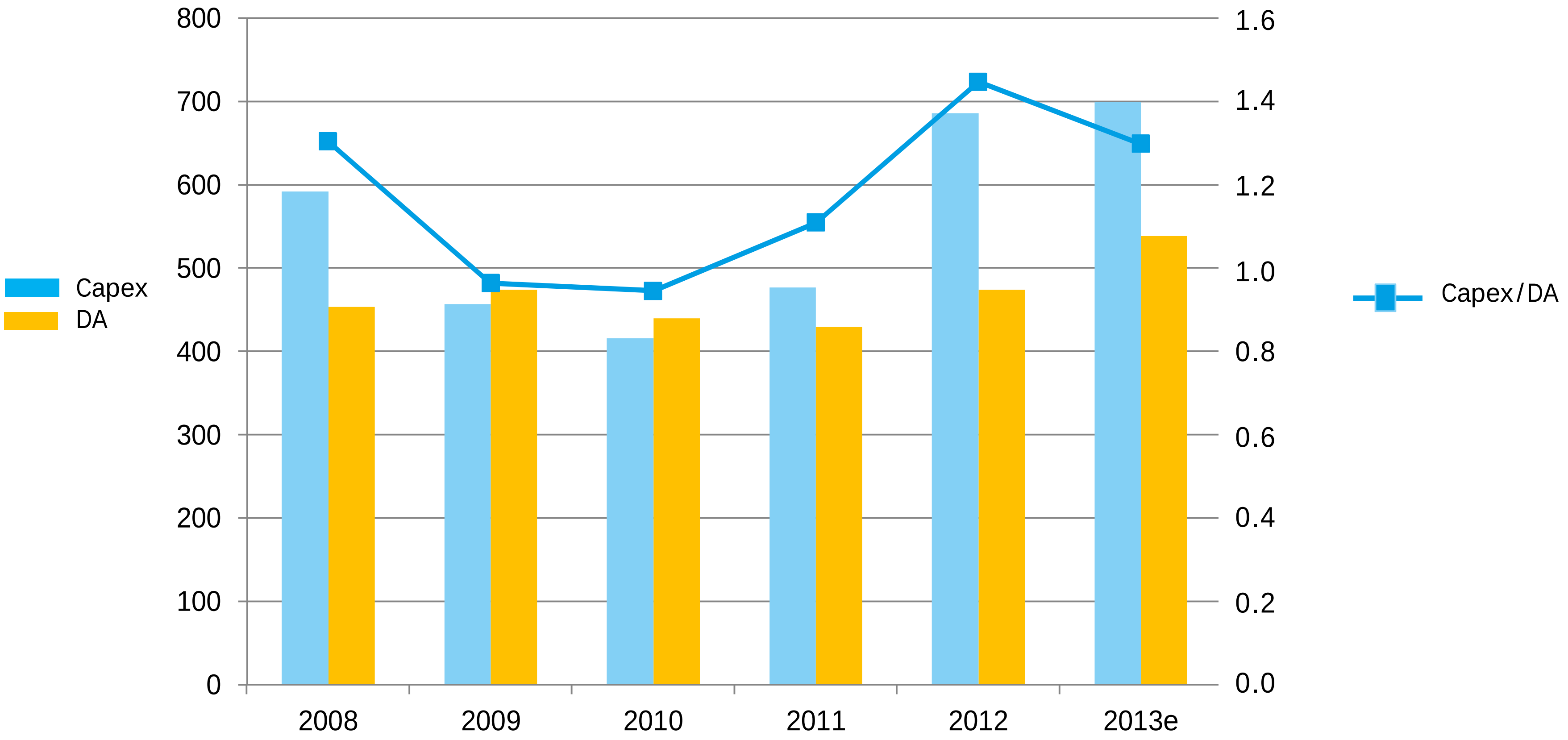
CAPEX

- After a period of low capex, some special projects impacted the overall spending levels in 2012/2013:
  - New ammonium sulfate plant
  - Second line CPL Nanjing
  - 2G Biofuel POET

Cash capex per cluster (€ m) 2008-2012



Capex mainly driven by growth ambitions



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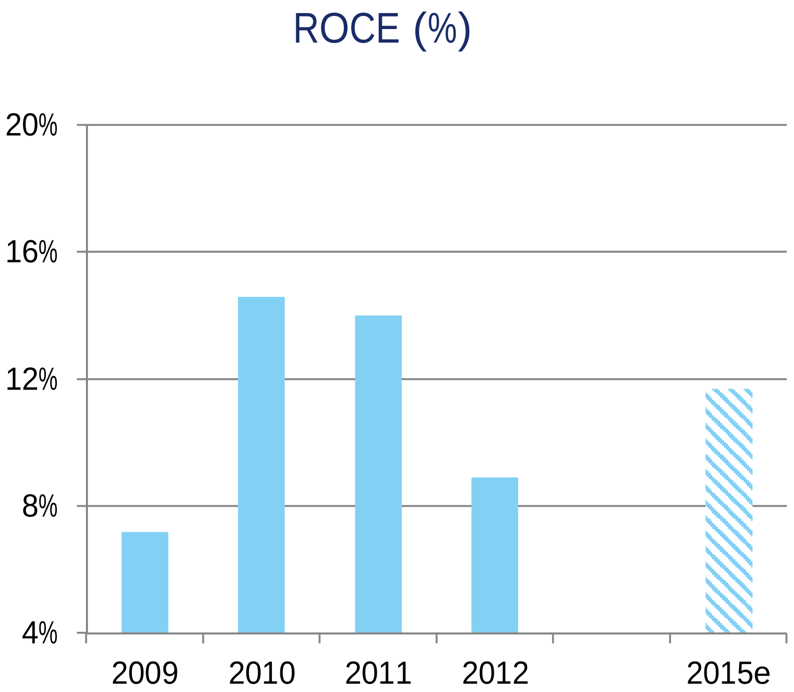
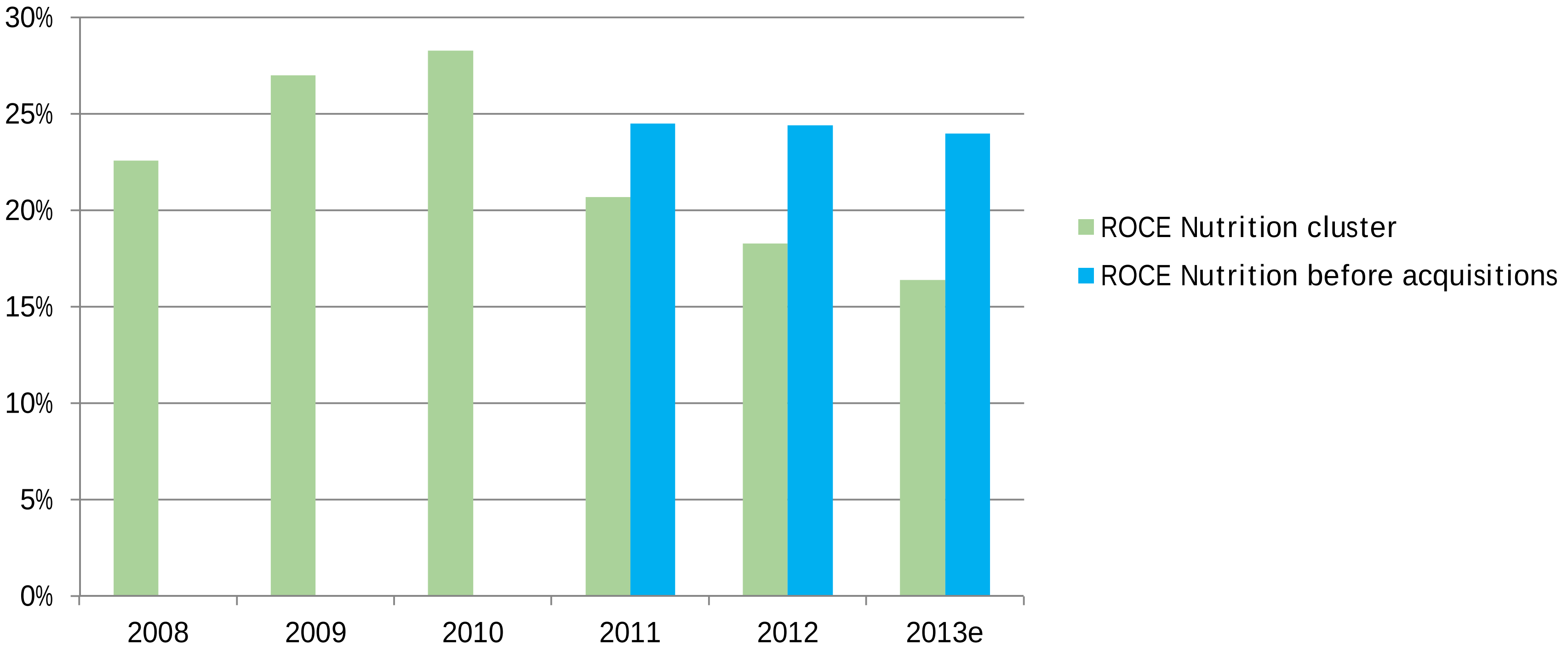
Towards an increase in ROCE

- Exceptional returns at Polymer Intermediates combined with low capital employed inflated ROCE in 2010/2011
- Over the mid term, the target remains to reach at least 15% ROCE



Nutrition ROCE impacted by M&A effects



- The Nutrition business before acquisitions continues to realize strong ROCE above 20%, despite the strengthening of CHF in 2011 affecting both operating earnings and capital employed

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Changes in accounting policy

- From 2014 onwards DSM will have to apply IFRS 11 Joint Arrangements
- IFRS 11 changes the accounting for entities that are under joint control. This will have an impact on the financial reporting of DSM:

	Current reporting of JVs	JV reporting as of 2014
P&L	Proportionate consolidation of 50% interest in all lines	Results will be shown below the EBIT line, in the line “share of the profit of associates”
Balance sheet	Proportionate consolidation of 50% of the assets and liabilities in all lines	Net asset value in “Associates”
Cash Flow	Included for 50% in the relevant lines	Capital payments, loans granted and dividends received are part of cash from investing activities.
Capital Employed	Assets and liabilities included for 50% (like PPE, Intangibles and WC)	Not included anymore.

- Currently, the following JVs are impacted by IFRS 11: DSM Sinochem Pharmaceuticals, POET-DSM Advanced Biofuels, Reverdia, Japan Fine Coatings Ltd, Actamax, Meltagel and Percivia

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High level estimate of IFRS 11 impact

- Restated comparative figures for 2013 (per cluster) will be published prior to the Q1 2014 earnings announcement
- Information on proportionately consolidated JVs is available in the Integrated Annual Report 2012 (page 202)
- The table below presents an estimate of the impact on key performance indicators for the year 2013 for total DSM

DSM	Impact of reporting change on 2013e pro forma
Sales	Decrease of around €200m
EBITDA	Decrease of around €10m
EBIT	Negligible
OWC	Decrease of around €40m
CE	Decrease of around €200m
ROCE	Increase of 0.2% point
Capex	Decrease of around €100m
Headcount	Decrease of around 860 FTE

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Information on joint ventures in future periods

- In the annual report:
  - Mandatory disclosure: Summarized balance sheet and profit and loss accounts for significant joint ventures individually and for all joint ventures in total
  - Based on the current evaluation, the only joint venture that currently qualifies as being significant is DSM Sinochem Pharmaceuticals

- In the quarterly report:
  - No mandatory disclosure according to IFRS
  - Voluntary DSM disclosure: net sales and business development for significant joint ventures individually and net sales for all joint ventures in total

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2013 Outlook

- Nutrition is expected to show clearly higher results than in 2012 due to organic growth moving towards the target of 2% above GDP and the acquisitions made, with EBITDA margins well within the 20-23% range. However, the recovery in animal protein markets remains fragile, currently leading to some pricing pressure especially in Vitamin E. Additionally, fish oil-based Omega 3 sales are being impacted by somewhat lower consumer demand following recent sharp retail price increases. Overall, the compelling growth drivers of the Nutrition business remain unchanged.

- Business conditions in Pharma remain challenging, but DSM is confident that it will be able to deliver substantially better results, notwithstanding the usual uneven delivery patterns between quarters.

- Performance Materials is expected to show improved results in 2013, despite the negative effects of caprolactam.

- Polymer Intermediates is expected to show lower results than in 2012.

- For the Innovation Center the result of the second half of 2013 is expected to be in line with the second half of 2012.

- Overall, DSM expects a significant increase in EBITDA during 2013 from the €1.1 billion realized in 2012. This is a result of stronger organic growth, supported by DSM's Profit Improvement Program, as the benefits of acquisitions and a more resilient portfolio are having an increased impact. Foreign exchange rates and the recently announced Dutch "crisis tax" renewal are likely to have a negative impact on EBITDA. Overall, based on current economic assumptions, DSM continues to expect to move towards its 2013 EBITDA target of €1.4 billion. The combination of the above factors could however result in an EBITDA for 2013 slightly below €1.35 billion.

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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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