



Feike Sijbesma CEO / Chairman Managing Board

DSM in motion: *driving focused growth*

DSM Capital Markets Day 2013

Safe harbor statement

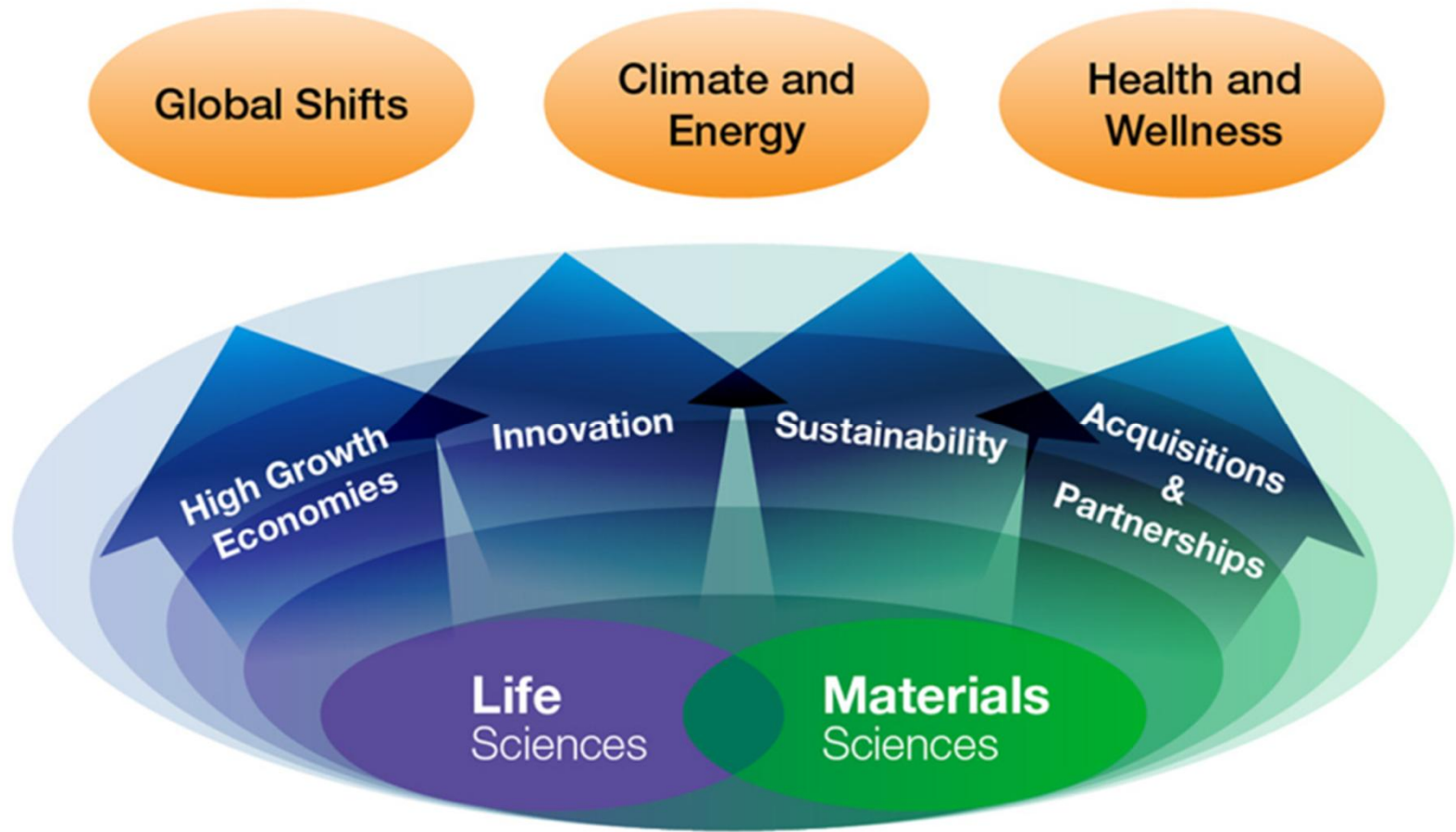
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A more comprehensive discussion of the risk factors affecting DSM's business can be found in the company's latest Annual Report, which can be found on the company's corporate website, www.dsm.com

Overview

- What we have achieved
- Strategy & drivers remain attractive
- Preparing for the next phase of growth

DSM in motion: *driving focused growth*

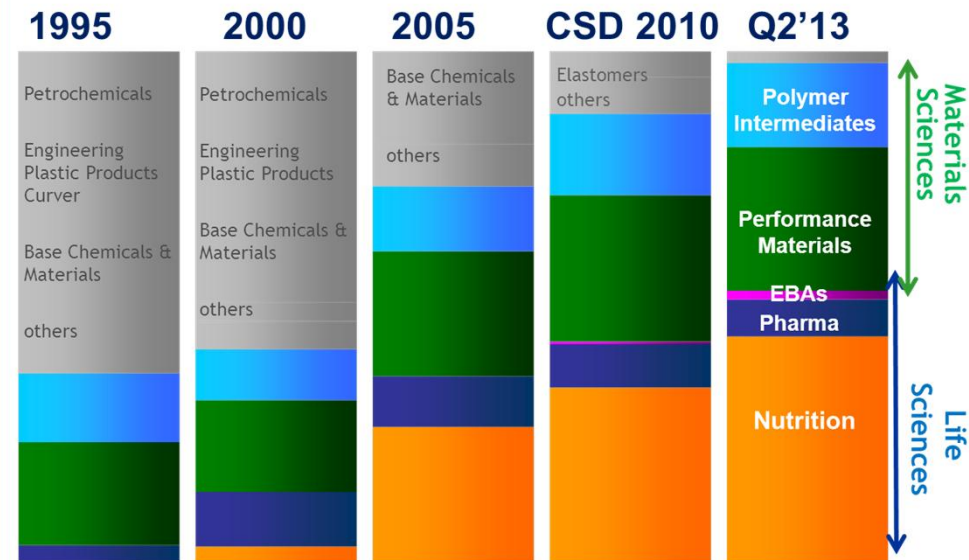


Strong strategic progress

- **Divestments** of base chemicals activities with total €1.5bn sales and €0.2bn EBITDA (2007) at good multiples (total divestment proceeds ~€1.2bn)
- Portfolio significantly transformed: €2.4bn in value enhancing **acquisitions** in Nutrition, out of a total of €2.8bn acquisitions for DSM at an average EV/EBITDA multiple below 9
- Anti-infectives **partnership** established with Sinochem, 50% stake divested for €0.2bn
- EBAs strengthened by Kensey Nash in Biomedical and partnerships in Bio-Based Products and Services
- **Sustainability** and **innovation** are driving growth
- DSM has become truly global. Well positioned for accelerated growth in **High Growth Economies**



Significant transformation (Sales Breakdown %)



Ambitious targets set in 2010

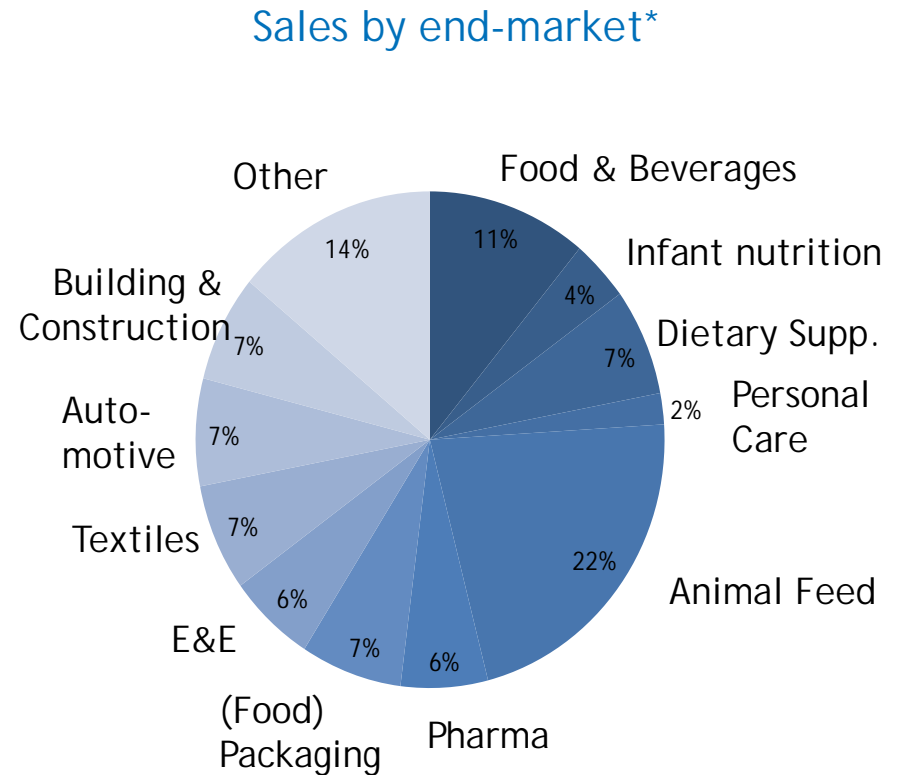
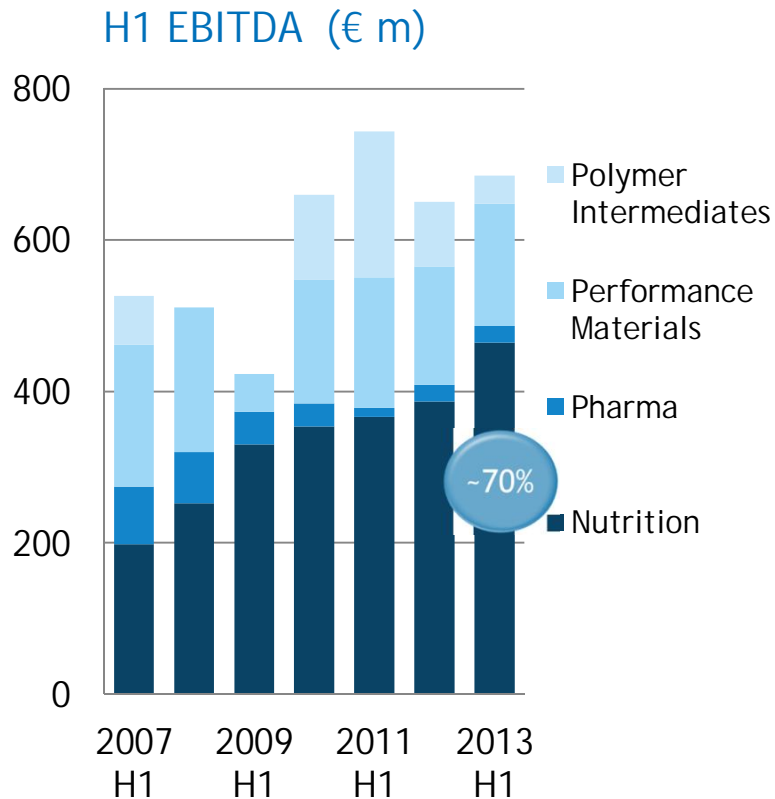
Profitability targets 2013		2013 expectation
EBITDA	€ 1.4 - 1.6bn	Towards € 1.4bn
ROCE	>15%	9-10%

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

Shift to higher quality earnings



Majority of sales are now to end-markets with lower macro-dependency

* 2012 sales plus pro forma sales M&A

On track with sustainability aspirations

Sustainability aspirations 2011 - 2015		H1 2013
Dow Jones Sustainability Index	Top ranking ("SAM Gold Class")	Gold class
Eco+ (innovation)	at least 80% of pipeline is ECO+	93%
Eco+ (running business)	from ~34% towards 50%	41%
Energy efficiency	20% improvement in 2020, compared to 2008	14% improvement
Greenhouse Gas Emissions	-25% (absolute) by 2020, compared to 2008	2012: 1% decrease
Employee Engagement Survey	towards High Performance Norm	2012: 72% favorable
Diversity and People+	to be updated	Diversity aspirations and People+ framework defined



Near term focus

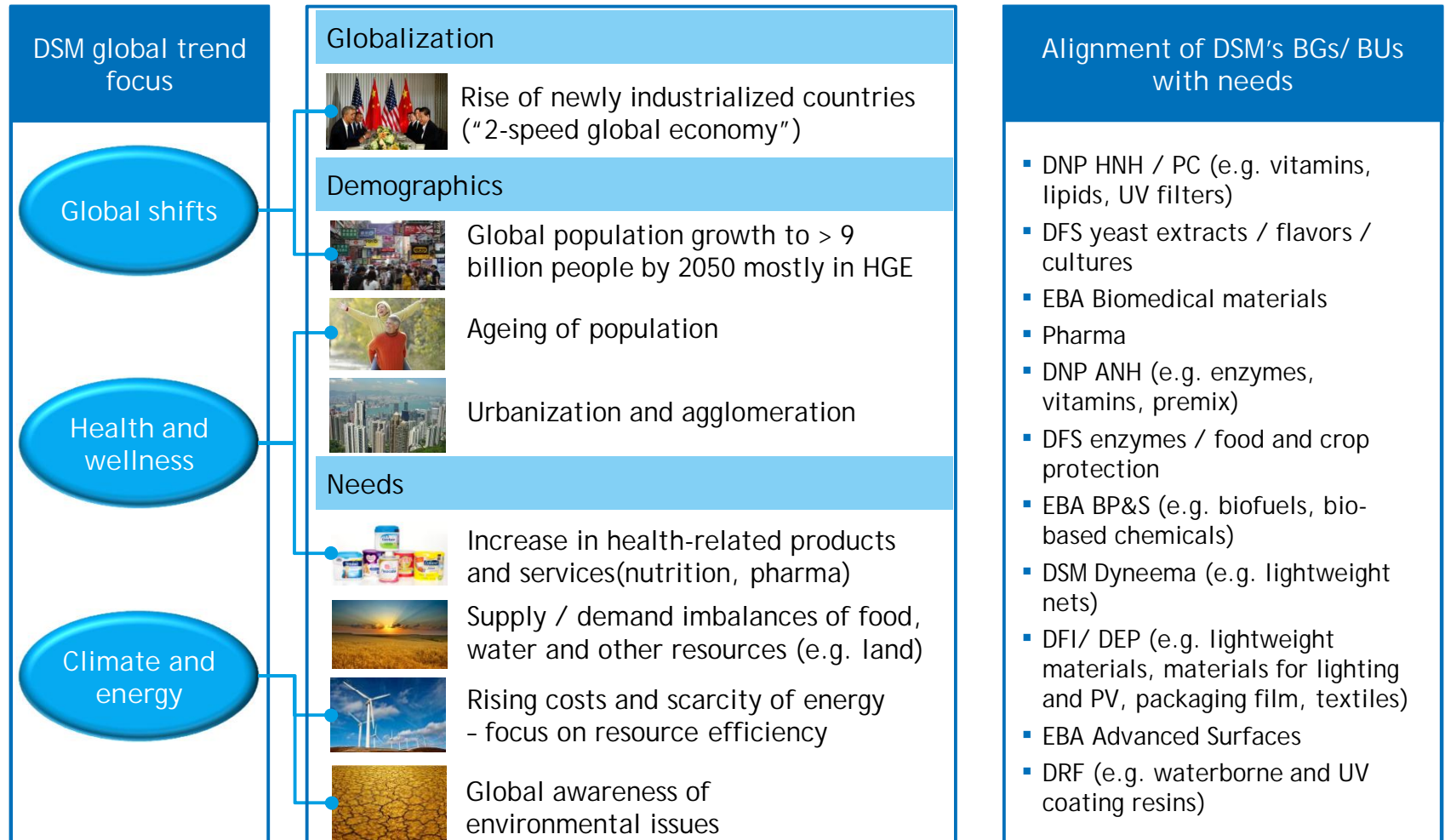
- Nutrition: delivering good organic growth and integration of acquisitions, realizing full synergy potential
- Pharma: partnership for DSM Pharmaceutical Products
- Performance Materials: improving profitability
- Polymer Intermediates: reducing exposure to merchant caprolactam markets
- Innovation Center: starting up the cellulosic bio-ethanol plant in Iowa and accelerating progress in Biomedical and Advanced Surfaces
- Across the company: capturing the full benefits of the Profit Improvement Program



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Portfolio well aligned with global megatrends



Our growth drivers are compelling

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

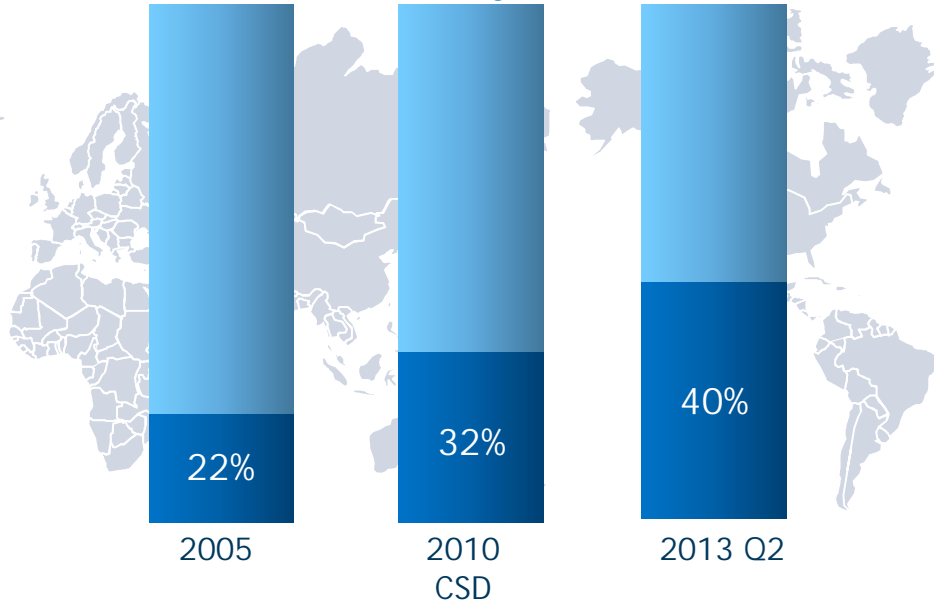


to
growth

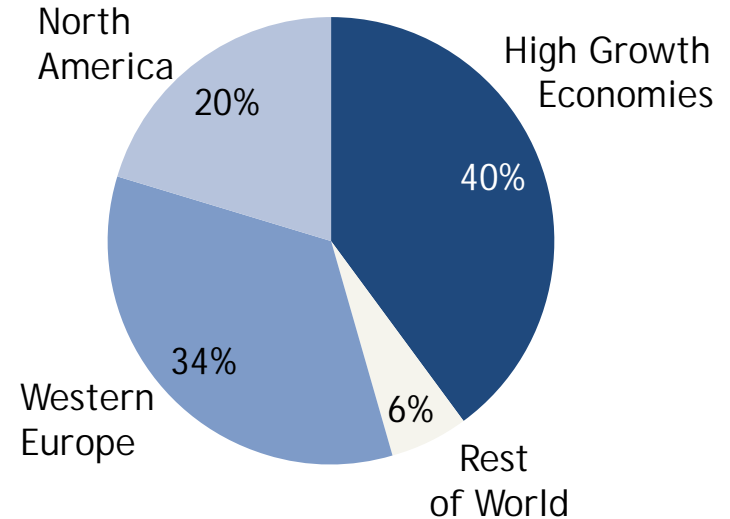


The new DSM has become truly global

Increase in % of sales to High Growth Economies



2013 Q2 Sales by destination



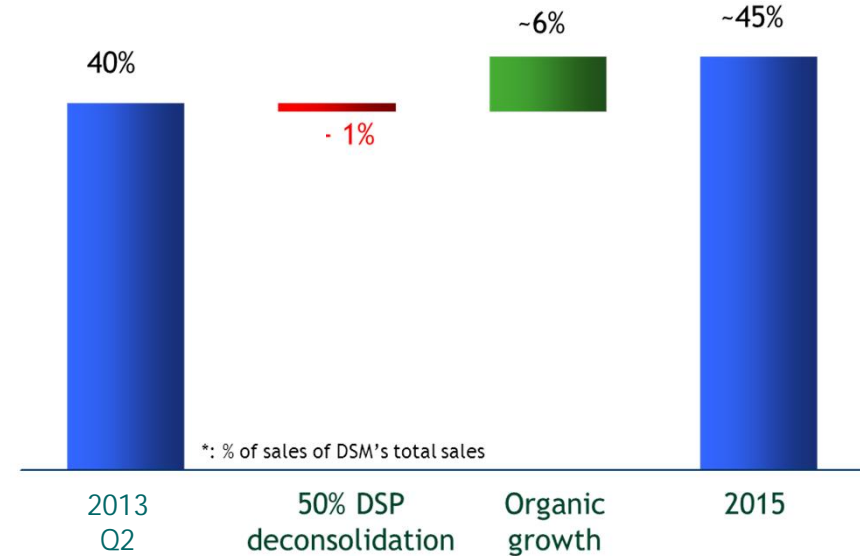
- DSM has broadened its international presence, capturing greater mega trend opportunities
- ~40% of DSM's total sales are now sold into High Growth Economies
- ~60% of DSM's growth since CSD 2010 announcement came from High Growth Economies
- Organizational moves from Europe to other regions (incl. BG HQs and Innovation/R&D centers)
- More than 30% of DSM employees live and work in High Growth Economies



HGE strong enabler of growth ambitions

- Expand presence in High Growth Economies, including Africa
- Cultivate synergies of the 2011-2012 acquisitions which provide an enlarged product/service pipeline for HGE
- Continue to strengthen local R&D, innovation and application development capability
- Further tailor the product and services offering to local needs
- China sales towards ~ US\$ 3bn

Sales to HGE: about 45% by 2015



60%-70% of growth is expected to come from High Growth Economies



Key themes driving sustainable innovations

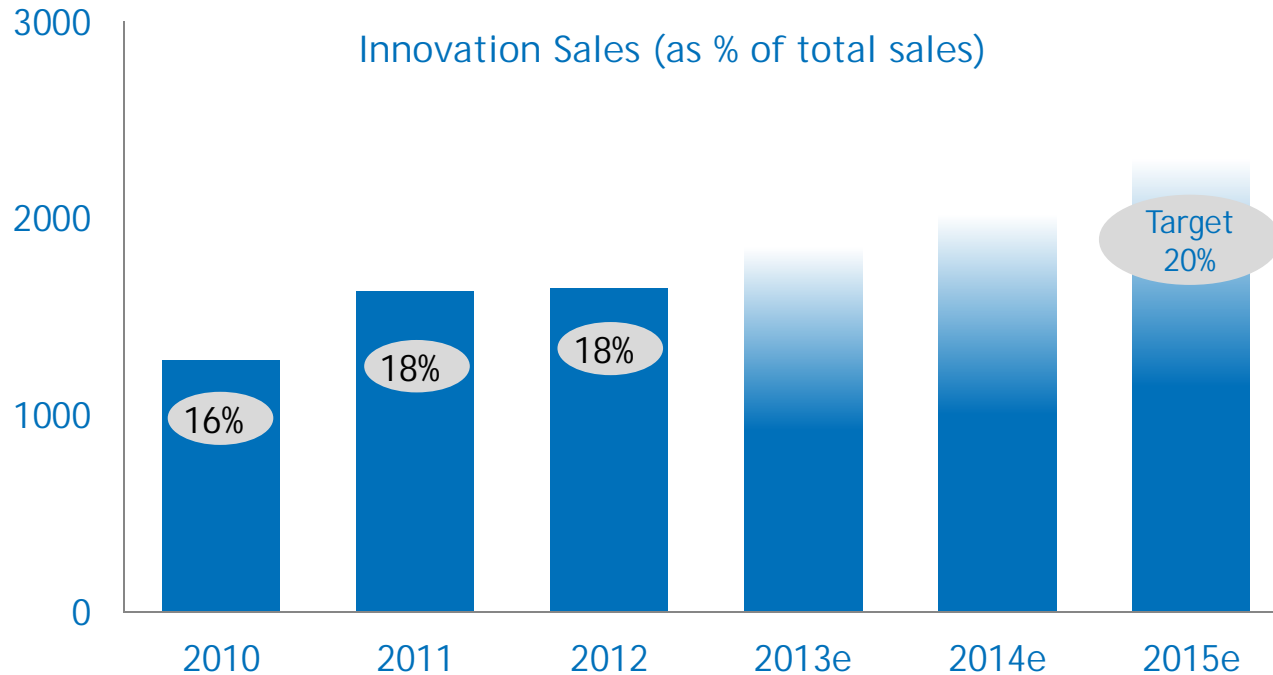


More than 9 billion people in 2050





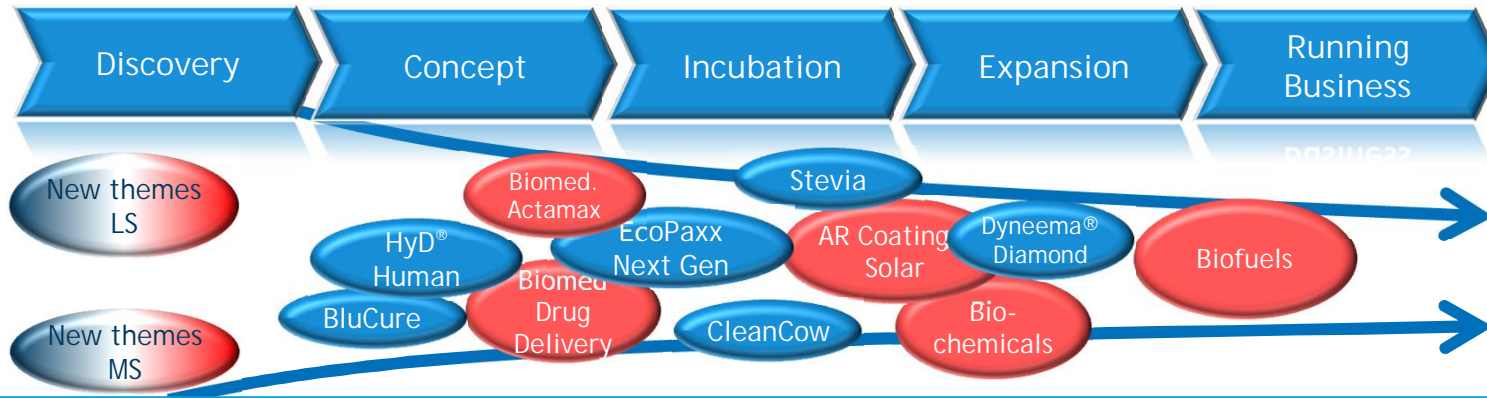
Innovation underpins further growth & profit



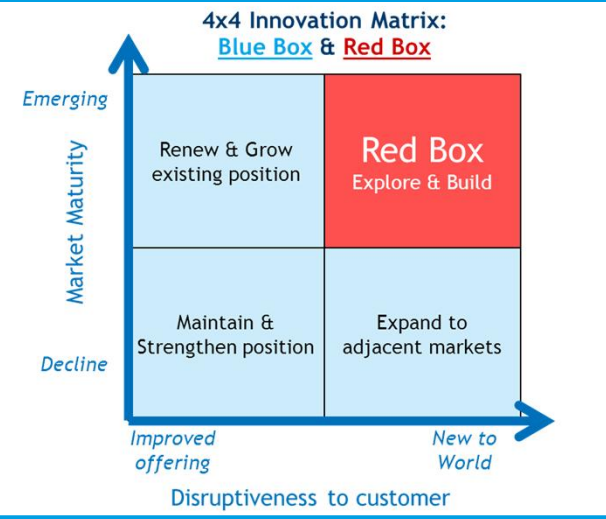
- ✓ DSM well on track to deliver on its 20% Innovation sales target by 2015
- ✓ Innovation strongly contributes to DSM's sales growth and EBITDA growth with on average >5% higher gross margins
- ✓ Initially 4 new Emerging Business Areas were launched, of which 2 have been divested. 1 new EBA has been added, resulting in 3 exciting growth platforms
- ✓ DSM now in McKinsey's Top Quartile benchmark on best innovation practices



Further intensifying (open) innovation



- ✓ Radical innovation ("Red box activities") represents ~25% of DSM's total innovation efforts
- ✓ R&D / Innovation will be intensified further in 2014/2015, including more open Innovation



Innovation creating sustainable future value



Three exciting growth platforms established

DSM Biomedical

Innovative materials that deliver more advanced clinical procedures and improved patient outcomes



Emerging Business Areas
ambition for 2020:
€ 1bn in sales at high
EBITDA margin

DSM Bio-based Products & Services



Advanced Enzymes and Yeast
platforms: enabling Advanced Bio-
Energy and Bio-based chemicals



DSM Advanced Surfaces

Smart coatings and surface technologies
to boost performance in the
solar industry



Attractive end-markets growing by more than double GDP growth



EBA - Biomedical materials



Main achievements

- Kensey Nash acquisition & integration completed, boosting sales of the EBA
- Good progress with Dyneema® Purity and PTG activities
- Actamax JV with DuPont established

Way forward

- Be the leading development partner for biomaterials and regenerative medicine in a highly attractive US\$ 30-50bn global market for materials for medical devices
- Achieve strong > 8% growth/yr by leveraging broadest technology & product portfolio to customers/partners

Improving life of 4.5 million people a day with medical products enabled by DSM technology



EBA - Bio-based Products and Services



Strategy

- Demonstrate technologies through strategic investments and partnerships
- License integrated processes to bio-based entrepreneurs
- Sell bioconversion technology (yeasts and enzymes)

Reverdia - Bio-succinic acid / bio-based chemicals

- Accessible market for selected renewable chemicals expected to grow to ~US\$ 12bn by 2020
- JV with Roquette: Cassano plant for bio-succinic acid in full operation
- Commercial development progressing according to plan

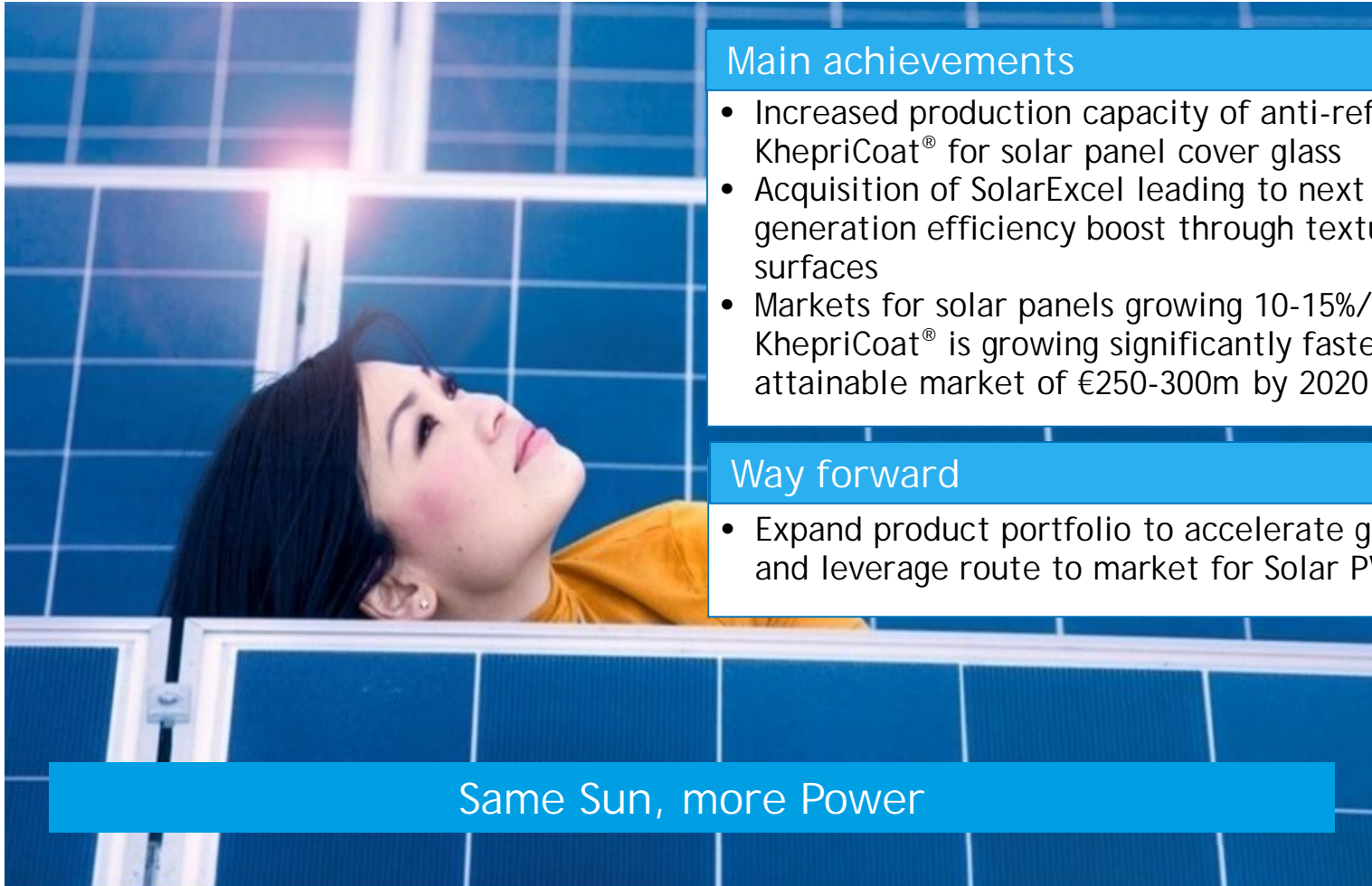
POET - DSM JV for cellulosic bio-ethanol

- Market for cellulosic bio-ethanol is estimated at US\$ 50bn by 2022 of which US\$ 3-5bn for yeasts and enzymes*
- Construction on track: start-up early 2014
- POET-DSM JV started licensing activities & significant market outreach
- R&D on enzymes and yeasts - to further reduce cost and increase yield - progressing as planned

* Derived from Hart's Global Energy Study



New EBA - Solar - Advanced Surfaces



Main achievements

- Increased production capacity of anti-reflective KhepriCoat[®] for solar panel cover glass
- Acquisition of SolarExcel leading to next generation efficiency boost through textured surfaces
- Markets for solar panels growing 10-15%/yr; KhepriCoat[®] is growing significantly faster with attainable market of €250-300m by 2020

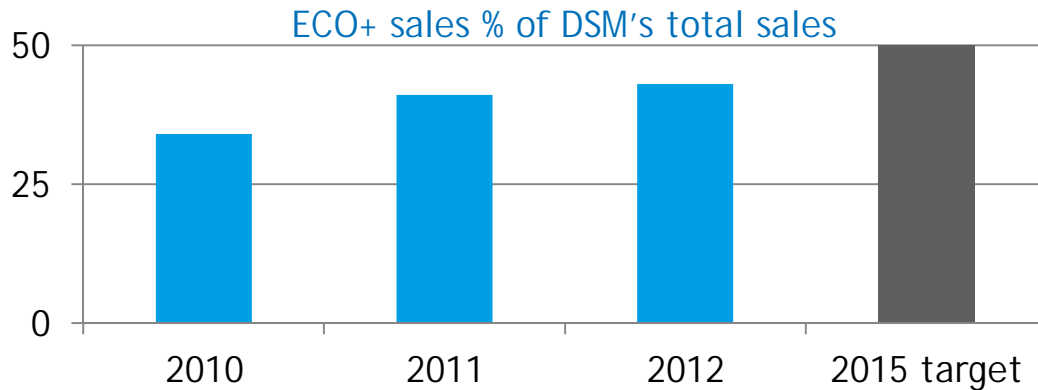
Way forward

- Expand product portfolio to accelerate growth and leverage route to market for Solar PV

Same Sun, more Power



Sustainability as a strong business driver

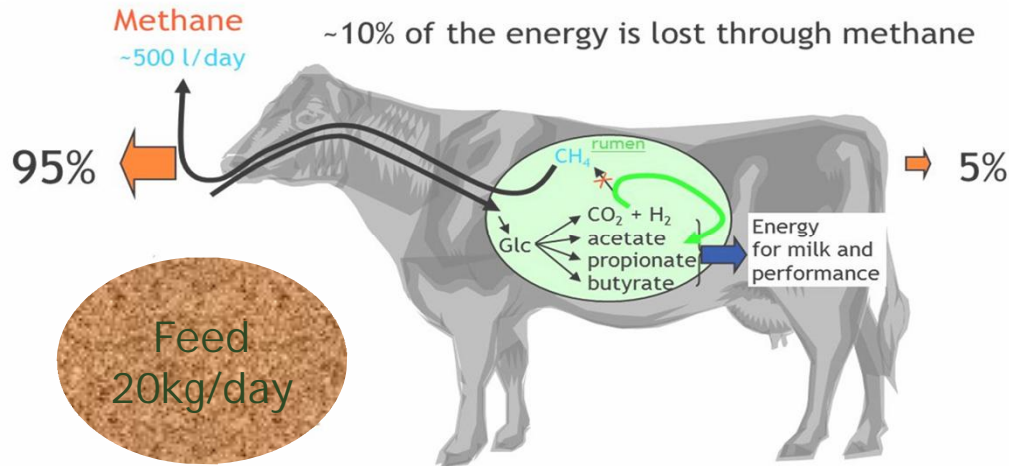


- Share of ECO+ solutions in running portfolio increased from ~34% (CSD 2010) to 43% in 2012
- ECO+ solutions offer clear ecological benefits
- Data from DSM Engineering Plastics and DSM Resins & Functional Materials show for their businesses (period 2010- H1 2013):
 - ✓ ECO+ sales have grown ~10%/year since 2010, while non-ECO+ sales slightly declined
 - ✓ ECO+ sales have ~10% higher contribution margins versus non-ECO+ sales

ECO+ solutions delivering higher growth and higher margins



ECO+ as business driver in Animal Nutrition

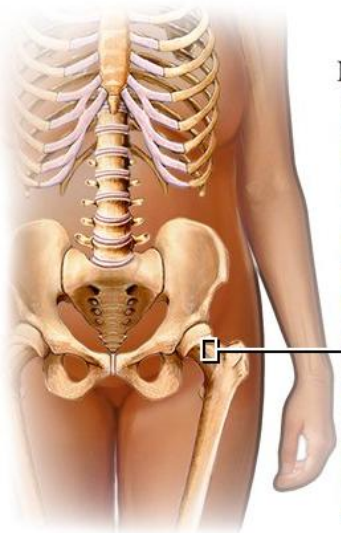


- Livestock are responsible for methane emission, a GHG that causes global warming
- DSM is working on "CleanCow", a feed additive(s) solution:
 1. to reduce methane by 25-30% *in vivo*
 2. with the potential for better performance (increased milk yield, increased body weight gain, etc.)

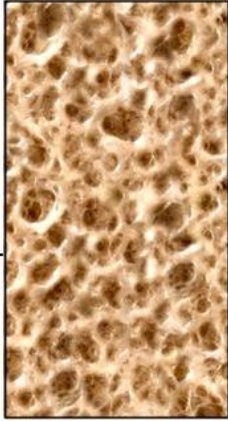
"CleanCow": reducing methane emissions from cattle



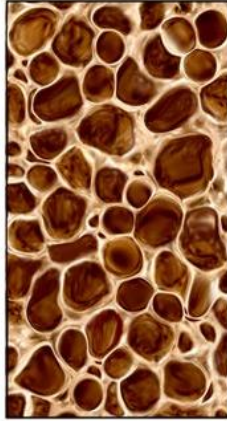
People+ as business driver in Human Nutrition



Normal bone matrix



Osteoporosis



- ~200 million women world-wide suffer from osteoporosis
- Worldwide, an osteoporotic fracture occurs every 3 seconds, a vertebral fracture every 22 seconds
- Hip and vertebral fractures have “cost-intense” medical implications



- Optimized vitamin-D reduces number of fractures by 20%
- The US as example: through vitamin D supplementation among all women over 55 years with osteoporosis, up to US\$ 1.5 billion in savings per year could be realized, of which:
 - US\$ 1.9 billion in avoided healthcare costs (medical & therapeutical costs)*
 - US\$ 350 million required in supplementation costs (including vitamin D)

People+ : Improving lives & reducing costs with nutritional solutions

* Source: US Health Care Costs



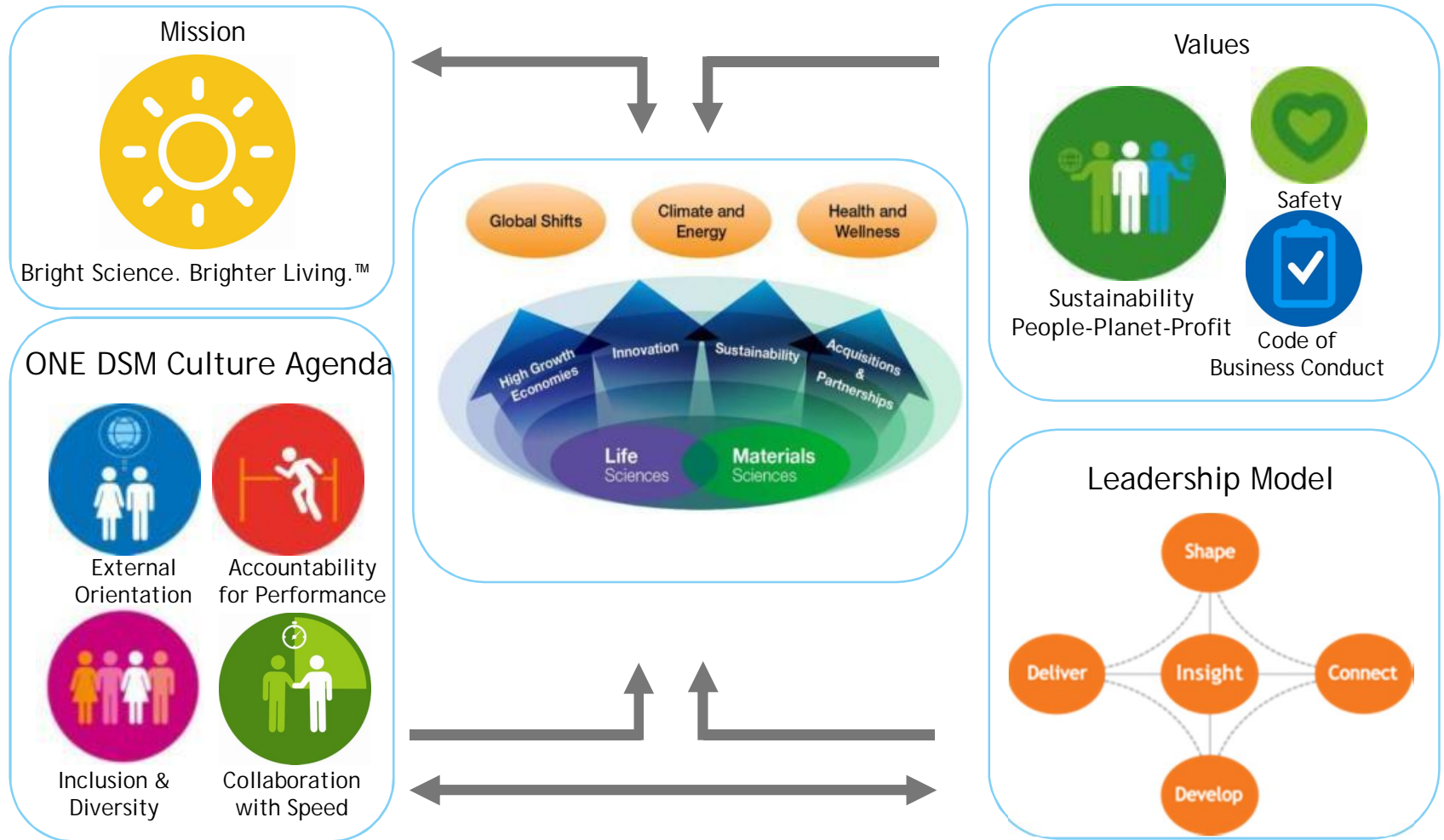
Acquisitions: attractive shareholder value

Acquisition	EV	NPV
Martek	€ 730m	€ 1.4bn
ONC	€ 420m	€ 730m
Fortitech	€ 495m	€ 855m
Tortuga	€ 465m	€ 843m

- DSM acquired for €2.8bn in total, at an average EV/EBITDA multiple < 9
- Exciting synergies achieved at 'Martek':
 - Martek sales grew by ~15%/year since acquisition
 - Combination of Martek and ONC (algae-based and fish-oil based products) has created a strong leader in nutritional lipids and has strong synergies with the 'existing' DSM activities
 - Integration of the other acquisitions: fully on track
- In coming 1-2 years: full focus on integration, synergies and operational performance



DSM's organizational roadmap for development



Exploring new roads to our customers

- Use of Social Media:



- Explore B2C capabilities and increase brand value:

i-Health
A Division of DSM



New business models enablers to unlock new markets

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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

Nutrition: continued value growth

Targets:

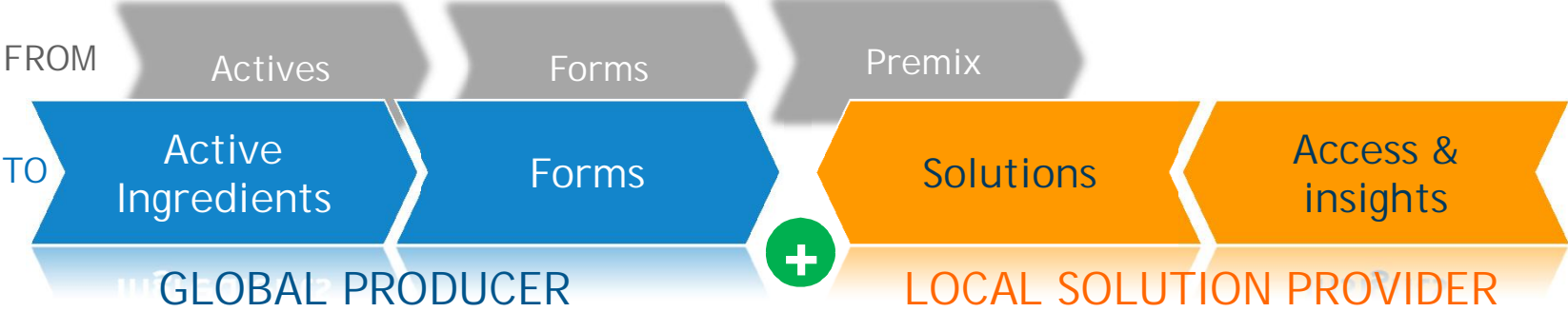
- EBITDA margin 20% - 23%
- Sales growth GDP+ 2%

Key focus until 2015:

- Drive continued organic growth:
 - Macro trends
 - Unique business model (with a broad, deep and global portfolio)
 - Additional focus on HGEs
 - Expand in B2C / i-Health
- Selected investments in existing portfolio:
 - Product forms, premix facilities
 - Vitamin B6, Omega-3
 - Natural Carotenoids
 - Cultures & Enzymes, Savory flavors
- Assessing further M&A to strengthen position further:
 - Global product portfolio
 - Local solutions and customer access



Unique business model: global & local capabilities



Broad, global *Portfolio of Actives*:
 - high quality, cost-competitive - to maintain leading market position

Maximum *Differentiation* through industry & segment specific *Formulations* offering stability, shelf life, heat resistance, solubility, bio-availability, physical properties

Premixes: from channel-to-market to customer-driven solutions.

Further downstream integration to *segment-specific finished product solutions*

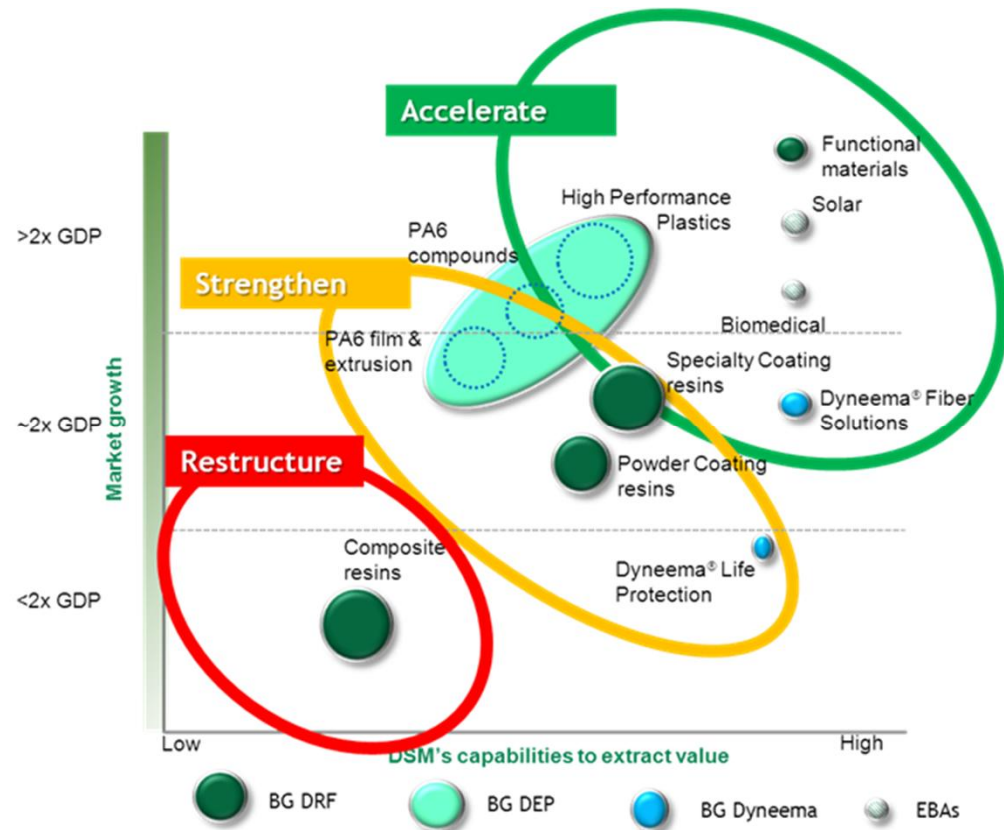
Proprietary access to local customers (B2B) and end-consumers (including B2F))

Translating customer insight into *unique nutritional solution offers*

Performance Materials: Upgrade portfolio

Via differentiated strategy:

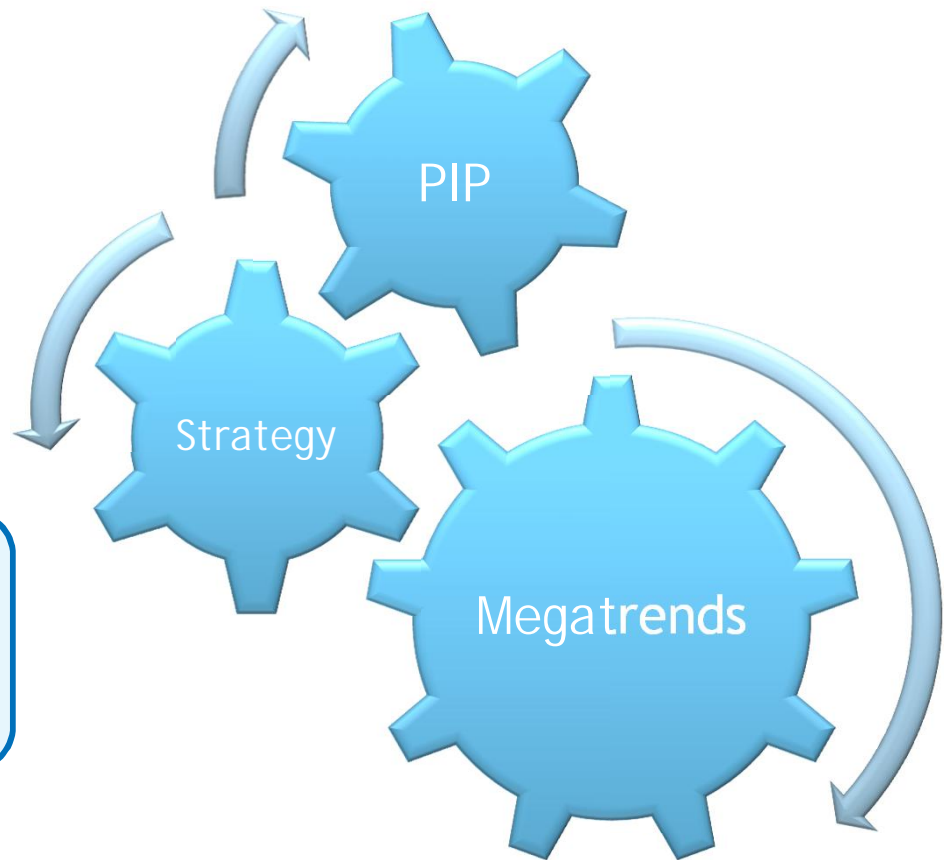
- Accelerate:
Accelerate growth in highly innovative markets to fully benefit from megatrends
- Strengthen:
Combine sustainable innovation sales growth with margin optimization programs
- Restructure:
Composite Resins



Drivers to improve performance

Improve performance by upgrading the portfolio, leveraging 3 drivers:

1. Megatrends
2. Differentiated strategies to capture profitable growth
3. Profit Improvement Program



Targets Performance Materials Cluster:

- EBITDA margin 13% - 15%
- Sales growth at double GDP

Pharma & Polymer Intermediates

Pharma

Key focus until 2015:

- For anti-infectives business
 - Continue to strengthen the core business
 - Continue to upgrade the portfolio attractiveness
 - Downstream integration into formulations and finished dosages
- For DSM Pharmaceutical Products:
 - Form a partnership that creates a CMO industry leader
 - Meanwhile, continue own strength business improvement

Partnerships key to success

Polymer Intermediates

Key focus until 2015:

- Explore opportunities to reduce the exposure to the merchant caprolactam markets
- Reduce costs
- Secure low cost / high quality caprolactam to DSM Engineering Plastics to support its growth
- Actively maintain the Acrylonitrile business

Reduce merchant exposure

Preparing for the next phase of growth

For the period 2013 - 2015, we will strongly focus on:

- 1) Completing the strategic actions set in 2010
- 2) Improving operational performance to align returns and margins profile with transformed business portfolio

This will mean:

- 1) Continued value growth in Nutrition
 - Integrate the acquisitions and realize full potential of synergies
 - Explore further growth opportunities
- 2) Upgrade the portfolio of Performance Materials
 - Accelerate growth
 - Strengthen performance
 - Restructure Composite Resins
- 3) Execution of the strategic actions in Pharma and PI
- 4) Expanding presence in High Growth Economies, including Africa
- 5) Further building the Emerging Business Areas and gear-up innovation and sustainability efforts
- 6) Execution of the Profit Improvement Program

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