

DSM in motion: *driving focused growth*

Annual results 2010

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CEO / Chairman Managing Board

Annual General Meeting of shareholders 2011

Safe harbor statement

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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, which can be found on the company's corporate website, www.dsm.com

Overview

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

Highlights FY 2010

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

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

Results FY 2010 - Key figures

(€ million)	FY - 2010	FY - 2009	Δ%
Continuing operations before exceptional items:			
Net Sales	8,176	6,725	+22%
EBITDA	1,161	834	+39%
EBIT	752	433	+74%
Total DSM before exceptional items:			
Net Sales	9,050	7,866	+15%
EBIT	838	443	+89%
Total DSM including exceptional items:			
Net profit	507	337	
EPS (€)	3.03	2.01	

Operating Profit - DSM core business

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

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

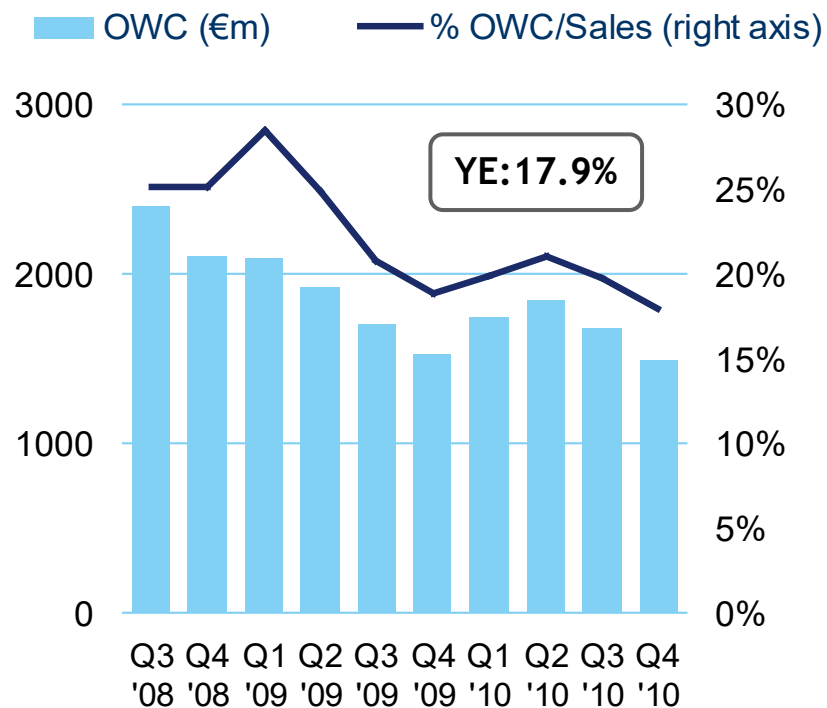
Strong cash flow

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

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

* Excl. fixed term deposits

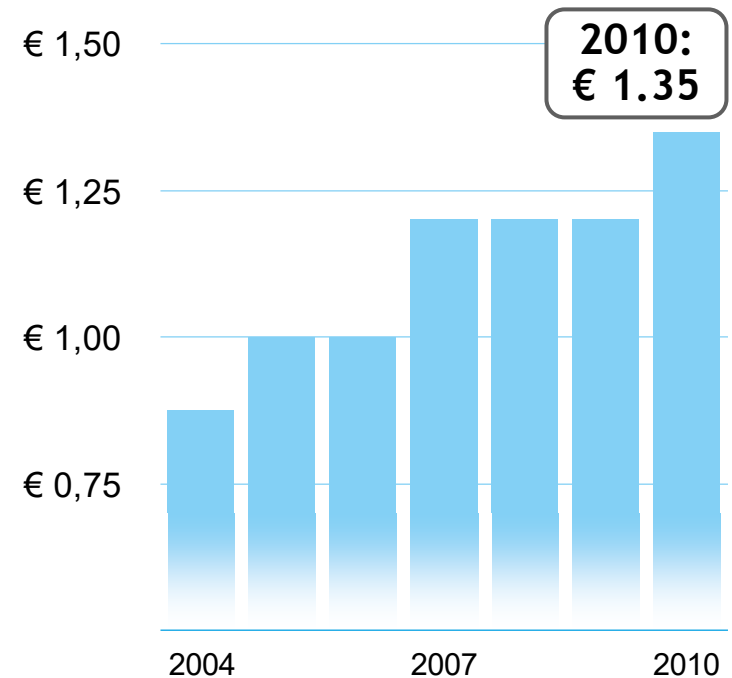
OWC development Q3'08 - Q4'10



Proposal to AGM to increase dividend

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

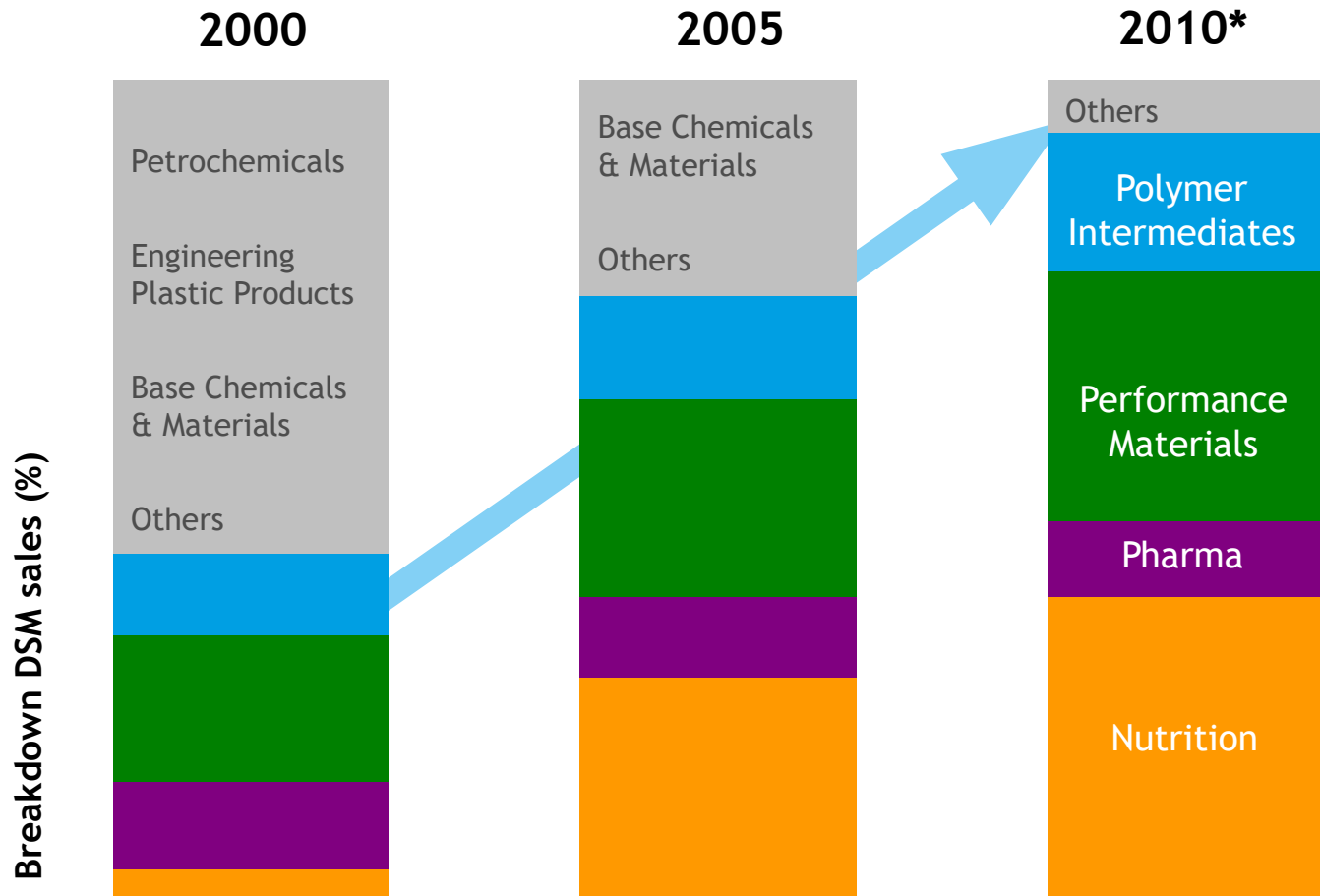
Dividend per ordinary share (€)



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- Operational performance Q4 2010
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DSM: Transformation completed



* Excluding discontinued

Strong performance in a challenging period

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

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

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

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

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

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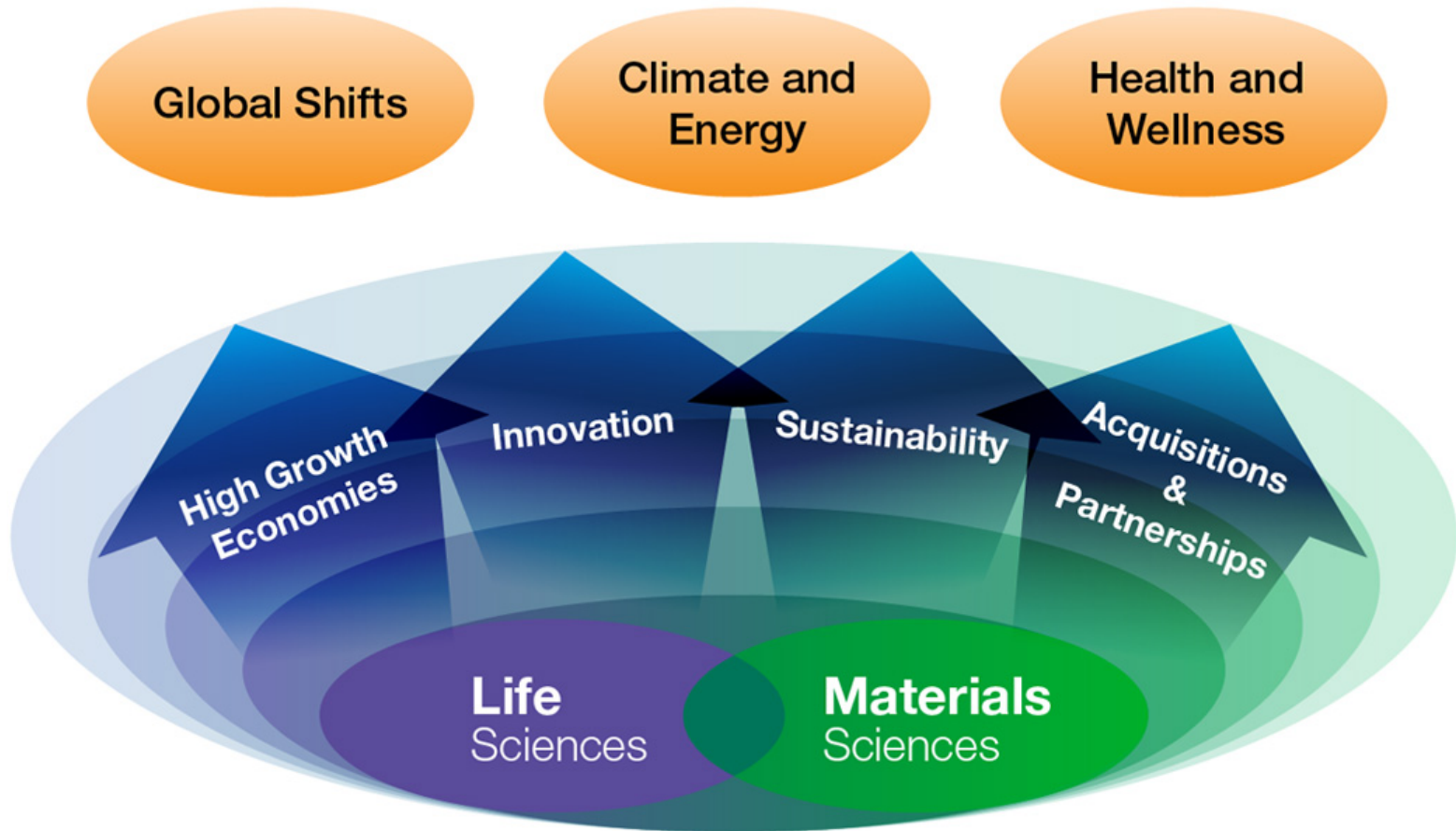
A new era, a new brand



Bright Science. Brighter Living.™ - symbolizes :

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

DSM in motion: *driving focused growth*



Driving focused growth, ambitious targets

Profitability targets 2013

EBITDA	€ 1.4 - 1.6bn
ROCE	> 15%

Sales targets 2015

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

EBA aspiration 2020

EBA sales	> € 1bn
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Clear sustainability aspirations support strategy

Sustainability aspirations 2011 - 2015

Dow Jones Sustainability Index:

Top ranking (“Gold”)

ECO+ (innovation pipeline):

at least 80% of pipeline is ECO+

ECO+ (running business):

from ~34% towards 50%

Energy efficiency:

20% improvement from 2008 till 2020

Greenhouse Gas emissions:

25% reduction from 2008 till 2020

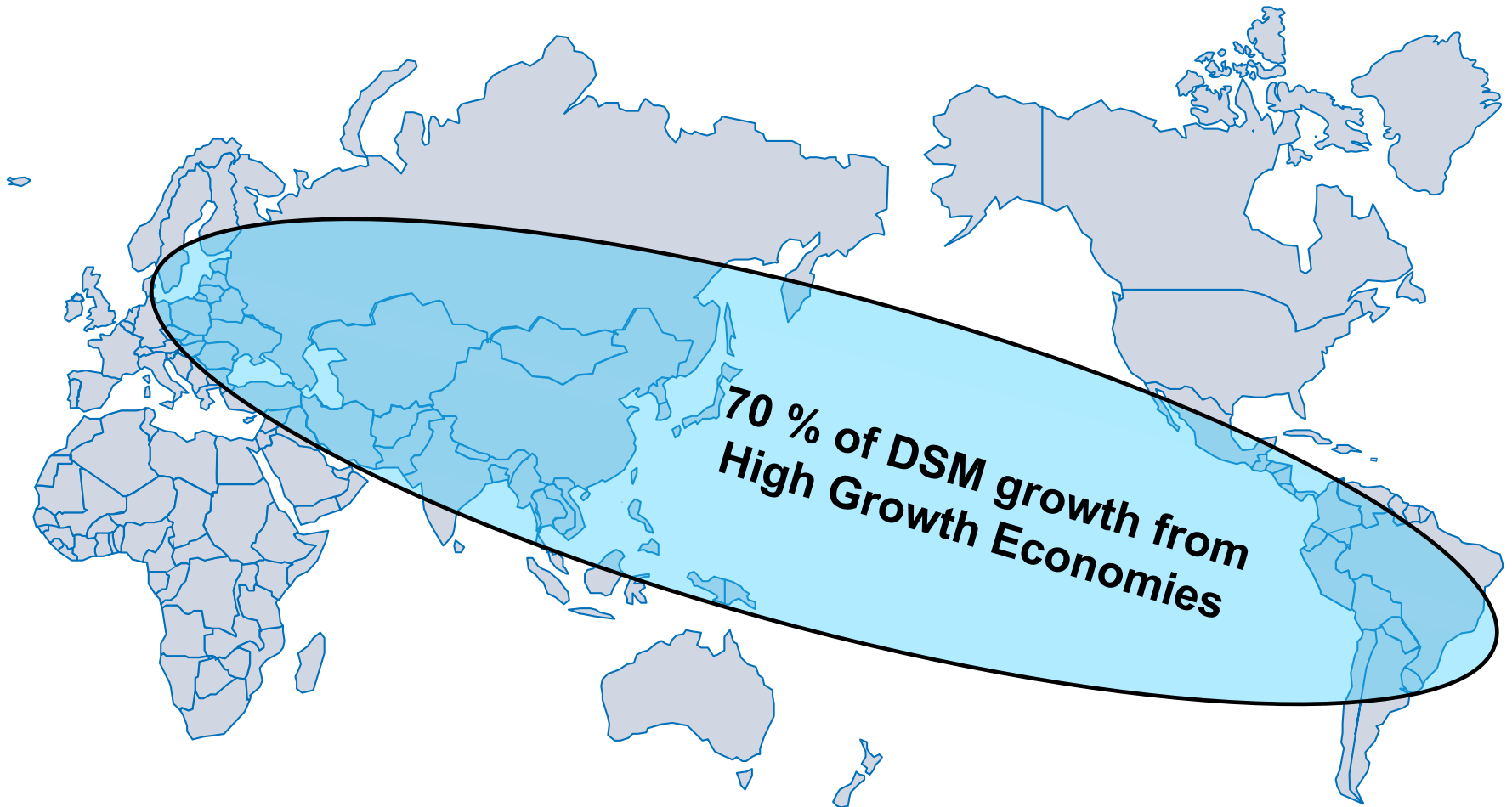
Engagement Survey:

towards High Performance Norm

Diversity & People+:

to be updated in 2011

High Growth Economies offer many opportunities

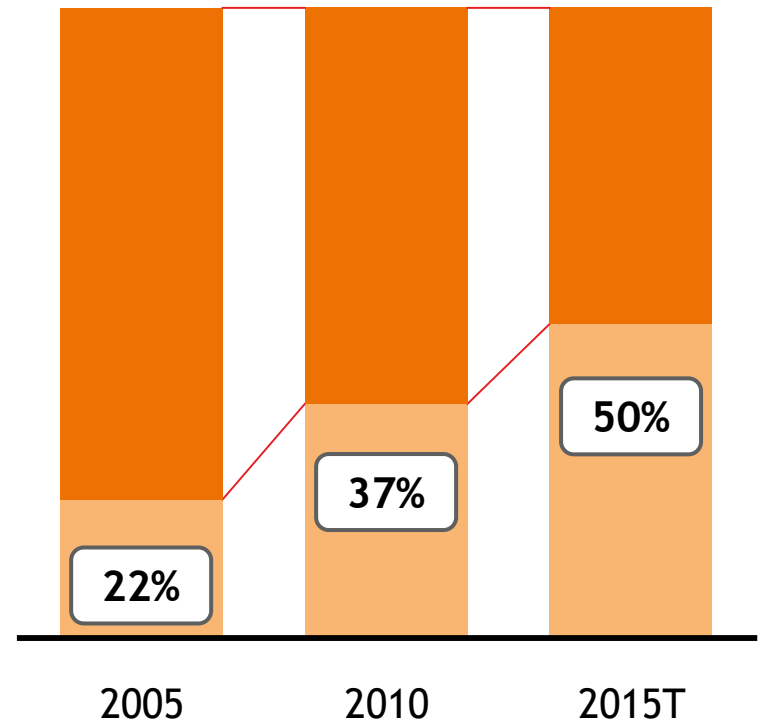


Accelerating growth in High Growth Economies

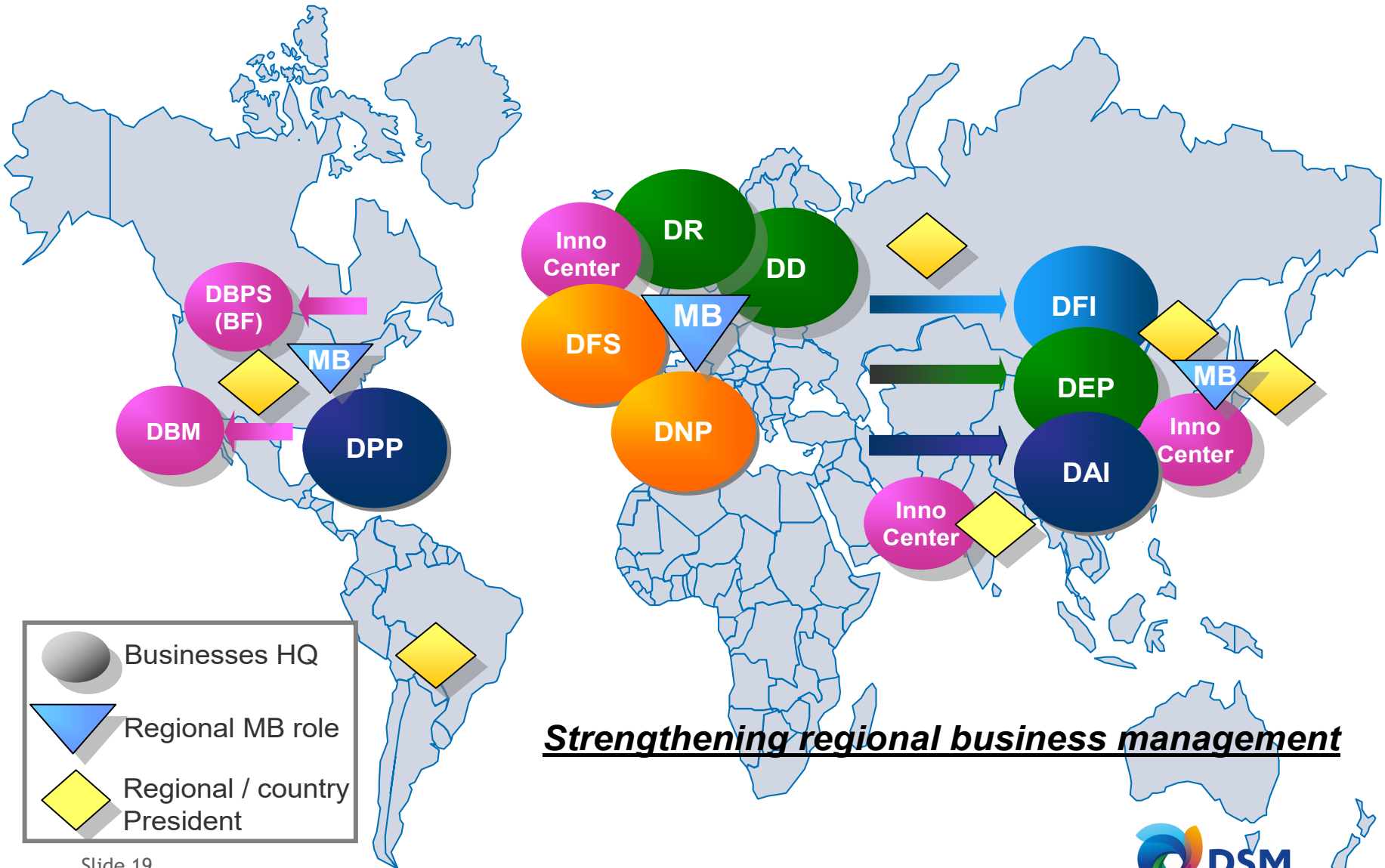
From reaching out to becoming truly global

- Sales HGE (2010): 37% of total sales
- Expected Sales Growth DSM (2011-2015): 70% from HE
- Other recent highlights
 - Partnership Engineering Plastics Russia
 - JV Tatenergo (Tatarstan-Russia) in feed premixes
 - Manufacturing collaborations for resins in Turkey and India

High Growth Economies sales %



Intended regional setup with strategic ambition



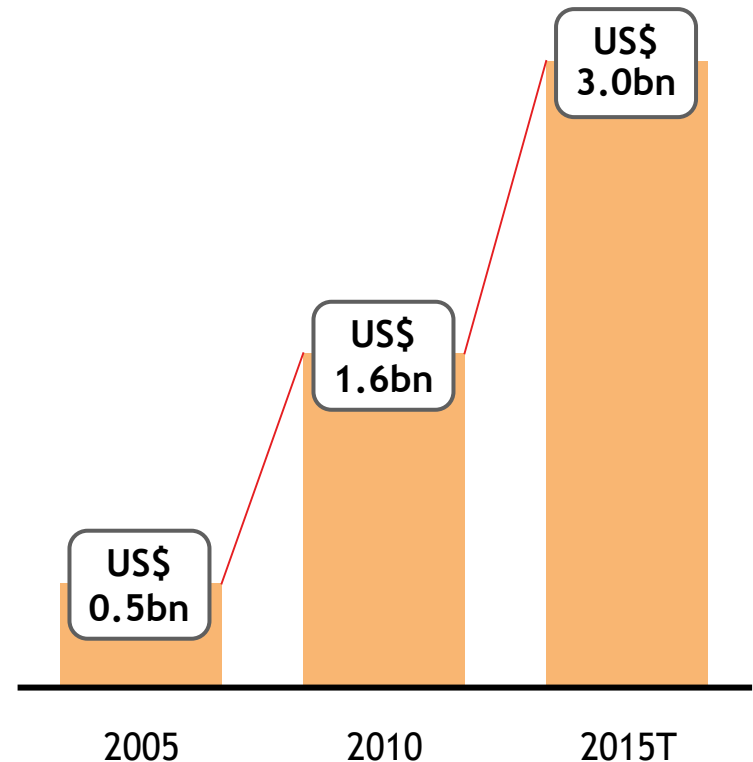
Strengthening regional business management

Further step-up in China

Doubling China sales by 2015

- 2010 China sales is US\$ 1.6bn
- Above **Vision 2010** target
- Other recent highlights:
 - Partnership Sinochem (Anti-infectives)
 - Premix network enlarged
 - New research centers
 - New 200kt caprolactam facility announced with Sinopec
 - Acquisition in high performance fibers

Impressive growth China sales

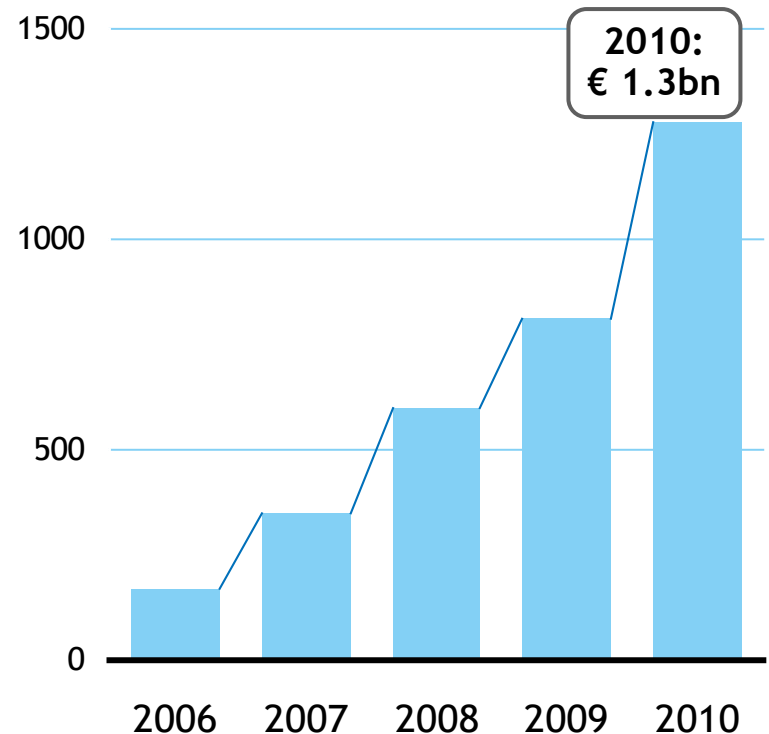


Innovation

From building the machine to doubling the output

- € 1.3bn innovation sales (2010)
- € 1.0bn 2010 target exceeded (despite strong headwinds)
- Further boosting innovation performance
 - Focused Innovation platforms
 - Regional Innovation Centers
 - Excellence in innovation practices
- 2015: innovation sales 20% of total sales (new definition)
- 2020: EBA sales >€ 1bn

Total innovation sales (€m)



EBAs: Building new growth platforms

- *DSM Biomedical*

Biomedical materials & coatings (eg Dyneema Purity®)
Drug delivery systems (e.g. Trancerta™)

- *DSM Biobased Products & Services*

Enzymes and yeast for 2nd generation biofuels
Biobased materials (e.g. succinic acid)

- *DSM Advances Surfaces*

Anti-reflective coatings (e.g. solar panels)

Aspirations

- Sales in 2020 > € 1bn
- High EBITDA margin

- Personalized Nutrition

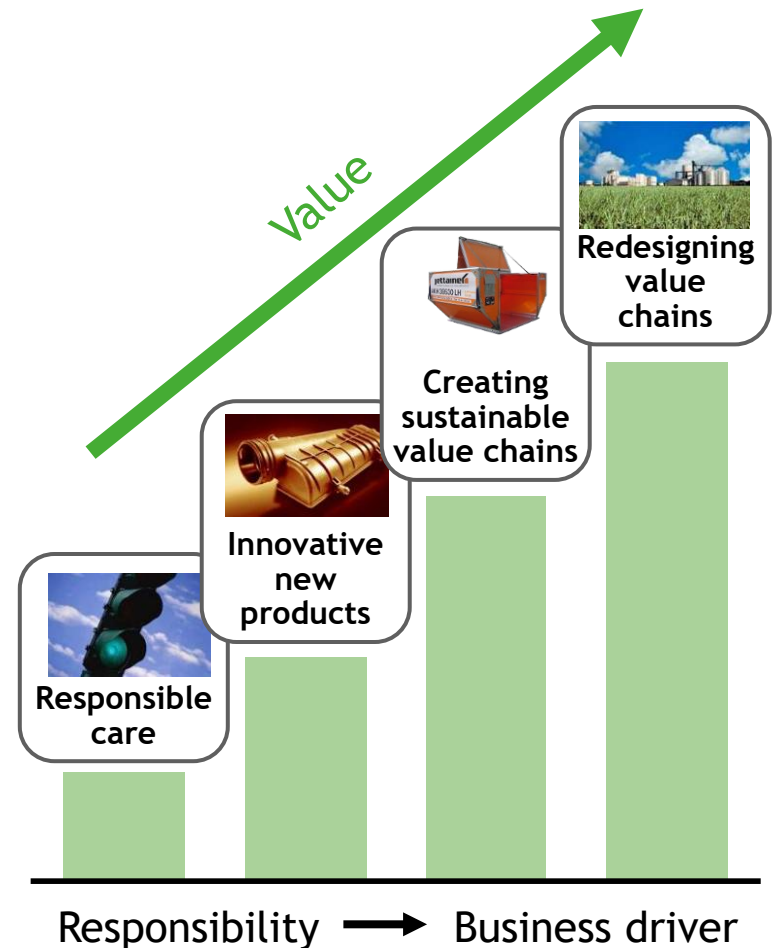
- Speciality packaging

→ Repositioned

Sustainability

From responsibility to business driver

- 2010: no. 1 Dow Jones Sustainability Index (DJSI) for Chemicals (#1: 5 out of 7 years)
- ~ 89% of DSM innovation pipeline are ECO+
- ~ 40% of DSM's running business is ECO+
- Other recent highlights:
 - Improved employee engagement
 - Working with suppliers to reduce carbon footprint by 20% by 2020
 - CEO Feike Sijbesma received the UN "Humanitarian of the Year" Award



Acquisitions and partnerships

From portfolio transformation to growth

- Partnership Sinochem in Anti-infectives
- DSM to acquire Martek (adding new growth platform)

Other recent highlights:

- Acquisition green winning UV resins in Taiwan
- Acquisition High Performance Fibre in China
- Engineering plastics; 2 JVs and licensing deal in Russia
- Composite resins partnership India



DSM in motion: *Driving focused growth*

High Growth Economies



from reaching out to becoming truly global

Innovation



from building the machine to doubling the output

Sustainability



from responsibility to business driver

Acquisitions & Partnerships



from portfolio transformation to growth

Nutrition

Pharma

Perf Mat

Pol Int

EBAs

Life Sciences and Materials Sciences
addressing
key global trends & exploiting cross fertilization
in **One DSM**

continued value growth

leveraging partnerships for growth

growing via innovative sustainable solutions

strengthening backward integration for DEP

building new growth platforms

Mission of DSM

Our purpose is
to create brighter lives
for people today
and generations to come

We connect our unique competences
in life sciences and materials sciences
to create solutions that nourish,
protect and improve performance

Next step in organizational development

Collaborating in
‘One DSM’

- Global high performance organization
Business Groups as building blocks
Strengthened by *Regions*
Optimized via *Functional Excellence & Shared Services*



Supported by
Culture Change program


- Change Themes:
External Orientation
Accountability for Performance
Inspirational Leadership
- Based on joint belief in:
Sustainability & Diversity



WFP



World Food Programme
The world's frontline organisation fighting hunger



DSM
BRIGHT SCIENCE. BRIGHTER LIVING.



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Highlights Q1 2011

DSM reports very strong Q1 2011 continuing its positive momentum

- Q1 EBITDA from continuing operations up 14% to € 325 million
- Life Sciences results driven by ongoing good performance in Nutrition
- Materials Sciences posts solid results reflecting volume gains and pricing strength
- EPS € 0.91, 30% higher also due to a lower tax rate
- Martek integration underway; EBITDA in line with expectations
- 2011 is expected to be a strong year for DSM towards achieving the 2013 targets

Outlook 2011

- Nutrition results are expected to be clearly above last year
- Pharma results are expected to be lower than in 2010
- Performance Materials results are expected to be clearly above last year
- Polymer Intermediates is expected to continue its excellent performance
- 2011 is expected to be a strong year for DSM towards achieving the 2013 targets

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