Life Sciences and Materials Sciences

Presentation to Investors

Annual Results 2011

HEALTH · NUTRITION · MATERIALS

DSM
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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.

DSM in motion: *driving focused growth*

Annual results 2011

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Overview

- Operational performance Q4 2011
- Progress on strategy
- Shareholder value creation
- Outlook 2012
- Annex: Joint venture DSM-POET

Highlights Q4 / FY 2011

DSM reports another strong year and increases dividend

- Q4 EBITDA from continuing operations up 6% to €293 million
- Full year EBITDA from continuing operations increased 12% to €1,296 million
- Life Sciences delivered further EBITDA growth through Nutrition
- Materials Sciences posted a strong year with record Polymer Intermediates results
- Good strategic progress with Martek acquisition and joint venture with Sinochem
- EPS (before exceptional items, continuing operations) up 22% to €3.53
- Dividend increase by €0.10 to €1.45 per ordinary share proposed for 2011
- Cautiously optimistic outlook; on the way to achieve 2013 targets

Quote Feike Sijbesma

"2011 was another strong year for DSM despite the challenges of the global economy, adverse currency movements and high raw material costs. As a consequence we propose to increase our dividend for the second consecutive year. In Nutrition, we made good progress once again and Polymer Intermediates delivered its highest profitability in history.

"Furthermore, we made significant steps in the first year of implementing our growth strategy. This included the acquisition of Martek, the formation of the joint venture with Sinochem, the completion of non-core divestments, progress in sustainability-related innovations and expansion into high growth economies, which now account for 39% of sales. At the start of 2012 we announced an exciting joint venture with POET, to make advanced biofuels a reality on a commercial scale.

"We are conscious that risks to the macro-economic global outlook remain, and that weakness in Europe and some of our end markets, especially building and construction, persists. However, we believe that our balanced, relatively resilient portfolio in health, nutrition and materials, our broad geographic spread with a significant presence in high growth economies, together with our strong balance sheet, leave us well placed to achieve our ambitious 2013 targets."

Feike Sijbesma
Chairman of the Managing Board

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Results Q4 2011 & FY 2011 - Key figures

Q4-2011	Q4-2010	Δ%	(€ million)	FY-2011	FY-2010	Δ%
Continuing operations before exceptional items:						
2,227	2,082	+7%	Net Sales	9,048	8,176	+11%
293	276	+6%**	EBITDA	1,296	1,161	+12%**
166	170	-2%	EBIT	866	752*	+15%
0.71	0.63	+13%	EPS (€)	3.53	2.89	+ 22%
Total DSM before exceptional items:						
2,227	2,202	+1%	Net Sales	9,193	9,050	+2%
293	290	+1%	EBITDA	1,325	1,278	+4%
Total DSM including exceptional items:						
85	149	-43%	Net profit	814	507	+61%
0.53	0.89	-40%	EPS (€)	4.86	3.03	+60%

* of which €9 million (full year €33 million) IFRS pension adjustment
**10% (full year 15%) if IFRS pension adjustment is excluded

EBITDA - DSM continuing business

EBITDA (€ million)	2011	2010	2009 (*)	2008 (*)
Nutrition	735	684	655	585
Pharma	36	61	91	150
Performance Materials	293	283	174	266
Polymer Intermediates	380	223	36	43
Innovation Center (*)	-57	-49	(**)	(**)
Corporate Activities (*)	-91	-41	-122	-80
DSM core business	1,296	1,161	834	964

* 2008 & 2009 not restated for changes in pension accounting and corporate research costs
** 2008 & 2009 Innovation Center was reported in Corporate activities

Net sales growth Q4 2011 versus Q4 2010

(€ million)	Q4 2011	Q4 2010	Diff.	Volume	Price	FX	Other
Nutrition	865	758	14%	3%	2%	1%	8%
Pharma	165	190	-13%	12%		-1%	-24%
Performance Materials	627	640	-2%	-15%	9%	2%	2%
Polymer Intermediates	467	382	22%	12%	8%	2%	
Innovation Center	17	15					
Corporate Activities	86	97					
Continuing Operations	2,227	2,082	7%	1%	5%	1%	0% (*)

* Including the effect of the deconsolidation of Sitech Manufacturing Services which was reported in Corporate activities in 2010

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Net sales growth FY 2011 versus FY 2010

(€ million)	FY-11	FY-10	Diff.	Volume	Price	FX	Other
Nutrition	3,370	3,005	12%	5%	-1%		8%
Pharma	677	739	-8%	3%		-2%	-9%
Performance Materials	2,752	2,507	10%	-1%	10%	-1%	2%
Polymer Intermediates	1,820	1,398	30%	11%	21%	-2%	
Innovation Center	60	50					
Corporate Activities	369	477					
Continuing Operations	9,048	8,176	11%	4%	7%	-1%	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 Corporate activities in 2010

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Nutrition

Q4-2011	Q4-2010	Δ%	(€ million)	FY-2011	FY-2010	Δ%
865	758	+14%	Net Sales	3,370	3,005	+12%
193	163	+18%	EBITDA	735	684	+7%
149	132	+13%	EBIT	577	551	+5%
22.3%	21.5%		EBITDA margin	21.8%	22,8%	

Q4 2011:

- Sales up 14% driven by the acquisition of Martek, higher volumes and prices across most of the businesses.
- EBITDA grew by 18% mainly due to Martek, higher volumes and prices and continued cost management, which compensated for the negative impact of currencies and increased raw material costs.

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Pharma

Q4-2011	Q4-2010	Δ%	(€ million)	FY-2011	FY-2010	Δ%
165	190	-13%	Net Sales	677	739	-8%
11	26	-58%	EBITDA	36	61	-41%
-1	11		EBIT	-8	3	
6.7%	13.7%		EBITDA margin	5.3%	8.3%	

Q4 2011:

- Organic sales growth was 12% as sales increased for DSM Pharmaceutical Products due to higher customer demand.
- DSM has proportionally consolidated its anti-infectives joint venture, DSM Sinochem Pharmaceuticals (DSP) at 50%. This impacted the reported net sales and EBITDA.
- The lower EBITDA was also due to an unfavorable product mix at DSM Pharmaceutical Products.

Performance Materials

Q4-2011	Q4-2010	Δ%	(€ million)	FY-2011	FY-2010	Δ%
627	640	-2%	Net Sales	2,752	2,507	+10%
43	56	-23%	EBITDA	293	283	+4%
0	27		EBIT	162	163	-1%
6.9%	8.8%		EBITDA margin	10.6%	11.3%	

Q4 2011:

- Organic sales development was -6%, due to lower volumes (-15%) in all businesses, which were partly compensated for by higher pricing (9%) at DSM Engineering Plastics and DSM Resins.

- DSM Dyneema continued its growth in fiber solutions and personal protection but this was more than offset by lower volumes in the tender driven vehicle protection business.

- EBITDA was lower, mainly due to the performance of DSM Dyneema.

Polymer Intermediates

Q4-2011	Q4-2010	Δ%	(€ million)	FY-2011	FY-2010	Δ%
467	382	+22%	Net Sales	1,820	1,398	+30%
79	67	+15%	EBITDA	380	223	+70%
67	54	+24%	EBIT	339	186	+82%
16.9%	17.5%		EBITDA margin	20.9%	16.0%	

Q4 2011:

- Organic sales growth was 20%. The cluster continued to benefit from the high global utilization rate, resulting in 8% higher prices.
- Volumes were 12% higher due to improved manufacturing performance.
- Continued pricing strength and strong manufacturing performance resulted in a higher EBITDA for the fourth quarter compared to the excellent previous year.

Innovation Center

Q4-2011	Q4-2010	Δ%	(€ million)	FY-2011	FY-2010	Δ%
17	15	13%	Net Sales	60	50	+20%
-17	-13		EBITDA	-57	-49	
-21	-20		EBIT	-69	-64	
-	-		EBITDA margin	-	-	

- **Q4 2011** sales developed well. EBITDA was lower due to increased innovation costs.

- Strategic progress was made in **FY 2011** with the start-up of the Actamax™ joint venture with DuPont and several development agreements were signed in the main segments of the Biomedical business.
- DSM and Roquette started the construction of a commercial-scale bio-based succinic acid plant in Italy.
- The acquisition of C5 Yeast Company B.V. from Royal Cosun was completed, further extending DSM's leadership position in the field of cellulosic bio-ethanol.

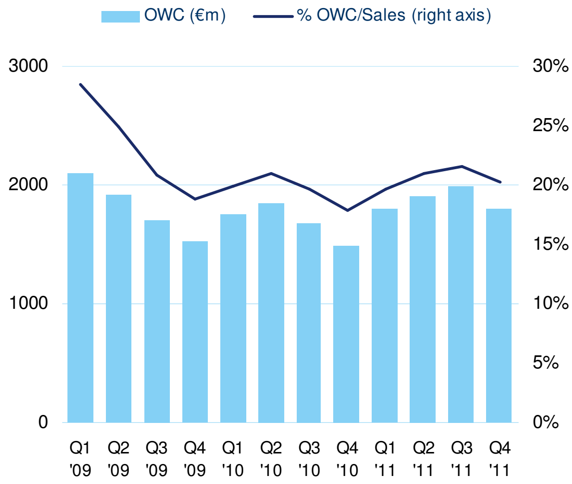
Cash flow

Cash Flow (€ million)	FY '11	FY '10
Cash from operating activities	882	1,103
Cash from investing activities*	-741	-132
Free cash flow from operations*	141	971

Balance sheet (€ million)	YE 2011	YE 2010
Net debt	318	-108
Gearing	5%	-2%

*: Excl. fixed-term deposits

OWC development Q1'09 - Q4'11



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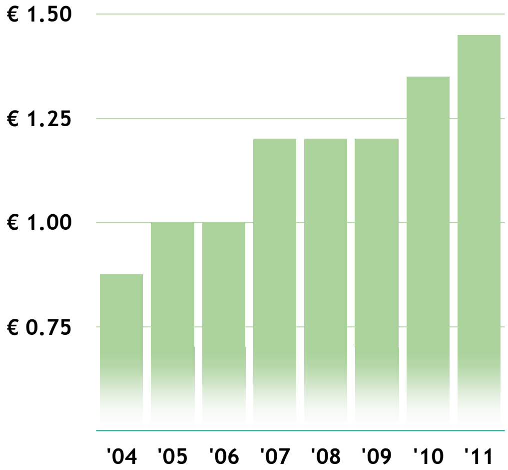
Dividend increased for the 2nd consecutive year

- Dividend policy “stable and preferably rising”

- Proposal to AGM (May 2012):
  €0.10 increase to €1.45 (7 % increase)
  - € 0.45 interim dividend
  - € 1.00 final dividend

- Payable in cash or ordinary shares

Dividend per ordinary share (€)



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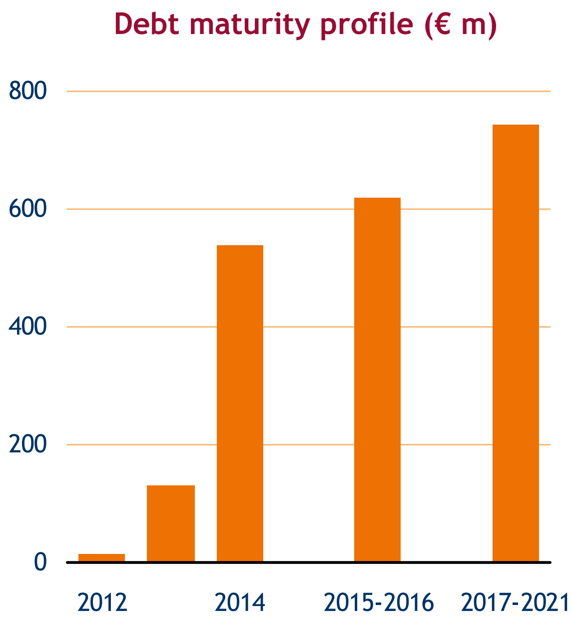
Solid and flexible financial base

- Total long-term debt € 2bn, no covenants in outstanding bonds
- Earliest material long-term debt will mature as from 2014
- No commercial paper outstanding, € 1.5bn program
- Committed credit facility of € 900m fully undrawn
- Limited pension liabilities; Dutch pension plan changed from defined benefit into defined contribution plan
- Single A credit rating Moody's (A3) and S&P (A), both with stable outlook



Recent actions to secure financing

Capturing opportunities

- Nov 2010: pre hedge 2014 €500m bond for 3.42% (excl. DSM spread)
- Nov 2011: Pre hedge 2015 €500m bond for 3.20% (excl. DSM spread)
- Sep 2011: Updated Commercial Paper program of €1.5bn
- Sep 2011: Successfully renewed €500m committed credit facility

Risk mitigation

- Counter party limits of banks have been reduced and geo spread adjusted
- Additional USD and JPY hedge for 2012 (above 50% of transaction exposure)
- Committed Credit Facility and Commercial Paper can be drawn beside EURO also in CHF, GBP and US$
- No MAC clause related to the EURO in documentation of outstanding bonds

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Global societal trends drive DSM's markets

Ageing population
Population growth
Resources constraints
Healthcare costs
Urbanization
Energy security
Food security
Wealth
Sustainability

Health | **Nutrition** | **Materials**

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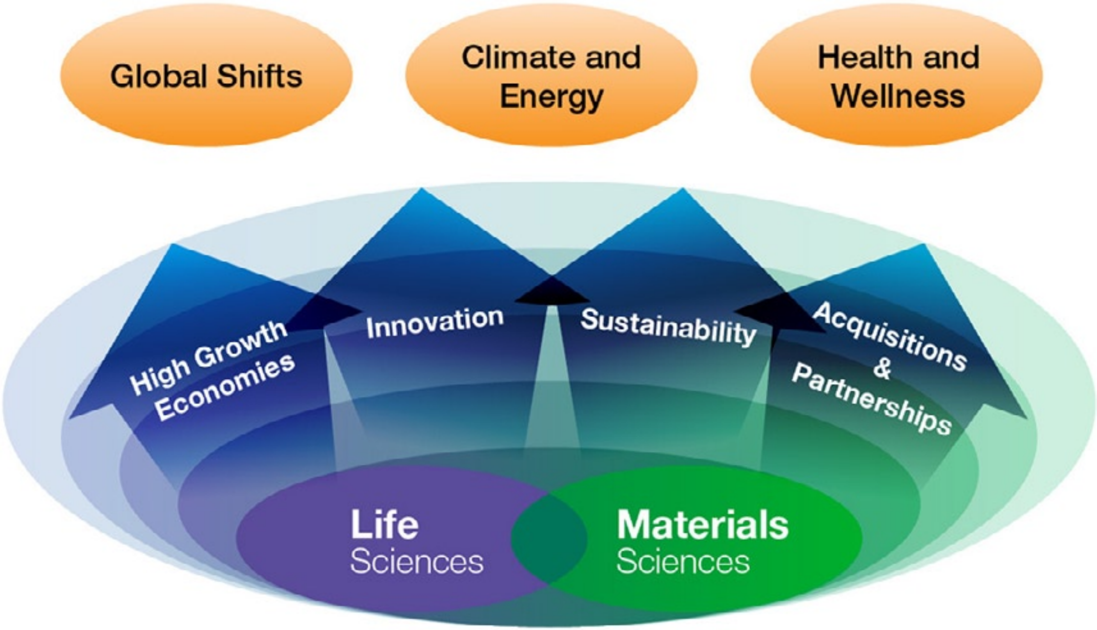

Major steps in acquisitions and partnerships

Acquisition of Martek Biosciences

- Leading positions in poly-unsaturated fatty acids and Infant Formula market
- Excellent performance
- Integration completed

Expectations 2015
- Double digit sales growth
- Stable to rising EBITDA margins

DSM Sinochem Pharmaceuticals JV

- Strengthening position of the β-lactam anti- infectives business, especially in China
- Further growth announced; construction of 6-APA and announcement of SSCs plant

Expectations by 2015
- JV to increase its sales to > € 600m
- EBITDA margin >15%

Other

- Completion of non-core divestments
- 10 other partnerships and acquisitions
- 5 venturing investments

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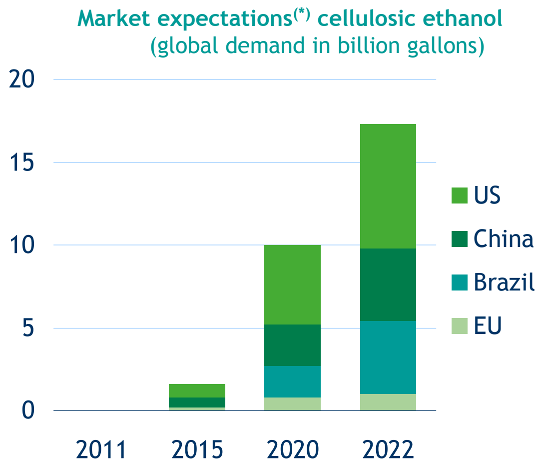
POET & DSM JV make advanced biofuels a reality

Scope

- Commercially demonstrate and license ***cellulosic*** bio-ethanol
- JV intends to license technology:
  - throughout POET's existing network of 27 corn ethanol plants
  - Worldwide to third parties

Value creation

- First revenues expected in 2013
- JV is expected to be profitable in first full year of production (2014)
- Projected sales (cellulosic bio-ethanol, biogas and later on licensing) from JV to grow to > US$ 200m with above average EBITDA in medium/longer term



*: Derived from Hart's Global Energy Study
Market value for enzymes & yeasts of ~ US$ 3-5 bn by 2022

2011 step up in High Growth Economies

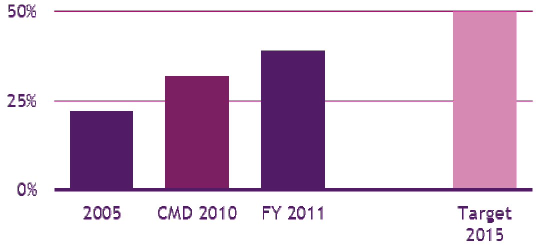
Step up in High Growth Economies

- Sales to High Growth economies increased to 39% of DSM's sales
- Sales in China increased to US$ 2bn

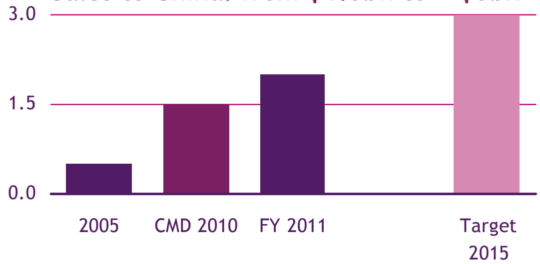
Organizational change

- Business group HQs moved to Asia (DSM Engineering Plastics to Singapore, DSM Fiber Intermediates to Shanghai)
- DSM Sinochem Pharmaceuticals JV established in Hong Kong
- Innovation centers initiated in China & India
- Strengthened regional capabilities (China, India, Russia and LAM)

High Growth Economies: from 32% to 50%



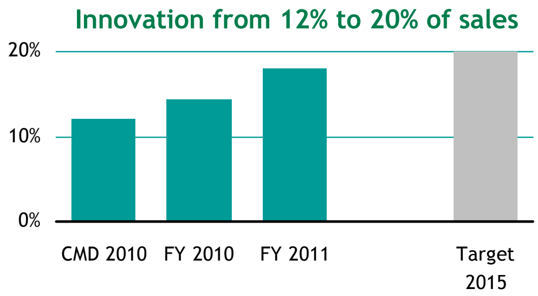
Sales to China: from $1.5bn to > $3bn



Good progress on innovation & sustainability

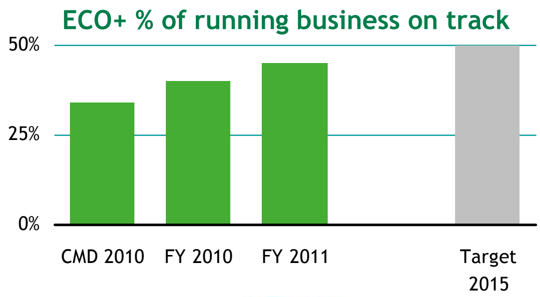
Innovation

- Innovation sales increased to 18% of sales
- Acquisition of C5 Yeast Company from Royal Cosun increased DSM's leadership in the field of cellulosic bio-ethanol
- DSM & Roquette JV started construction of commercial bio-succinic acid plant



Sustainability

- Sector leader Dow Jones Sustainability Index
- ECO+ sales 41% of running business
- ECO+ innovation pipeline was 94%, clearly above aspiration level > 80%
- Energy efficiency 13% improvement vs 2008
- Employee engagement 71% (close to high performance norm)
- People+ framework and diversity ambitions defined



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Life Sciences strategic progress 2011

Nutrition

Aspiration by 2015	FY 2011
• Growth GDP + 2%	4%
• EBITDA margin >20 - 23%	22%

- Acquisition of Martek biosciences (poly-unsaturated fatty acids)
- Acquisition of Vitatene (natural carotenoids)
- Expanded to 51 premix facilities (in e.g. IN, RU, CN, CO, EQ)
- Successful process developments; improving cost position
- Assets optimization/restructuring

Pharma

Aspiration by 2015	FY 2011
• EBITDA margin >15% towards 20%	5%

- JV DSM Anti-infectives and Sinochem established.
- Construction of 6-APA plant
- First results of portfolio expansion
- CMO pipeline improving

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Materials Sciences strategic progress 2011

Performance Materials

Aspiration by 2015	FY 2011
• Growth at 2 x GDP	9%
• EBITDA margin >17%	11%

- JVs with KuibyshevAzot in engineering plastics (RU)
- Acquisition of high performance fiber producer ICD (CN)
- Acquisition of UV resins AGI (Asia)
- Partnership with Kemrock in composite resins (IN)
- New composite resins plant (CN)
- Good progress in sustainable innovations

Polymer Intermediates

Aspiration by 2015	FY 2011
• EBITDA margin ~14% on average over the cycle	21%

- 2nd Line in China under construction with partner Sinopec
- Implementing new sustainable technology
- Competitiveness further strengthened
- Licensing to KuibyshevAzot (RU)

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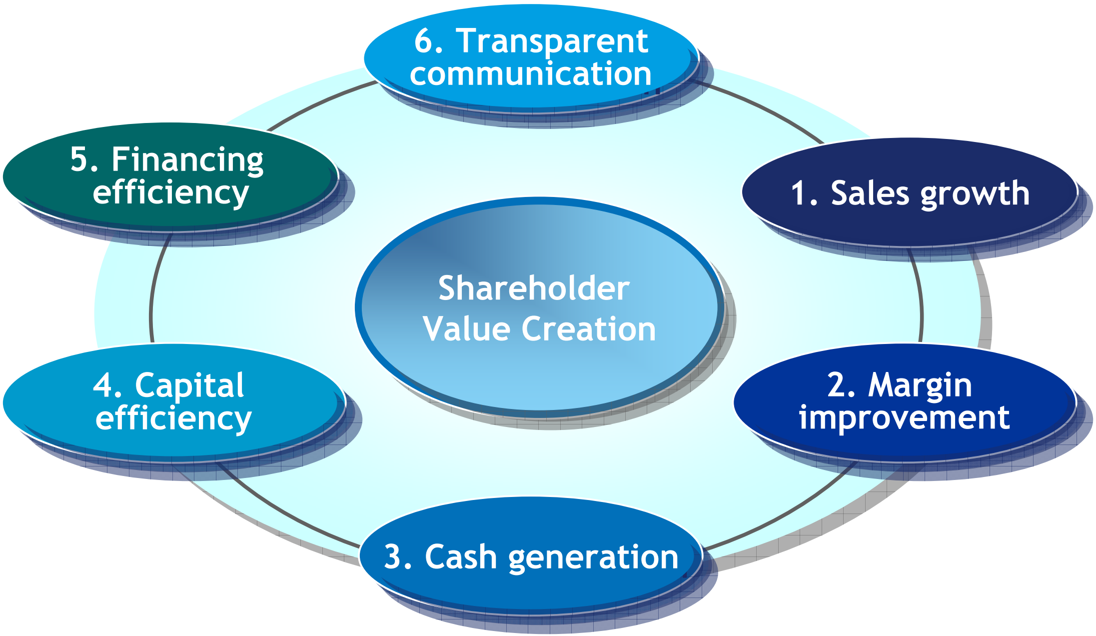
Creating shareholder value at DSM



Target 2013: EBITDA € 1.4 - 1.6bn with ROCE > 15%

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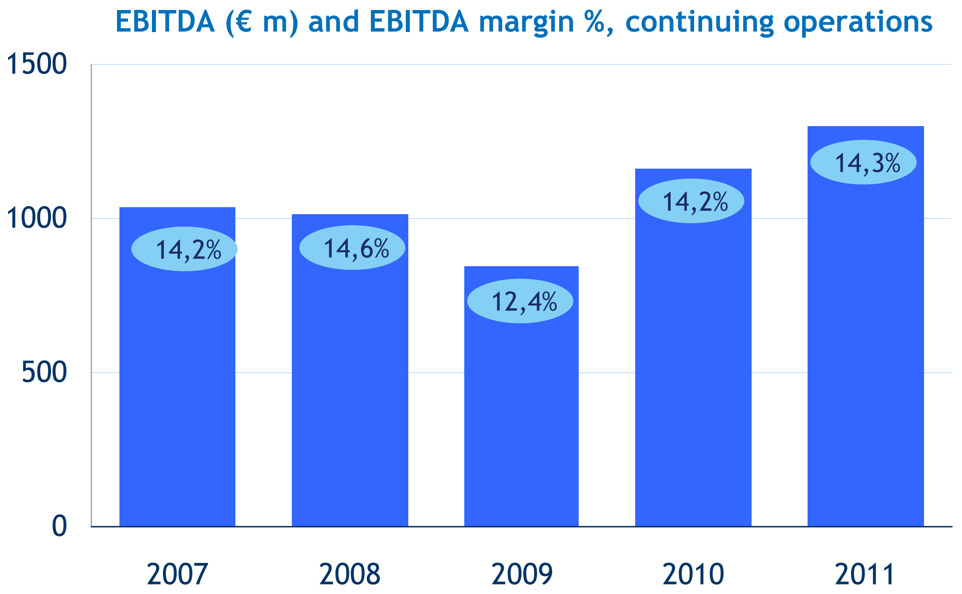
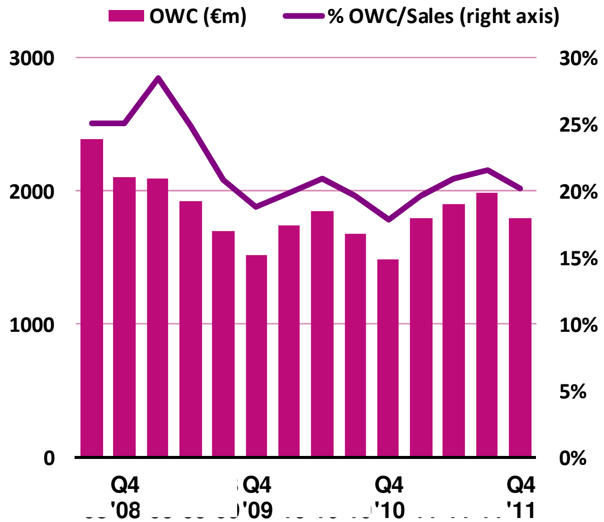
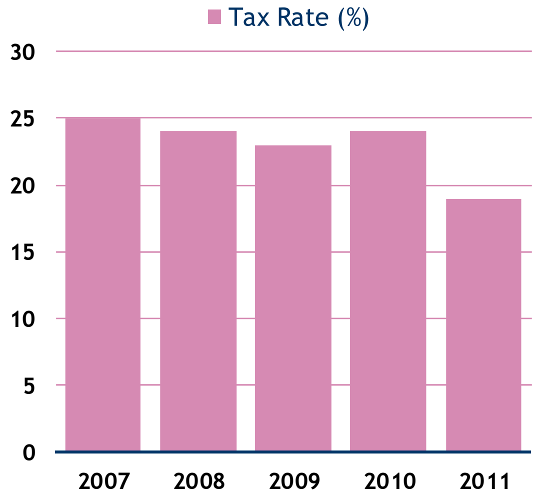
Strong organic sales growth

Relatively resilient, increasing profitability



Continued focus on cash generation





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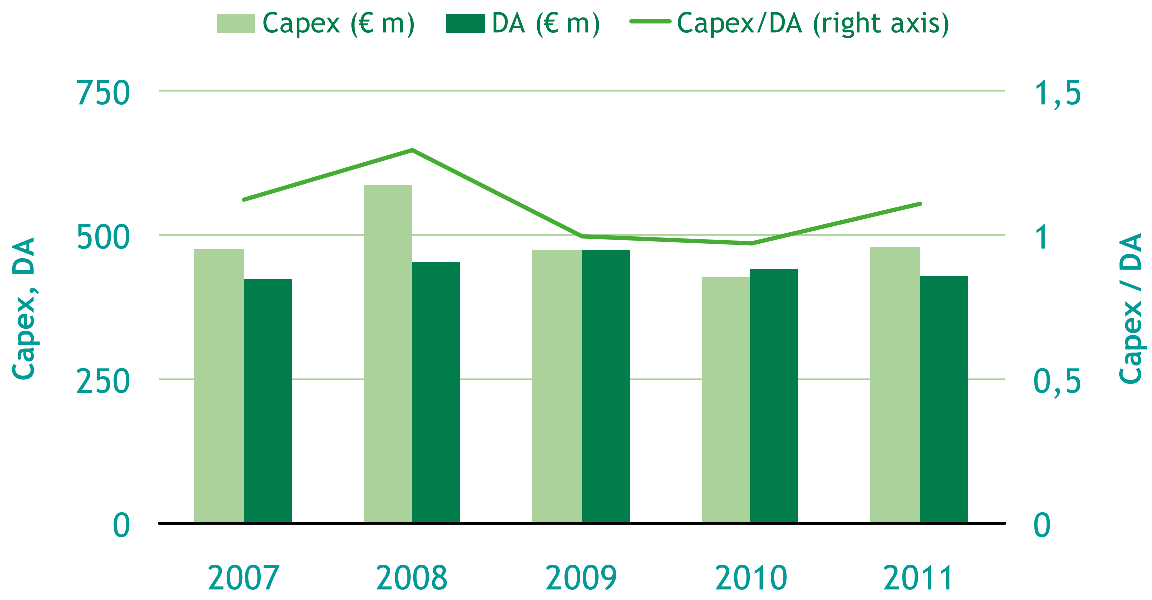
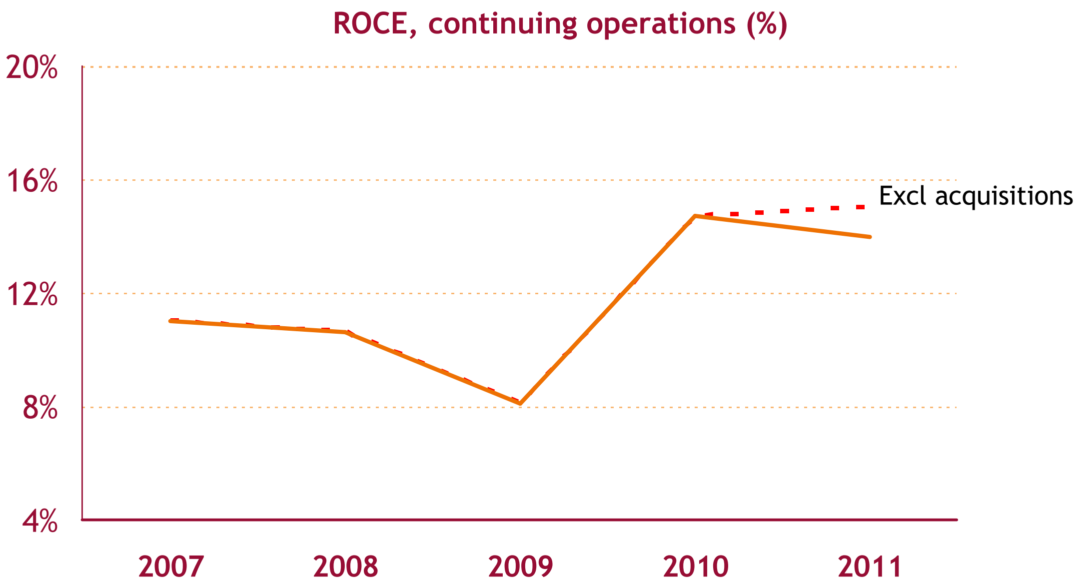
Working on improving capital efficiency

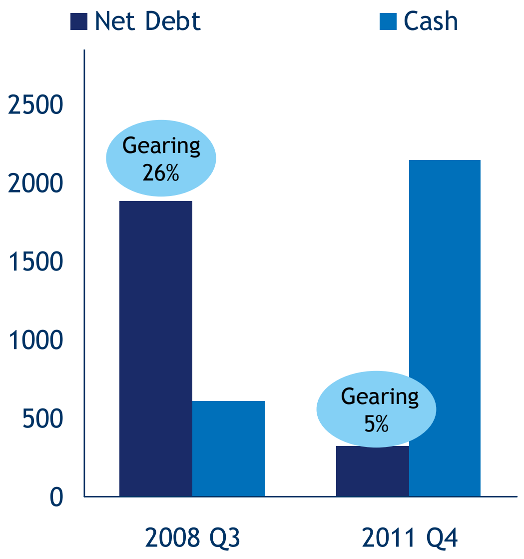


Towards a step up in return on capital

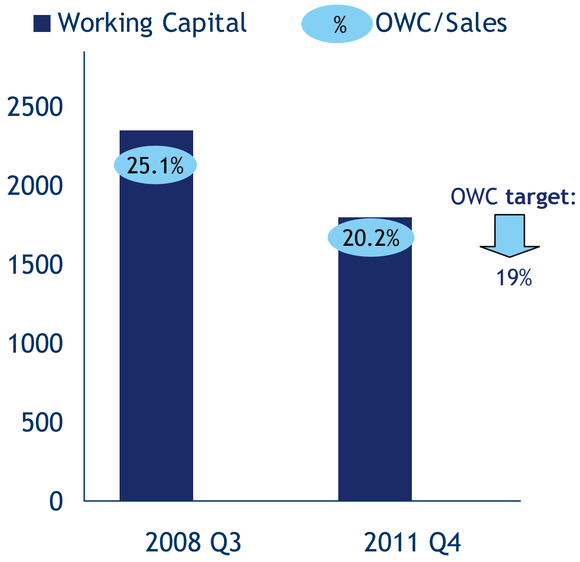


Solid financial position

Net debt (€ m), Cash & Gearing



Working Capital (€ m)



On track towards achieving ambitious targets

Profitability targets 2013		2011
EBITDA	€ 1.4 - 1.6bn	€ 1,296m
ROCE	>15%	14%

Sales targets 2015		2011
Organic sales growth	5% - 7% annually	11%
China sales	from US$ 1.5bn to >US$ 3bn	US$ 2bn
High Growth Economies	from ~32% towards 50% of total sales	39%
Innovation	from ~12% to 20% of total sales	18%

EBA aspiration 2020		2011
EBA sales	>€ 1bn	Good progress

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Good progress towards sustainability aspirations

Sustainability aspirations 2011 - 2015		2011
Dow Jones Sustainability	Index top ranking ("Gold")	No 1 Chemical sector
ECO+ (innovation pipeline)	at least 80% of pipeline is ECO+	94%
ECO+ (running business)	from ~34% towards 50%	41%
Energy efficiency	20% improvement from 2008 till 2020	13% improvement*
Greenhouse Gas Emissions	25% reduction from 2008 till 2020	8% increase*
Engagement Survey	towards High Performance Norm	71% Favorable**
Diversity & People+	to be updated in 2011	Updated***

* Cumulative improvement from 2008 till FY 2011

** Measured end 2011, 8% below High Performance Norm

*** People+ refers to DSM product solutions that create a measurable better impact on people (health, well-being etc.) than mainstream competing solutions. The framework is established, people+ measurement is under development

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Life Sciences 2012

Nutrition

- Continue to make further progress
- Inclusion of Martek for full year
- Improvement in processes and operations; continued cost management
- New pre-mix plants in Asia
- Potential currency volatility

(2011 € 50m currency hedging gain)

Pharma

- Similar to slightly better market conditions
- 6-APA plant start up end Q1, full benefit in 2013
- 50% consolidation DSP
- Improved pipeline (impact after 2012)
- Construction Brisbane bio pharma plant (full benefit 2014-2015)

Materials Sciences 2012

Performance Materials

- Growth in most end-markets
- Growth expected in HGE and US, EU currently down
- No recovery expected in B&C
- No large vehicle tenders expected
- Restructuring program DSM Resins
- Contribution acquisitions of last year
- Contribution from innovations

Polymer Intermediates

- Favorable market conditions remain
- GUR Expected to be > 90%
  - Demand growth 100-200kt p.a.
  - Expansions under construction 600kt (start up 2012-2014)
- Three caprolactam turnarounds planned at DSM (Europe Q1, US Q3, China Q3)

Current business trading in DSM end-markets

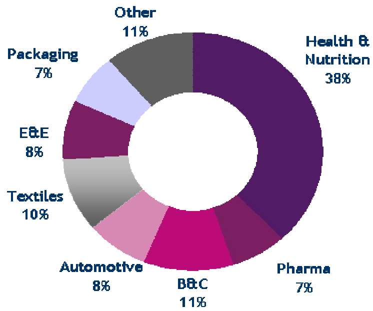
End-market demand

• Food	good
• Feed	strong
• CMO Pharma	moderate
• Automotive /Transport	good
• E&E	moderate
• Building & Construction	weak
• Packaging	good
• Textile	good

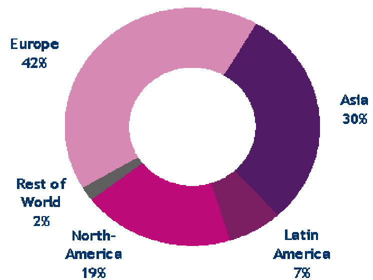
Geographic demand

• EU	weak
• US	improving
• Asia, Latam	strong

2011 Sales by end market



2011 Sales by Region



Outlook

- Cautiously optimistic outlook.
- In **Nutrition** EBITDA is expected to be above 2011.
- EBITDA in **Pharma** is expected to improve slightly compared to 2011, despite the impact of the 50% deconsolidation of the anti-infectives business.
- Based on current insights EBITDA of the **Performance Materials** cluster is expected to be somewhat higher than in 2011.
- For **Polymer Intermediates** another strong year is expected, at a level above the historical average, but the EBITDA will be clearly lower than the exceptional result in 2011.
- **DSM** expects the second half of 2012 to be stronger than the first half of 2012.
- **DSM** on its way to achieve 2013 targets.

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Wrap up

- 2011 another strong year for DSM
- Good strategic progress
  - Martek acquisition (poly-unsaturated fatty acids)
  - JV with DSM Sinochem Pharmaceuticals (anti-infectives)
  - JV with POET to make advanced biofuels a reality
- DSM is well placed in current macro-economic environment
  - Relatively resilient portfolio,
  - Strong presence in High Growth Economies
  - Strong balance sheet
- Cautiously optimistic outlook, DSM on its way to achieve 2013 targets

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POET | DSM

Advanced Biofuels

DSM and POET to make advanced biofuels a reality

- POET – DSM Advanced Biofuels JV to commercially demonstrate and license ***cellulosic*** bio-ethanol:
  - DSM and POET each hold 50% share
  - Initial capital expenditure of ~ US$ 250m
  - Headquartered in South Dakota
  - Initial capacity expected to be 20 million gallons, growing to ~ 25 million, scheduled to start in H2 2013
  - Raw material corn crop residue
  - Favorable GHG effect

- JV intends to license proven *Integrated Technology Package*
  - Replicate technology throughout POET's existing network of 27 corn ethanol plants
  - Worldwide to third parties

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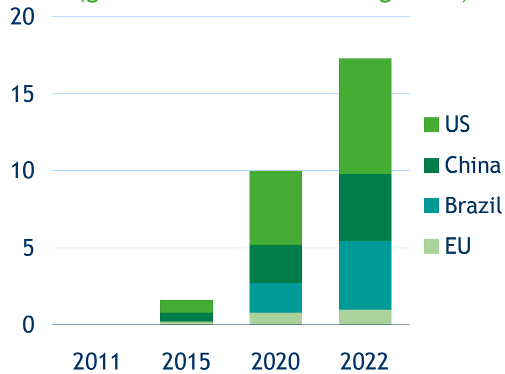
Highly attractive market opportunity

- Global cellulosic ethanol market expected to grow to 18bn gallons in 2022, ~ US$ 50bn
- Resulting in market value for enzymes & yeasts of ~ US$ 3-5 bn in 2022
- US is leading, forecast ~ 7.5bn gallons of cellulosic bio-ethanol by 2022
- It can be calculated that by 2022 ~ 150-200 plants to produce cellulosic bio-ethanol from corn crop residue could be required in the US.

Market expectations(*) cellulosic ethanol
(global demand in billion gallons)



*: derived from Hart's Global Energy Study

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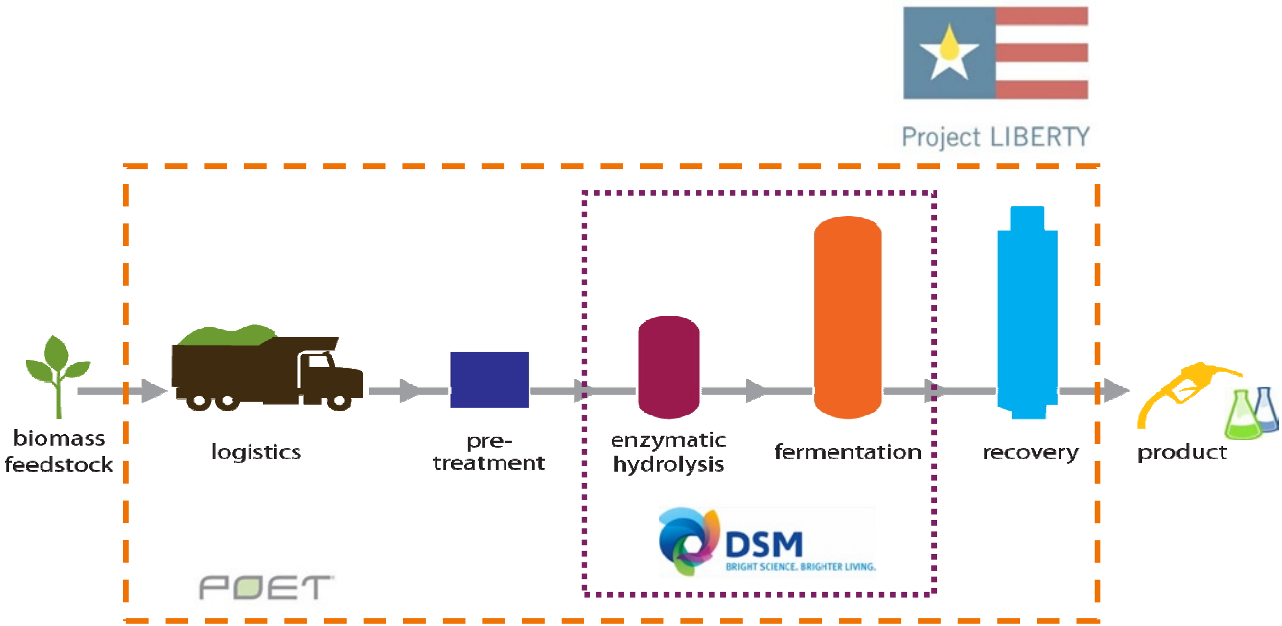
From biomass to cellulosic bio-ethanol



Two innovative leaders, one shared vision

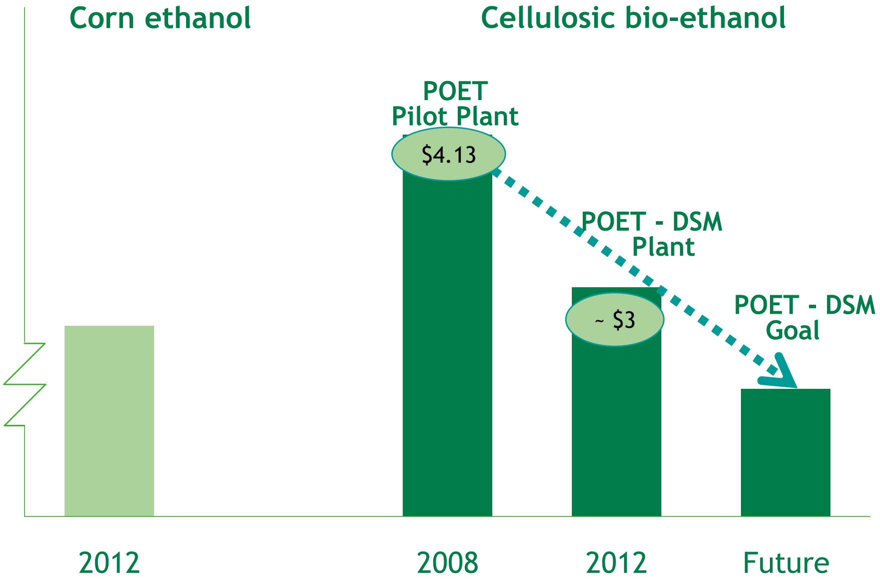
DSM

- Has more than 140 years of experience in biotechnology
- Has a proven track record in scaling up industrial operations
- Leadership position in conversion technologies (yeast and enzymes) for cellulosic biomass to ethanol
- DSM is the only company that can simultaneously co-ferment all C6 and C5 sugars (xylose & arabinose) in cellulosic biomass

POET Energy inspired.

- US market leader in bio-ethanol with a network of 27 corn ethanol plants and revenues ~ US$ 6 bn in 2011.
- Has significant experience in scaling up technology within its network of corn ethanol plants
- Has a leadership position in cellulosic ethanol process technology and has been operating a pilot scale cellulosic ethanol plant since 2008
- Has spent five years developing a system to harvest, transport and store cellulosic biomass and has built an infrastructure for corn crop residue around the Emmetsburg, Iowa facility

Production costs comparison & development



Source: POET and DSM

Value creation in biofuels: now & tomorrow

- Goal is to establish a solid leadership position in the global cellulosic bio-ethanol market
- First revenues expected in 2013. JV is expected to be profitable in first full year of production (2014)
- Projected sales (cellulosic bio-ethanol, biogas and later licensing) from JV to grow to > US$ 200m* with above average EBITDA contribution in the medium/longer term. Future license income could add up to several tens of millions of US$.
- JV expected to contribute significantly towards DSM's strategic aspirations for the EBAs by 2020

* Due to IFRS rules as of 2013 DSM will consolidate the JV using the equity method

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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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HEALTH · NUTRITION · MATERIALS

Press Release

Heerlen (NL), 29 February 2012

DSM, Corporate Communications
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03E

DSM reports another strong year and increases dividend

- Q4 EBITDA from continuing operations up 6% to €293 million
- Full year EBITDA from continuing operations increased 12% to €1,296 million
- Life Sciences delivered further EBITDA growth through Nutrition
- Materials Sciences posted a strong year with record Polymer Intermediates results
- Good strategic progress with Martek acquisition and joint venture with Sinochem
- EPS (before exceptional items, continuing operations) up 22% to €3.53
- Dividend increase by €0.10 to €1.45 per ordinary share proposed for 2011
- Cautiously optimistic outlook, on the way to achieve 2013 targets

Commenting on the results, Feike Sijbesma, CEO/Chairman of the DSM Managing Board, said:
"2011 was another strong year for DSM despite the challenges of the global economy, adverse currency movements and high raw material costs. As a consequence we propose to increase our dividend for the second consecutive year. In Nutrition we made good progress once again and Polymer Intermediates delivered its highest profitability in history.

"Furthermore, we made significant steps in the first year of implementing our growth strategy. This included the acquisition of Martek, the formation of the joint venture with Sinochem, the completion of non-core divestments, progress in sustainability-related innovations and expansion into high growth economies, which now account for 39% of sales. At the start of 2012 we announced an exciting joint venture with POET, to make advanced biofuels a reality on a commercial scale.

"We are conscious that risks to the macro-economic global outlook remain, and that weakness in Europe and some of our end markets, especially building and construction, persists. However, we believe that our balanced, relatively resilient portfolio in health, nutrition and materials, our broad geographic spread with a significant presence in high growth economies, together with our strong balance sheet, leave us well placed to achieve our ambitious 2013 targets."

fourth quarter 2011	2010	+/-	*in € million*	full year 2011	2010	+/-
			Continuing operations:			
2,227	**2,082**	***7%***	Net sales	**9,048**	**8,176**	***11%***
			Operating profit before depreciation			
293	**276***	***6%****	and amortization (EBITDA)	**1,296**	**1,161***	***12%****
193	163		- Nutrition	735	684	
11	26		- Pharma	36	61	
43	56		- Performance Materials	293	283	
79	67		- Polymer Intermediates	380	223	
-17	-13		- Innovation Center	-57	-49	
-16	-23		- Corporate activities	-91	-41	
			* of which €9 million (full year €33 million) IFRS pension adjustment			
			** 10% (full year 15%) if IFRS pension adjustment is excluded			
166	170*	*-2%*	Operating profit (EBIT)	866	752*	*15%*
			Discontinued operations:			
-	120		Net sales	145	874	
			Operating profit before depreciation			
-	14		and amortization (EBITDA)	29	117	
-	10		Operating profit (EBIT)	29	86	
			Total DSM:			
2,227	**2,202**	***1%***	Net sales	**9,193**	**9,050**	***2%***
			Operating profit before depreciation			
293	290	*1%*	and amortization (EBITDA)	1,325	1,278	*4%*
118	**117**	***1%***	Net profit before exceptional items	**615**	**547**	***12%***
-33	32		Net result from exceptional items	199	-40	
85	**149**	***-43%***	Net profit	**814**	**507**	***61%***
			Net earnings per ordinary share in €:			
			- before exceptional items, continuing			
0.71	0.63	*13%*	operations	3.53	2.89	*22%*
			- including exceptional items,			
0.53	0.89	*-40%*	total DSM	4.86	3.03	*60%*

In this report:

- *'operating profit' (before depreciation and amortization) is understood to be operating profit (before depreciation and amortization) before exceptional items;*
- *'net profit' is the net profit attributable to equity holders of Koninklijke DSM NV;*
- *'continuing operations' refers to the DSM operations excluding DSM Agro, DSM Melamine, DSM Special Products B.V., S.A. Citrique Belge N.V and DSM Elastomers;*
- *'discontinued operations' comprise net sales and operating profit (before depreciation and amortization) of DSM Agro and DSM Melamine up to and including Q2 2010, S.A. Citrique Belge N.V. up to and including Q3 2010, DSM Special Products B.V. up to and including Q4 2010 and DSM Elastomers up to and including Q2 2011.*

Overview
In the **fourth quarter** of 2011 economic growth in Western Europe began to stall. The challenging economic environment impacted most Materials Sciences businesses, which in addition were affected by some inventory adjustments in the value chain.

Economic growth in high growth economies continued to be strong, but measures taken to manage emerging inflation, especially in China, had a negative impact on the availability of credit for some customers. This also impacted demand in Materials Sciences.

As expected, Nutrition was not affected by this economic headwind. Continued growth was supported by improved pricing.

On balance, Q4 EBITDA (€293 million) was 6% higher than in Q4 2010. The main contributor was Nutrition, which, even excluding Martek, delivered a higher result, despite the effect of the strong Swiss franc on its cost base.

The Pharma result was clearly below last year.

Performance Materials posted a drop in EBITDA, which reflects the economic headwind.

The Polymer Intermediates result was clearly above last year despite the economic conditions, although lower than in the previous quarters.

DSM's cash performance in Q4 2011 was excellent. Cash provided by operating activities was €403 million in the quarter, which can largely be attributed to a reduction in working capital.

Net sales *in € million*	**full year** 2011	2010	differ-ence	organic growth	exch. rates	other
Nutrition	3,370	3,005	12%	4%	0%	8%
Pharma	677	739	-8%	3%	-2%	-9%
Performance Materials	2,752	2,507	10%	9%	-1%	2%
Polymer Intermediates	1,820	1,398	30%	32%	-2%	
Innovation Center	60	50				
Corporate activities	369	477				
Total (continuing operations)	9,048	8,176	11%	11%	-1%	1%*
Discontinued operations	145	874				
Total	9,193	9,050				

* Including the effect of the deconsolidation of DSM's interest in Sitech Manufacturing Services, Utility Support Group B.V. and EdeA v.o.f, which were reported in Corporate activities in 2010.

Full year organic sales growth was 11%, well above DSM's strategic target of 5-7%. All clusters, especially Polymer Intermediates, contributed to this growth.

Full year EBITDA was €1,296 million. EBITDA growth (excluding the IFRS pension adjustment) was 15%, which is clearly above sales growth.

The Nutrition result (€735 million) including Martek was higher despite the negative impact of currencies of €70 - 80 million net of hedging results, mainly Swiss franc related.

The Pharma result (€36 million) was lower, but stabilizing. As a result of the formation of the joint venture with Sinochem in anti-infectives, DSM Sinochem Pharmaceuticals was consolidated at 50% in the last 4 months of the year.

Performance Materials posted a higher result for the year (€293 million), despite tough economic conditions in Q4 and weakness in the tender driven vehicle protection business at DSM Dyneema.

Polymer Intermediates had its four best quarters ever in 2011, resulting in a very substantial increase in EBITDA (to €380 million), compared to a strong 2010 performance.

Net sales in China (continuing operations) increased by 30% from USD 1,535 million in 2010 to USD 2,002 million in 2011. Total sales in high growth economies increased to 39% of overall sales in 2011.

Innovation sales - measured as sales from innovative products and applications introduced in the last five years - reached 18% of total net sales in 2011, close to the company's 2015 target of approximately 20%.

Business review by cluster

Nutrition

fourth quarter		*in € million*	**full year**	
2011	2010		2011	2010
865	758	Net sales	3,370	3,005
193	163	EBITDA	735	684
149	132	EBIT	577	551
22.3%	21.5%	EBITDA margin	21.8%	22.8%

Fourth quarter sales increased strongly (+14% compared to Q4 2010) driven by the acquisition of Martek (8%) and organic sales growth of 5%, reflecting higher volumes and prices across most of the businesses. EBITDA grew by 18% mainly due to Martek, higher volumes and prices and continued cost management, which compensated for the negative impact of currencies and increased raw material costs. Martek generated sales of €79 million with an EBITDA of €21 million.

Full year sales increased by 12% with organic sales growth of 4% due to higher volumes across all businesses and stable pricing. Martek (contributing since the end of February 2011) delivered an excellent performance with sales reaching €284 million and EBITDA of €88 million.

Despite a strong currency headwind, which had an impact on EBITDA of €70 - 80 million net of hedging results (mainly Swiss franc related), EBITDA increased to €735 million due to the Martek acquisition, higher volumes and further cost improvements.

Pharma

fourth quarter		*in € million*	**Full year**	
2011	2010		2011	2010
165	190	Net sales	677	739
11	26	EBITDA	36	61
-1	11	EBIT	-8	3
6.7%	13.7%	EBITDA margin	5.3%	8.3%

Fourth quarter organic sales growth was 12% as sales increased for DSM Pharmaceutical Products due to higher customer demand. DSM has proportionally consolidated its anti-infectives joint venture, DSM

Sinochem Pharmaceuticals (DSP) at 50%. This impacted the reported net sales and EBITDA. The lower EBITDA was also due to an unfavorable product mix at DSM Pharmaceutical Products.

Full year organic sales growth was 3% due to higher volumes at DSM Pharmaceutical Products and slightly lower volumes at DSP. Overall sales decreased by 8% mainly as a consequence of the proportional consolidation of DSP.

The cluster's profitability was reduced by tougher market conditions in 2011 in the anti-infectives markets and the proportional consolidation of DSP.

Performance Materials

fourth quarter		*in € million*	full year	
2011	2010		2011	2010
627	640	Net sales	2,752	2,507
43	56	EBITDA	293	283
0	27	EBIT	162	163
6.9%	8.8%	EBITDA margin	10.6%	11.3%

Fourth quarter organic sales development was -6% due to lower volumes (-15%) in all businesses, which were partly compensated for by higher pricing (9%) at DSM Engineering Plastics and DSM Resins. Both DSM Engineering Plastics and DSM Resins faced lower demand due to weaker market conditions and some inventory adjustments in building & construction, E&E and European automotive. DSM Dyneema continued its growth in fiber solutions and personal protection but this was more than offset by lower volumes in the tender driven vehicle protection business. EBITDA was lower, mainly due to the performance of DSM Dyneema.

In Q4 2011 some impairment charges were recognized. The most important one was related to the closing of the Swiss production facility of DSM Dyneema.

Full year organic sales growth was 9%. Higher prices at DSM Engineering Plastics and DSM Resins were partly offset by lower volumes at DSM Dyneema and DSM Resins. Despite the lower results in Q4, EBITDA was higher than in 2010.

Polymer Intermediates

fourth quarter		*in € million*	full year	
2011	2010		2011	2010
467	382	Net sales	1,820	1,398
79	67	EBITDA	380	223
67	54	EBIT	339	186
16.9%	17.5%	EBITDA margin	20.9%	16.0%

In the **fourth quarter** of 2011 Polymer Intermediates achieved organic sales growth of 20% compared to Q4 2010. The cluster continued to benefit from the high global utilization rate, with prices 8% above the same quarter last year. Volumes were 12% higher due to improved manufacturing performance compared to Q4 last year.

Continued pricing strength and strong manufacturing performance resulted in a higher EBITDA for the fourth quarter compared to the excellent previous year. Due to weaker demand in acrylonitrile and declining unit margins in caprolactam at the end of the quarter, Q4 EBITDA was lower than the exceptional previous quarters of 2011.

Full year organic sales growth was 32%, compared to an already very strong performance in 2010. The cluster benefited from the favorable market conditions and demonstrated an excellent manufacturing performance, resulting in an all time high EBITDA.

Innovation Center

fourth quarter		*in € million*	full year	
2011	2010		2011	2010
17	15	Net sales	60	50
-17	-13	EBITDA	-57	-49
-21	-20	EBIT	-69	-64

Fourth quarter sales developed well. Higher gross margins were offset by increased costs for innovation projects, which include the Actamax joint venture with DuPont in DSM Biomedical and new projects in DSM Bio-based Products & Services.

Similar to the quarter, **full year** sales were above last year, but EBITDA was lower due to the increased innovation costs.

Strategic progress was made in 2011 with the start-up of the Actamax joint venture in surgical biomedical materials. In addition, several development agreements were signed in the main segments of the Biomedical business. DSM and Roquette started the construction of the commercial-scale bio-based succinic acid plant in Italy. The acquisition of C5 Yeast Company B.V. from Royal Cosun was completed, further extending DSM's leadership position in the field of cellulosic bio-ethanol.

Corporate activities

fourth quarter		*in € million*	full year	
2011	2010		2011	2010
86	97	Net sales	369	477
-16	-23	EBITDA*	-91	-41
-28	-34	EBIT*	-135	-87
	9	* of which IFRS pension adjustment		33

Fourth quarter EBITDA improved compared to Q4 2010, mainly as a result of lower project related expenses and lower costs in service organizations.

Excluding the changes in the Dutch pension plan, **full year** EBITDA decreased by €17 million due to a lower contribution of the captive insurance company and higher share based payment costs.

Exceptional items
Total *exceptional items* in the **fourth quarter** of 2011 amounted to a pre-tax loss of €39 million (€33 million after tax), comprising a loss of €18 million in relation to the previously announced restructuring initiatives at DSM Resins, costs for litigation settlements and claims amounting to €20 million and the remainder of the non-recurring value adjustments of inventories in relation to the Martek acquisition.

Full year *exceptional items* amounted to €173 million (€199 million after tax), comprising the book profits on the sale of Danisco shares, the divestment of DSM Elastomers and the establishment of the DSM Sinochem Pharmaceuticals joint venture, and losses regarding the non-recurring value adjustments of inventories in relation to the Martek acquisition, restructuring actions at DSM Resins and costs for litigation settlements and claims.

Net profit
Net finance costs in the **fourth quarter** amounted to €28 million, compared to €27 million in Q4 2010. **Full year** *net finance costs* decreased by €11 million compared to the previous year to a level of €82 million, mainly as a result of favorable hedging results and lower interest costs.

The *effective tax rate* for the **full year** amounted to 19% (2010: 24%). The lower tax rate was a result of a different geographical spread of results and the application of preferential tax regimes in countries where DSM is operating.

Net profit before exceptional items in the **fourth quarter** of €118 million was at the same level as Q4 2010. As a result of exceptional items, *total net profit* decreased by €64 million to €85 million (Q4 2010: €149 million).

Net profit before exceptional items for the **full year** amounted to €615 million, which was €68 million higher than in 2010. *Total net profit* increased by €307 million compared to the previous year and reached a level of €814 million, partly due to exceptional items and a lower tax rate.

Full year *net earnings per ordinary share (continuing operations, excluding exceptional items)* increased by 22% to a level of €3.53 compared to €2.89 in 2010.

Dividend
DSM's dividend policy is to provide a stable and preferably rising dividend. DSM therefore proposes to increase the dividend by €0.10 to €1.45 per ordinary share. This will be proposed to the Annual General Meeting of Shareholders to be held on 11 May 2012. An interim dividend of €0.45 per ordinary share having been paid in August 2011, the final dividend would then amount to €1.00 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 15 May 2012.

Cash flow, capital expenditure and financing
Cash provided by operating activities amounted to €403 million in the **fourth quarter** of 2011 (Q4 2010: €413 million), resulting in a **full year** total of €882 million (2010: €1,103 million).

Operating working capital as a percentage of sales amounted to 20.2% at the end of 2011 (of which 0.5% as a result of the Martek acquisition), which is above the target of 19%.

Total cash used for *capital expenditure* in the **fourth quarter** amounted to €173 million (Q4 2010: €165 million). Cash flow related to *capital expenditure* in 2011 was €477 million for the **full year,** compared to €416 million in 2010.

At year-end 2011 *net debt* amounted to €318 million and gearing was 5%.

Progress of strategy DSM in motion: *driving focused growth*
DSM in motion: *driving focused growth* marks the shift from an era of intensive portfolio transformation to a strategy for the coming years 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. Below is an update on DSM's achievements and progress in the full year 2011:

The sale of DSM Elastomers to LANXESS in 2011 completed the final stage of the transformation of DSM that began with the divestment program DSM announced in September 2007 as part of its Accelerated *Vision 2010* program.

Early 2011 DSM successfully completed the acquisition of Martek Biosciences Corporation, the first major acquisition by DSM after its successful transformation into a Life Sciences and Materials Sciences company. The acquisition added a new growth platform for healthy and natural food ingredients for infant formula and other food and beverage applications for DSM's Nutrition cluster.

DSM established the 50/50 global joint venture for its business group DSM Anti-Infectives with Sinochem Group. The joint venture, DSM Sinochem Pharmaceuticals, includes all activities of the former DSM Anti-Infectives business group across the world. It aims to increase its sales to more than €600 million with an EBITDA margin above 15% by 2015.

DSM successfully completed the acquisition of a majority share of 91.75% in Shandong ICD High Performance Fibre Co., Ltd. (ICD) in China. ICD is a manufacturer of UHMWPE (ultra high molecular weight polyethylene) fiber and a strong player in the high-performance fiber market in China.

In China the DSM joint venture Jinling DSM Resins Co., Ltd. (JDR) announced that it will invest approximately €50 million in a new production facility for composite resins in Nanjing. DSM's share in the joint venture is 75%.

With its joint venture partners Sinopec Nanjing Chemical Industry Company and Jiangsu Guoxin Group, DSM has started the expansion project to double its caprolactam capacity in Nanjing (China) to 400 kt, making it the largest caprolactam plant in the world. The investment will be approximately USD 300 million. The new facility is expected to come on stream in Q3 of 2013 and be operating at full capacity in 2014.

DSM acquired a 51% stake in AGI Corporation of Taiwan (AGI), a producer of a broad range of environmentally friendly UV (ultraviolet) curable resins and other products.

In Russia, DSM and KuibyshevAzot OJSC commenced their strategic cooperation in which DSM Engineering Plastics entered into two joint ventures with the Russian company. In addition, KuibyshevAzot was granted a license under DSM Fibre Intermediates' technology for the production of cyclohexanone.
Furthermore, DSM opened the first feed-premix plant in Russia in a joint venture with Tatenergo JSC (Republic of Tatarstan).

In India DSM announced a partnership with Kemrock Industries for the production of specialty composite resins. DSM and Kemrock together will invest USD 25 million in a joint venture.
In India DSM also opened its first Animal Nutrition & Health premix plant, located in Ambernath, Mumbai.

In Romania DSM completed the acquisition of the premix unit of Fatrom Furajeri Additivi, the country's leading premix manufacturer. It allows DSM to expand its global network of premix facilities and offers improved access to the growing Romanian livestock feed market.

DSM acquired C5 Yeast Company, which allows DSM to combine C5 Yeast Company's business with its own advanced yeast and enzyme technologies for advanced biofuels (cellulosic ethanol derived from agricultural residues and non-edible crops), further increasing its leadership position in this field.

DSM and POET, LLC, one of the world's largest ethanol producers, have announced a joint venture to commercially demonstrate and license cellulosic bio-ethanol, the next step in the development of biofuels, based on their proprietary and complementary technologies. The joint venture, POET–DSM Advanced Biofuels, LLC, is scheduled to start production in the second half of 2013 at one of the first commercial-scale cellulosic ethanol plants in the US.

Sustainability
DSM's mission is about creating brighter lives for people today and generations to come. This mission is supported by DSM's core value, which is that its activities should contribute to a more sustainable world. As part of its strategy, DSM in motion: *driving focused growth*, DSM has formulated the ambition to go to the next level in sustainability: from an internal value and a tool for making a responsible contribution to society, to a strategic business driver.

Today DSM is publishing its second integrated annual report, after having published already for more than a decade separate annual- and triple P-reports.

In sustainability DSM set a number of ambitious aspirations in 2010 and in 2011 the company made good progress toward meeting them, as evidenced by the following highlights:

DSM once again retained its number one position in the chemical industry sector in the Dow Jones Sustainability World Index. This is the third consecutive year that DSM has held this top position in worldwide sustainability and the sixth time in total since 2004. In 2007 and 2008, the two years when DSM was not ranked number one, it was also among the leaders in the sector.

In 2011 the percentage of ECO+ solutions in the innovation pipeline was 94%, well above the target set. ECO+ solutions as a percentage of running business increased further to 41%. DSM is on its way toward the 50% aspiration.

DSM is on track with its drive to improve energy efficiency by 20% by 2020 compared to 2008. Including 2011 energy efficiency improved 13% compared to 2008.

In 2011 DSM executed its fourth worldwide Employee Engagement Survey. The main element in the survey is the measurement of DSM's Employee Engagement Index, the percentage of employees scoring favorable on a combination of four attributes: commitment, pride, advocacy and satisfaction. The Employee Engagement Index measured in 2011 again was close to high performance norm with an all time high response rate of 91%.

DSM's People+ strategy will deliver measurably better solutions to improve the lives of people. The company has defined a new People+ framework based on broad stakeholder analyses. The dimensions of health, comfort and well-being, working conditions and community development have been identified as distinct and instrumental categories to measure People+ impact at product level.

In 2011 diversity ambitions for the business groups were defined for the period 2011-2015, to ensure that DSM's organizational readiness is in line with its stretched growth ambitions for 2015. In addition, DSM has addressed the geographical distribution of management and other key functions.

Outlook
DSM's outlook for the year is influenced by the uncertain and volatile economic conditions. At this moment DSM is experiencing a weak economic environment, especially in Europe, which is expected to improve in the second half of the year.

The high growth economies continue to grow fast, albeit at a slower pace than in previous years. Despite these uncertainties, DSM is confident that it will continue to benefit from its balanced, relatively resilient portfolio in health, nutrition and materials, its broad geographic spread with a significant presence in high growth economies and its strong balance sheet.

Nevertheless, in addition to the already announced restructuring initiatives at DSM Resins, DSM is putting in place further cost reduction programs and profit protection plans.

In Nutrition, the impact of the substantial strengthening of the Swiss franc in 2011 was mitigated by a €50 million currency hedge gain, which effect will not occur in 2012. Despite this, DSM anticipates that its Nutrition business will continue to make further progress in 2012. EBITDA is expected to be above 2011.

Trading conditions in the Pharma cluster are expected to remain challenging, although DSM anticipates that it will make further strategic progress. EBITDA is expected to improve slightly compared to last year, despite the impact of the 50% deconsolidation of the anti-infectives business.

Trading conditions in Materials Sciences continue to be volatile and the end market outlook is uncertain owing to weak consumer sentiment in some of DSM's key geographies. However, based on current insights EBITDA of the Performance Materials cluster is expected to be somewhat higher than in 2011.

For Polymer Intermediates another strong year is expected, at a level above the historical average, but EBITDA will be clearly lower than the exceptional result in 2011. In 2012 three planned turnarounds in caprolactam, one in Q1 2012 and two more in Q3 2012, will also impact the results.

Despite macro-economic uncertainties, DSM is cautiously optimistic for the year 2012. DSM expects the second half of the year to be stronger than the first half, on its way to achieve the 2013 targets.

Additional information
Today DSM will hold a conference call for the media from 07.30 AM to 08.00 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 2011 results can be found in the Presentation to Investors, which can be downloaded from the Investors section of the DSM website.

Condensed consolidated statement of income for the fourth quarter

fourth quarter 2011			*in € million*	fourth quarter 2010		
before exceptional items	exceptional Items	total		before exceptional items	exceptional Items	total
2,227		2,227	net sales	2,202		2,202
293	-35	258	EBITDA from continuing operations	276	7	283
			EBITDA from discontinued operations	14	-34	-20
293	-35	258	EBITDA total DSM	290	-27	263
166	-39	127	operating profit (EBIT)	180	46	226
			operating profit from discontinued operations	10	28	38
166	-39	127	operating profit from continuing operations	170	18	188
-28		-28	net finance costs	-27		-27
-2		-2	share of the profit of associates	1		1
136	-39	97	profit before income tax expense	144	18	162
-10	6	-4	income tax expense	-31	-6	-37
126	-33	93	net profit from continuing operations	113	12	125
			net profit from discontinued operations	10	20	30
126	-33	93	profit for the period	123	32	155
-8		-8	non-controlling interests	-6		-6
118	-33	85	net profit	117	32	149
118	-33	85	net profit	117	32	149
-2		-2	dividend on cumulative preference shares	-3		-3
116	-33	83	net profit used for calculating earnings per share	114	32	146
127	4	131	depreciation and amortization	110	-73	37
		238	capital expenditure			170
		67	acquisitions			3
			net earnings per ordinary share in €			
0.71	-0.18	0.53	- net earnings, total DSM	0.69	0.20	0.89
0.71	-0.18	0.53	- net earnings, continuing operations	0.63	0.07	0.70
		163.6	average number of ordinary shares (x million)			165.2
		163.3	number of ordinary shares, end of period (x million)			166.5
		22,224	workforce (headcount) at end of period			21,911
		6,205	of which in the Netherlands			6,754

Condensed consolidated statement of income for full year

full year 2011			*in € million*	full year 2010		
before exceptional items	exceptional Items	total		before exceptional items	exceptional Items	total
9,193		9,193	net sales	9,050		9,050
1,296	-5	1,291	EBITDA from continuing operations	1,161	13	1,174
29	110	139	EBITDA from discontinued operations	117	-65	52
1,325	105	1,430	EBITDA total DSM	1,278	-52	1,226
895	33	928	operating profit (EBIT)	838	-36	802
29	110	139	operating profit from discontinued operations	86	-48	38
866	-77	789	operating profit from continuing operations	752	12	764
-82	140	58	net finance costs	-93		-93
3		3	share of the profit of associates	5		5
787	63	850	profit before income tax expense	664	12	676
-147	25	-122	income tax expense	-162	-4	-166
640	88	728	net profit from continuing operations	502	8	510
21	111	132	net profit from discontinued operations	63	-48	15
661	199	860	profit for the period	565	-40	525
-46		-46	non-controlling interests	-18		-18
615	199	814	net profit	547	-40	507
615	199	814	net profit	547	-40	507
-10		-10	dividend on cumulative preference shares	-10		-10
605	199	804	net profit used for calculating earnings per share	537	-40	497
430	72	502	depreciation and amortization	440	-16	424
		528	capital expenditure			427
		974	acquisitions			49
			net earnings per ordinary share in €			
3.66	1.20	4.86	- net earnings, total DSM	3.27	-0.24	3.03
3.53	0.53	4.06	- net earnings, continuing operations	2.89	0.05	2.94
		165.6	average number of ordinary shares (x million)			164.0
		163.3	number of ordinary shares, end of period (x million)			166.5
		22,224	workforce (headcount) at end of period			21,911
		6,205	of which in the Netherlands			6,754

Consolidated balance sheet: assets

in € million	year-end 2011		year-end 2010	
intangible assets	1,786		1,070	
property, plant and equipment	3,405		2,943	
deferred tax assets	292		326	
associates	35		25	
other financial assets	135		271	
	--------		--------	
non-current assets		**5,653**		**4,635**
inventories	1,573		1,340	
trade receivables	1,551		1,361	
other receivables	153		116	
financial derivatives	50		134	
current investments	89		837	
cash and cash equivalents	2,058		1,453	
	--------		--------	
		5,474		5,241
assets to be contributed to joint ventures		-		317
assets held for sale		30		287
		--------		--------
current assets		**5,504**		**5,845**
		--------		--------
total assets		**11,157**		**10,480**

Consolidated balance sheet: equity and liabilities

in € million	year-end 2011		year-end 2010	
shareholders' equity	5,784		5,481	
non-controlling interests	190		96	
	--------		--------	
equity		**5,974**		**5,577**
deferred tax liabilities	192		155	
employee benefits liabilities	322		297	
provisions	116		93	
borrowings	2,029		1,992	
other non-current liabilities	69		33	
	--------		--------	
non-current liabilities		**2,728**		**2,570**
employee benefits liabilities	6		24	
provisions	43		33	
borrowings	160		105	
financial derivatives	326		219	
trade payables	1,348		1,277	
other current liabilities	557		512	
	--------		--------	
		2,440		2,170
liabilities to be contributed to joint ventures		-		104
liabilities held for sale		15		59
		---------		--------
current liabilities		**2,455**		**2,333**
		---------		--------
total equity and liabilities		**11,157**		**10,480**

capital employed *	6,581	5,468
equity / total assets*	54%	53%
net debt*	318	-108
gearing (net debt / equity plus net debt)*	5%	-2%
operating working capital, continuing operations	1,795	1,487
OWC / net sales, continuing operations	20.2%	17.9%
ROCE (continuing operations)	14.0%	14.6%

***** Before reclassification to Held for sale

Condensed consolidated cash flow statement

in € million		**full year** 2011		2010
cash, cash equivalents and current investments at beginning of period		**2,290**		**1,347**
current investments at beginning of period		837		7
cash and cash equivalents at beginning of period		**1,453**		**1,340**
operating activities:				
- EBITDA	1,430		1,226	
- change in working capital	-232		73	
- interest and income tax	-146		-152	
- other	-170		-44	
cash provided by operating activities		882		1,103
investing activities:				
- capital expenditure	-477		-416	
- acquisitions	-929		-61	
- disposal of subsidiaries and businesses	513		363	
- disposal of other non-current assets	229		14	
- change in fixed-term deposits	748		-832	
- other	-77		-32	
cash used in investing activities		7		-964
dividend	-155		-206	
repurchase of shares	-357			
proceeds from re-issued shares	111		95	
other cash from financing activities	59		-50	
cash used in financing activities		-342		-161
changes in consolidation and exchange differences		58		135
cash and cash equivalents at end of period		2,058		1,453
current investments at end of period		89		837
Cash, cash equivalents and current investments at end of period		2,147		2,290

Condensed consolidated statement of comprehensive income

in € million	Full year 2011	2010
exchange differences on translation of foreign operations	57	301
actuarial gains and losses and asset ceiling*	-40	-357
change in fair value reserve	-85	33
change in hedging reserve	-120	45
income tax expense	60	108
	---------	---------
other comprehensive income	-128	130
profit for the period	860	525
	---------	---------
total comprehensive income	732	655

* With the introduction of the defined contribution plan in 2011 for DSM in the Netherlands €765 million has been transferred from the reserve for actuarial gains & losses to the other retained earnings.

Condensed consolidated statement of changes in equity

in € million	Full year 2011	2010
total equity at beginning of period	5,577	5,011
changes:		
- total comprehensive income	732	655
- dividend	-246	-207
- repurchase of shares	-357	
- proceeds from re-issue of ordinary shares	201	95
- other changes	67	23
	---------	---------
total equity at end of period	5,974	5,577

Condensed report business segments

full year 2011 *(in € million)*

	Continuing operations								Discon-tinued operations	Elimina-tion	Total
	Nutrition	Pharma	Perform-ance Materials	Polymer Interme-diates	Innovation Center	Corporate activities	Elimina-tion	Total continuing operations			
net sales	3,370	677	2,752	1,820	60	369		9,048	145		9,193
supplies to other clusters	68	21	21	435	4	23	-571	1	6	-7	
total supplies	3,438	698	2,773	2,255	64	392	-571	9,049	151	-7	9,193
EBITDA	735	36	293	380	-57	-91		1,296	29		1,325
EBIT	577	-8	162	339	-69	-135		866	29		895
total assets	3,826	1,104	2,085	835	255	3,052		11,157			11,157
workforce (headcount) at end of period	8,329	3,324	5,599	1,439	383	3,150		22,224			22,224

full year 2010 *(in € million)*

	Continuing operations								Discon-tinued operations	Elimina-tion	Total
	Nutrition	Pharma	Perform-ance Materials	Polymer Interme-diates	Innovation Center	Corporate activities	Elimina-tion	Total continuing operations			
net sales	3,005	739	2,507	1,398	50	477		8,176	874		9,050
supplies to other clusters	52	14	42	395	4	16	-472	51	100	-151	
total supplies	3,057	753	2,549	1,793	54	493	-472	8,227	974	-151	9,050
EBITDA	684	61	283	223	-49	-41		1,161	117		1,278
EBIT	551	3	163	186	-64	-87		752	86		838
total assets	2,777	1,175	2,253	700	199	3,089		10,193	287		10,480
workforce (headcount) at end of period	7,409	4,079	4,918	1,361	309	3,417		21,493	418		21,911

Geographical information (continuing operations)

full year 2011

	The Nether-lands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the World	Total
net sales by origin											
in € million	3,151	2,601	91	1,505	247	987	118	78	228	42	9,048
in %	35	29	1	17	3	11	1	0	3	0	100
net sales by destination											
in € million	662	2,689	514	1,692	589	1,438	167	299	793	205	9,048
in %	7	29	6	19	7	16	2	3	9	2	100
total assets in € million	4,184	2,594	93	2,342	269	1,121	72	150	273	59	11,157
workforce (headcount) at end of period	6,205	6,398	334	3,650	824	3,423	481	146	627	136	22,224

full year 2010

	The Nether-lands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the World	Total
net sales by origin											
in € million	2,941	2,536	65	1,192	223	796	130	108	139	46	8,176
in %	36	31	1	15	3	10	1	1	2	0	100
net sales by destination											
in € million	544	2,602	436	1,518	585	1,157	162	261	712	199	8,176
in %	7	32	5	19	7	14	2	3	9	2	100
total assets in € million	4,239	2,943	75	1,464	372	885	113	163	171	55	10,480
workforce (headcount) at end of period	6,491	6,381	241	2,878	979	3,170	662	139	400	152	21,493

Notes to the financial statements

The full financial statements of DSM are included in the Integrated Annual Report 2011 that is available on www.dsm.com as of today.

Accounting policies
The consolidated financial statements of DSM for the year ended 31 December 2011 were prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of the balance sheet date.

Heerlen, 29 February 2012

The Managing Board

Feike Sijbesma, Chairman/CEO
Rolf-Dieter Schwalb, CFO
Stefan Doboczky
Nico Gerardu
Stephan Tanda

Important dates

Report for the first quarter 2012	Tuesday, 8 May 2012
Annual General Meeting of Shareholders	Friday, 11 May 2012
Report for the second quarter 2012	Tuesday, 7 August, 2012
Report for the third quarter 2012	Tuesday, 6 November 2012

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. 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.

For more information

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Financial Overview Q4 2011

in million of Euros	DSM			Nutrition			Pharma			Performance Materials			Polymer Intermediates			Innovation Center			Corporate Activities	
Continuing operations before exceptional	Q4'11	Q4'10	Chg.%	Q4'11	Q4'10	Chg.%	Q4'11	Q4'10	Chg.%	Q4'11	Q4'10	Chg.%	Q4'11	Q4'10	Chg.%	Q4'11	Q4'10	Chg.%	Q4'11	Q4'10
Sales	2,227	2,082	7%	865	758	14%	165	190	-13%	627	640	-2%	467	382	22%	17	15	13%	86	97
Organic growth			6%			5%			12%			-6%			20%					
Volume			1%			3%			12%			-15%			12%					
Price			5%			2%			0%			9%			8%					
Exchange rates			1%			1%			-1%			2%			2%					
Other			0%			8%			-24%			2%								
EBITDA	293	276*	6%**	193	163	18%	11	26	-58%	43	56	-23%	79	67	18%	-17	-13			
EBITDA margin (%)	13.2%	13.3%		22.3%	21.5%		6.7%	13.7%		6.9%	8.8%		16.9%	17.5%						
DA	127	106		44	31		12	15		43	29		12	13		4	7			
EBIT	166	170	-2%	149	132	13%	-1	11		0	27		67	54	24%	-21	-20			
EBIT margin (%)	7.5%	8.2%		17.2%	17.4%			5.8%		0%	4.2%		14.3%	14.1%						
EPS (•)	0.71	0.63	13%																	

Total DSM before exceptionals			
EBITDA	293	290	1%
Net Profit	118	117	1%

Total DSM incl exceptionals		
Net Profit	85	149
EPS (•)	0.53	0.89

* of which •9 million IFRS pension adjustment

** 10% if IFRS pension adjustment is excluded

Financial Overview FY 2011

in million of Euros	DSM			Nutrition			Pharma			Performance Materials			Polymer Intermediates			Innovation Center			Corporate Activities	
Continuing operations before exceptional	FY'11	FY'10	Chg.%	FY'11	FY'10	Chg.%	FY'11	FY'10	Chg.%	FY'11	FY'10	Chg.%	FY'11	FY'10	Chg.%	FY'11	FY'10	Chg.%	FY'11	FY'10
Sales	9,048	8,176	11%	3,370	3,005	12%	677	739	-8%	2,752	2,507	10%	1,820	1,398	30%	60	50	20%	369	477
Organic growth			11%			4%			3%			9%			32%					
Volume			4%			5%			3%			-1%			11%					
Price			7%			-1%			0%			10%			21%					
Exchange rates			-1%			0%			-2%			-1%			-2%					
Other			1%			8%			-9%			2%								
EBITDA	1,296	1,161*	12%**	735	684	7%	36	61	-41%	293	283	4%	380	223	70%	-57	-49			
EBITDA margin (%)	14.3%	14.2%		21.8%	22.8%		5.3%	8.3%		10.6%	11.3%		20.9%	16.0%						
DA	430	409		158	133		44	58		131	120		41	37						
EBIT	866	752	15%	577	551	5%	-8	3		162	163	-1%	339	186	+82%	-69	-64			
EBIT margin (%)	9.6%	9.2%		17.1%	18.3%			0.4%		5.9%	6.5%		18.6%	13.3%						
EPS (•)	3.53	2.89	22%																	

Total DSM before exceptionals			
EBITDA	1,325	1,278	4%
Net Profit	615	547	12%

Total DSM incl exceptionals		
Net Profit	814	507
EPS (•)	4.86	3.03

* of which •33 million IFRS pension adjustment

** 15% if IFRS pension adjustment is excluded

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