

Royal DSM N.V.
Presentations, Vaalsbroek 2011

Life Sciences and Materials Sciences
DSM Capital Markets Days

HEALTH • NUTRITION • MATERIALS



DSM

BRIGHT SCIENCE. BRIGHTER LIVING.

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*

Feike Sijbesma
CEO / Chairman Managing Board

Capital Markets Days 2011

HEALTH · NUTRITION · MATERIALS



Overview

DSM in motion: *driving focused growth*

- **Strategic progress**
- Transforming our organization
- Delivering value through our businesses
- Strength of DSM & Outlook 2011

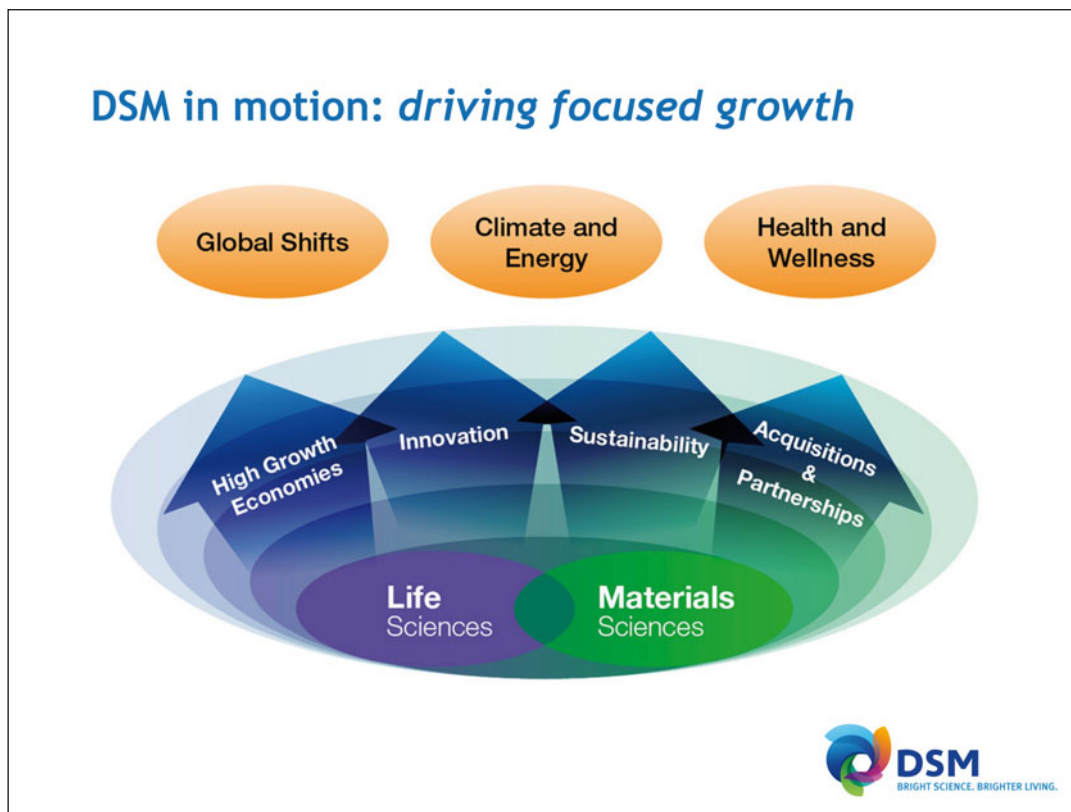




- DSM uses its Bright Science to create Brighter Living for people today and for generations to come. Based on a deep understanding of key global trends which are driving societies, markets and customers, DSM creates solutions to some of the world’s great challenges - and by doing so, makes both itself and its customers more successful.
- DSM’s philosophy is that its continuing success will be driven by creating value for its stakeholders, being its customers, employees, shareholders and society. DSM innovates in ways that allow its customers to provide better solutions for end-users and society, so that they make DSM their supplier of choice. DSM’s employees can share in the success and fulfilment which this brings. Shareholders will benefit from the value created through stronger growth and higher profitability.
- In this way:
 - DSM’s customers derive value from being able to offer end-users improved products;
 - DSM’s employees feel engaged and motivated both through the contribution they make to an improved world and the success this creates for the company in which they work;
 - Society - which means both communities and the planet benefit from the impact of more sustainable, longer-lasting, safer, healthier and more nutritious alternatives;
 - DSM and its shareholders derive value from stronger growth and higher profitability.



- DSM's business is built around finding innovative and sustainable solutions to some of the world's most important challenges. These solutions are based on a clear understanding of the key global societal trends and their consequences of them for consumers and societies.
- DSM sees three core global trends that are most profoundly affecting its customer and end-user markets:
 - Global shifts - the accelerating transfer of wealth from West to East and North to South is the basis of a whole series of global shifts which are creating a more urban, more connected and more prosperous world - but with huge resource and cultural challenges as a result.
 - Health and wellness - the impact of a growing, ageing population is being felt across the world, but in remarkably different ways - the drive to improve wellbeing as well as increase lifespan in the developed world and among the growing middle-class of the high growth economies, contrasts with the continuing struggle to provide effective nutrition and feed the population in less well off parts of our world.
- Climate change & energy usage - the accepted reality that our fossil-fuel age is causing considerable change to our climate is driving the search for alternative energy sources as well as efforts to reduce energy consumption in a multitude of ways.
- DSM's focus is to ensure that it provides its customers the innovation and sustainable products they need to meet these societal needs. By making its customers more successful, DSM becomes more successful too.



- "DSM in motion: *driving focused growth*" - our strategy announced in 2010 - marked 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.
- DSM's focus on Life Sciences (Nutrition and Pharma) and Materials Sciences (Performance Materials and Polymer Intermediates) is fueled by three societal trends: Global Shifts, Climate and Energy and Health and Wellness. DSM aims to meet the unmet needs resulting from these societal trends with innovative and sustainable solutions.
- It is DSM's ambition to fully leverage the unique opportunities in Life Sciences and Materials Sciences, using four growth drivers (High Growth Economies, Innovation, Sustainability and Acquisitions & Partnerships) and bringing all four drivers to the next level.
- With its transformation completed, DSM is now focusing on, and accelerating, growth.

On track towards achieving ambitious targets

Profitability targets 2013		H1 2011
EBITDA	€ 1.4 - 1.6bn*	€ 664m
ROCE	>15%	>15% incl Martek

Sales targets 2015		H1 2011
Organic sales growth	5% - 7% annually	12%
China sales	from US\$ 1.5bn to >US\$ 3bn	US\$ 947m
High Growth Economies	from ~32% towards 50% of total sales	37%
Innovation	from ~12% to 20% of total sales	18%

EBA aspiration 2020		H1 2011
EBA sales	>€ 1bn	Good progress (esp. BP&S, Biomedical)

* 2010 EBITDA was € 1,127m (IFRS pension adjustment is excluded)



- DSM has set itself ambitious targets for this new strategy period. We have high aspirations, based on an assessment of the opportunities, particularly in high growth economies, innovation, sustainability and acquisitions and partnerships, which lead us to believe we can accelerate growth and increase profitability.
- For 2013 two profitability targets have been set: an increase in EBITDA to a level of € 1.4 - 1.6 billion and an increase in Return on Capital Employed (ROCE) to more than 15%. In 2010 EBITDA was € 1,127 million (if IFRS pension adjustment is excluded). EBITDA in H1 2011 improved considerably compared to H1 2010, with ROCE including Martek above target. This demonstrates that we are well on track to achieve these targets.
- In terms of the sales targets established for this strategy period, DSM comfortably exceeded the organic sales growth target, and demonstrated solid growth in sales in China. Indeed, DSM saw a sharp growth in sales in high growth economies as a percentage of overall sales, moving us towards our announced goal of 50% of total net sales. Finally, innovation sales - measured as sales from innovative products and applications introduced in the last five years - reached 18%, close to our target of approximately 20% of total net sales.
- Good progress has been made in our Emerging Business Areas (EBAs) to achieve the DSM aspiration of combined sales of more than € 1 billion by 2020. The most advanced EBAs are DSM Biomedical and DSM Bio-based Products and Services.

Good progress towards sustainability aspirations

Sustainability aspirations 2011 - 2015		H1 2011
Dow Jones Sustainability	Index top ranking ("Gold")	No 1
ECO+ (innovation pipeline)	at least 80% of pipeline is ECO+	87%
ECO+ (running business)	from ~34% towards 50%	~40%
Energy efficiency	20% improvement from 2008 till 2020	9%*
Greenhouse Gas Emissions	25% reduction from 2008 till 2020	End 2011
Engagement Survey	towards High Performance Norm	Slightly below**
Diversity & People+	to be updated in 2011	End 2011

* Cumulative improvement from 2008 till H1 2011

** Measured end 2010, next survey end 2011



- A key element of the new strategy, "DSM in motion: *driving focused growth*", was for DSM to go to the next level in sustainability: from responsibility to a business driver.
- DSM's sustainability strategy is strongly connected to the company's mission to create brighter lives for people today and for generations to come, and its brand promise of Bright Science, Brighter Living. DSM believes sustainability is becoming a key differentiator and value driver as the company creates value for society and itself by responding to societal needs. DSM is uniquely positioned to capture new value-creating opportunities.
- A number of ambitious aspirations were set in 2010, and H1 2011 has seen good progress towards meeting these aspirations:
 - DSM is proud to have retained its Top ranking ('Gold') in the Dow Jones Sustainability Index. Recently it was once again named the super sector leader in Chemicals.
 - The Percentage of ECO+ solutions in the innovation pipeline is well above the target set, and the percentage of ECO+ solutions as a percentage of running business increased further towards the 50% aspiration.
 - DSM is on track with its drive to improve energy efficiency by 20% by 2020 (compared to 2008).
 - DSM will report progress on greenhouse-gas emissions at the end of the year.
 - In last year's employee engagement survey DSM improved its score compared to 2009 and was close to the high performance norm.
 - DSM will update its diversity and people aspirations at the end of the year.

Accelerating growth in High Growth Economies

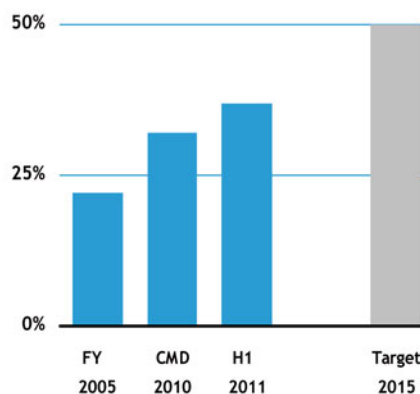
From reaching out to becoming truly global

- Sales growth ('11-'15) 70% from HGE
- HGE sales ('15) towards 50% of total; China sales double to > US\$ 3bn
- Set up Innovation Centers in China/India
- Align organization with growth ambitions (strengthen regions)

Achievements

- H1 2011: 37% of total sales in HGE; China grew by 30% to US\$ 947m
- MB Dual desk in US and Asia
- HQ of 3 business groups moved to Asia
- HQ EBA Biomedical moved to US
- Innovation Centers initiated China & India

High Growth Economies sales from 32% towards 50% of sales



- A key element of "DSM in motion: *driving focused growth*" was to move from being a European company reaching out to the world, to a truly global company.
- We have worked hard to drive our market penetration in the high growth economies, increasing from just 22% of sales in these economies in 2005 to 37% now - and with a target towards 50% of sales by 2015.
- There is also a clear focus on China, where we have set a target to double the sales to a level of at least US dollar 3 billion by 2015. H1 2011 saw DSM make good progress towards this target: our China sales approached US dollar 1 billion.
- Achieving these targets requires a true internationalization of the company. DSM is adjusting its organization in a variety of ways to facilitate local decision-making for example via local Presidents in China, India, Russia and Brazil, to drive local innovation through Innovation Centers such as in China and India, and to establish clear accountability for regional growth at Managing Board level. Progress is being made on this front as well.



- The pace of our accelerated sales growth in high growth economies has continued in 2011, particularly in China and India.

Profitable growth via innovations

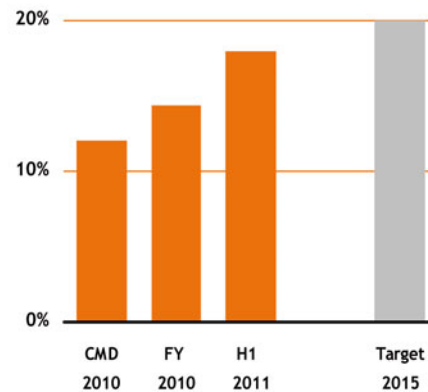
From building the machine to doubling the output

- 2015: innovation sales 20% of total sales
- 2020: EBA sales >€ 1bn
- Innovation focus on defined platforms
- Set up Innovation Centers in India/China

Achievements

- H1 2011: € 0.8bn innovation sales; 18% of sales
- Innovation Centers initiated China & India
- New Nutrition Innovation Center in US, animal nutrition center in China, materials research and automotive development center in China

Innovation from 12% to 20% of sales



- In innovation, DSM's stated ambition is to move to the next level: from building the machine to doubling innovation output.
- Since the announcement of the innovation boost back in 2005, as part of DSM's Vision 2010 strategy, the increased commitment to innovation has significantly paid off, as shown by the achievement of numerous milestones. The most tangible milestone is the fact that in 2010 DSM clearly exceeded its target of achieving € 1 billion in additional sales through innovation compared to 2005 (the actual figure achieved was € 1.3 billion), despite the strong headwinds encountered in Q4 2008 and 2009.
- In addition, the Emerging Business Area programs have resulted in strong, long-term growth platforms which optimally combine the available competences in Life Sciences and Materials Sciences.
- Building on this track record, DSM is taking value creation by innovation to the next level. DSM has adopted a new innovation target definition which is more in line with other mainstream innovators in the industry: percentage of sales created by new products and applications introduced in the last five years, replacing the previous target of an absolute amount of additional sales through innovation.
- DSM's target is to increase innovation sales from ~ 12% towards 20% of total sales by 2015. Very good progress towards this target was made in 2010, with innovation sales reaching 16% of total sales. This was continued in H1 2011: innovation sales totaled € 0.8 billion, or 18% of total sales.
- DSM has fulfilled its commitment to expand innovation by opening a new Nutrition Innovation Center in the US as well as initiating two more Innovation Centers in China and India. Moreover, DSM has created two other facilities in China: an animal nutrition center, and a materials & automotive development center.

Sustainability as business driver

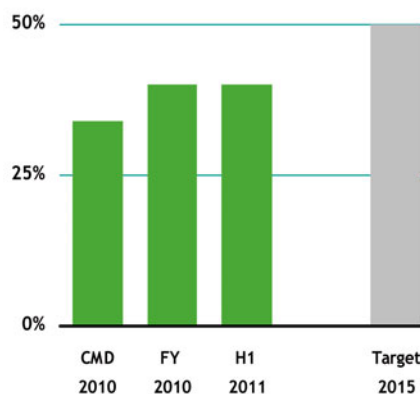
From responsibility to business driver

- 80%+ of innovation pipeline to be ECO+
- 2015: towards 50% of running business sales ECO+
- Develop People+ metrics
- Integral part of all business activities

Achievements

- H1 2011: 87% of innovation pipeline were ECO+, almost 40% of running business was ECO+
- Energy efficiency well on track to reach 20% improvement by 2020 vs 2008
- 2011: no. 1 in Dow Jones Sustainability Index chemicals sector;
No. 1 in 6 out of 8 years

ECO+ % of running business on track



- In sustainability, DSM has made it clear that its ambition is to go to the next level: from simple responsibility to where sustainability is a business driver, in line with the company's mission to create brighter lives for people today and for generations to come.
- DSM believes sustainability is becoming the key differentiator and value driver and that we are uniquely positioned to capture new value-creating opportunities.
- DSM is setting new and ambitious business targets for sustainability. By 2015 ECO+ products will account for over 80% of the innovation pipeline and towards 50% of total running business sales (compared to almost 40% now). These developments will make DSM the clear industry leader and preferred partner in value creation through sustainability. To achieve these ambitious goals, we are embedding sustainability into all our business activities.
- DSM is proud to have retained its top ranking in the Dow Jones Sustainability Index. Recently it was once again named super sector leader in Chemicals. DSM has achieved this leading position in 6 out of the last 8 years.

Growth through acquisitions and partnerships

From portfolio transformation to growth

- Partnership for DAI and DPP
- Co-investments with Sinopec
- Expand innovation partnerships
- Acquisitions and partnerships in Nutrition, Materials and EBAs

Achievements

- Partnership Sinochem in anti-infectives
- New caprolactam facility announced in China with Sinopec (completion 2014)
- Acquisitions of Martek, AGI and C5 Yeast Company
- Several other smaller acquisitions, partnerships and venturing participations



- When we launched "DSM in motion: *driving focused growth*" we made it clear that, alongside stretching organic growth targets, we would also use acquisitions and partnerships to advance our ambitions more rapidly. Clearly, this would need to be partnerships that make strategic sense in terms of meeting our ambitions, and acquisitions that meet DSM's strategic and financial criteria.
- DSM has identified several key areas where its interests would best be met through a partnership approach. In the meantime the DSM Sinochem Pharmaceutical joint venture in anti-infectives has been established and at the end of September 2011 the groundbreaking ceremony of the second caprolactam line in China took place.
- On the next page a list of acquisitions, other partnerships and venturing participations are given which have been concluded or announced since September 2010, when we launched our new strategy. Our strategically most important acquisitions in that period were Martek (PUFAs), AGI (UV curable resins) and C5 Yeast Company (yeast for 2nd generation biofuels).

Overview acquisitions and partnerships

Nutrition

- Martek - US (PUFAs)
- Microbia - US (Natural Carotenoids)
- Vitatene - Spain (Natural Carotenoids)
- Premixes - S. Korea, Romania, Russia (JV)

Performance Materials

- AGI - Taiwan (UV resins)
- KuibyshevAzot - Russia JV (PA6)
- Shandong ICD - China (high performance fibers)
- Partnership with Kemrock - India (composite resins)

Emerging Business Areas

- C5 Yeast Company - NL (yeast for 2nd generation biofuels)
- Partnership with Roquette (bio-succinic acid)
- Partnership with DuPont (biomedical)

Several venturing participations (e.g. SkySails)



- Above a list is given of the acquisitions, partnerships and venturing participations which DSM has concluded or announced since September 2010 in Nutrition, Performance Materials and the Emerging Business Areas.
- The Shandong ICD high performance fiber acquisition in China and the premix acquisition in Romania have not yet been completed.
- Our current portfolio of venturing participations and stakes can be found on our website at <http://www.dsm.com/venturing>.



Overview

DSM in motion: *driving focused growth*

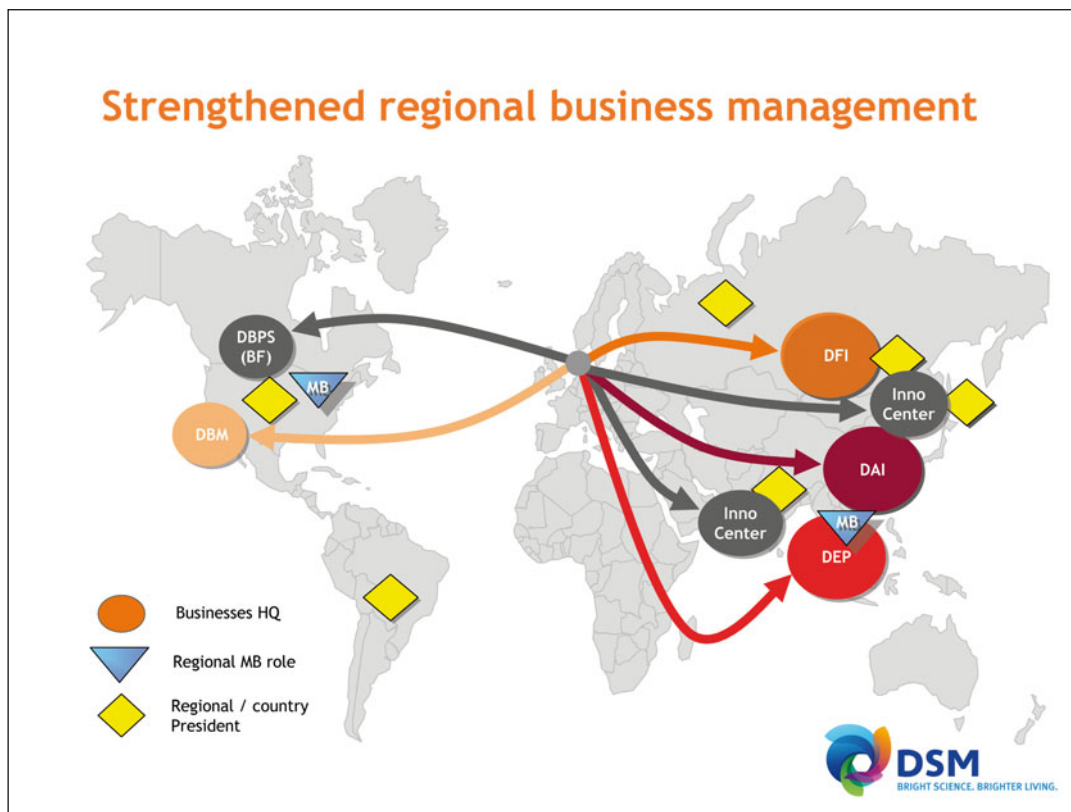
- Strategic progress
- **Transforming our organization**
- Delivering value through our businesses
- Strength of DSM & Outlook 2011



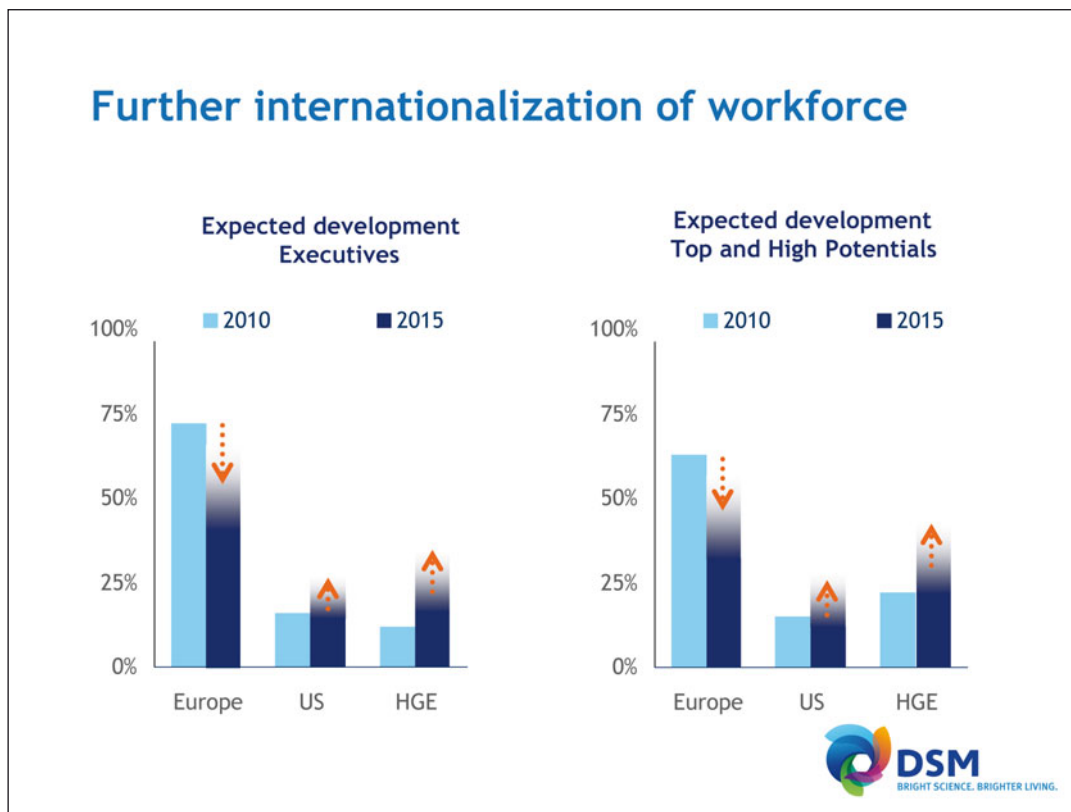
DSM
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- DSM is transforming to become a genuinely global organization able to achieve its strategic ambitions. By strengthening and empowering the regional businesses, DSM deepens local market insights and relationships. In parallel, the 'One DSM' program progressively enhances knowledge-sharing and collaboration across businesses, functions and regions, enabling us to capture the full benefits of scale and diversity.
- The business groups are the primary organizational and entrepreneurial building blocks with a focus on customers and markets. The regional organizations strengthen the business groups by providing infrastructure and capabilities. The regional organizations also cater for local innovation in designated countries and present the 'One DSM' face to the external constituencies. As a shared responsibility, the regional organizations also drive top-line growth.
- All this is supported and optimized by Shared Services (providing efficient high quality services in designated areas) and Functional Excellence groups (offering functional expertise and leveraging implementation capabilities).
- The further transformation of DSM's organization is supported by DSM's culture change program, which has established a shared understanding of essential DSM values and principles to drive growth:
 - External Orientation: to fully anticipate customer needs, to drive innovation priorities, to track best practices for key business functions, to broaden networks and to engage stakeholder groups.
 - Accountability for Performance: to take full responsibility and ownership for individual actions and for the performance of teams. Successes are recognized and celebrated, issues are surfaced and mistakes are used as individual and collective learning opportunities.
 - Inspirational Leadership: the combination of setting direction through vision and targets, executed with passion, sense of urgency and decisiveness, while connecting with people, via trust, authenticity and humility.
- DSM's culture change program is deployed on the basis of DSM's strong belief in sustainability as a business driver on the one hand and diversity & inclusion on the other.



- DSM's goal is to truly internationalize its business. This will bring us closer to our key markets and customers, strengthen the regional businesses and stimulate diversity and innovation. DSM combines a stronger regional infrastructure with clear board level accountability for regional growth.
- The following changes are in progress to further internationalize DSM:
 - Relocation of business group headquarters: DSM Fibre Intermediates to Shanghai, DSM Engineering Plastics to Singapore and DSM Anti-Infectives to Hong Kong.
 - Relocation of the DSM Biomedical (DBM) business headquarters to the United States (California).
 - Relocation of the Biofuel (BF) business, a part of DSM Bio-based Products & Services (DBPS) to the United States (Illinois).
 - Initiation of new Innovation Centers in China and India, and expansion of the existing Innovation Centers in the US and Japan.
 - Strengthening of regional capabilities, infrastructure and management to provide regional views to the business and support growth and innovation in the regions. We have established full-time presidents in India and Russia (these roles already existed in China, Japan and the US) and, initially, a combined business / president role in Latin America.
 - Allocation of regional growth and synergy accountability to designated members of the Managing Board (dual desk in combination with cluster oversight).



- Because of its internationalization drive, its strategy to grow in high growth economies, DSM wants the number of executives and high and top potentials to grow much faster in the high growth economies than in the other regions. In 2015 approximately one third will be from and working in high growth economies. Currently only 12% of the executives and 22% of the high and top potentials are coming from these regions.

Change program in full progress



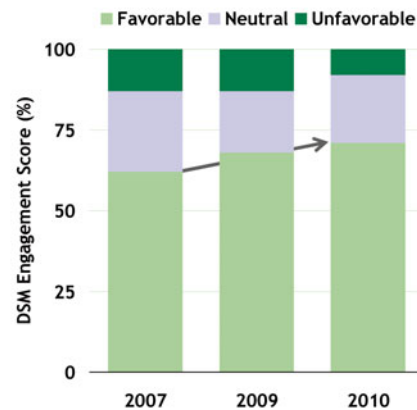
One DSM

- Launched the new Brand
- Strengthened regional business mgt.
- Higher engagement (+15%) '10 vs '07

Culture change

- Workshops to create a more inclusive culture
- Created learning environment sharing best practices to speed up change
- 'New ways of working' to overcome distance and cultural differences

An engaged workforce is critical



- The most important step forward in creating a new culture at DSM has been the launch of our new brand. Not only does the Bright Science, Brighter Living positioning succinctly capture for our people (as well as stakeholders external to the business) the challenge that motivates us as a company, it has also signaled a clear moment of change: the end of our transformation and the need for us to move towards the next phase of "driving focused growth".
- Employee engagement towards the company and its strategy is crucial, particularly through a period of change - hence the importance that we give to measuring and improving levels of engagement, which is proving to be successful. Step by step we are moving close to the high performance norm in employee engagement. Achieving this norm is our aspiration for 2015.
- Fostering an inclusive culture that embraces differences will enable us to drive superior business results and innovation. Inclusion and diversity workshops are helping to increase a more outside-in approach, achieve a better connection with end customers, and increase the focus on innovation, which will result in higher performance.
- In order to facilitate learning across the businesses and regions, several initiatives have been started to secure the exchange of best practices and experience sharing. We are using the power of global communities to enable faster organizational and individual learning and thus speed up the culture change.
- DSM is actively addressing the challenges inherent in becoming a genuinely global company. New ways of working are being developed and tested to facilitate achieving collaboration and a high performance culture in this global context.

Change through marketing excellence

- Taking customer-centricity to the next level
- Enhancing competitiveness, growth and profitability
- Targeted programs to elevate DSM's marketing & sales capabilities

Value Creation: Value propositions and marketing/commercialization

Capture Value: Customer Segmentation, Value Based Pricing and Margin Management

Customer Management: Key Account and Customer Relationship Management

People & Performance: Assessment and development programs M&S workforce



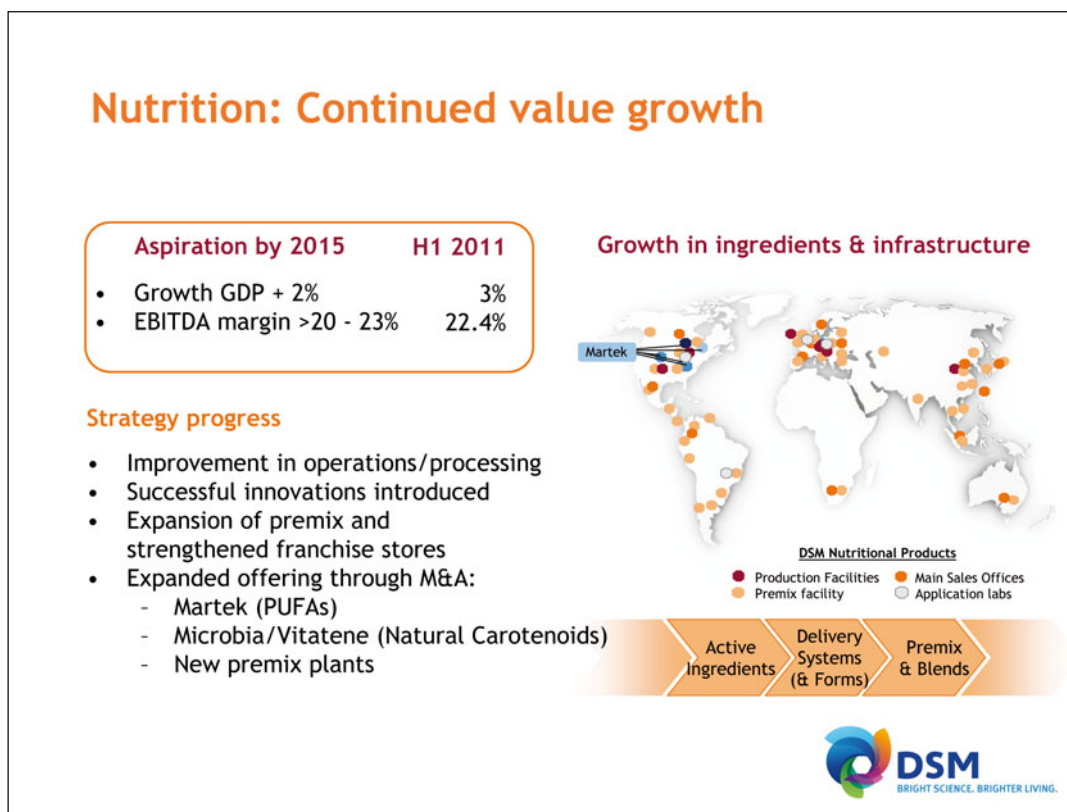
- The drive for a global high performance organization is supported by Functional Excellence programs, one of which focuses on achieving excellence in Marketing & Sales.
- DSM is taking its focus on "customer centricity" to the next level to enhance its competitiveness and profitability, which means going beyond the traditional sales driven relationship to develop an in-depth understanding of the needs of our customers and the evolving markets in which they operate.
- To better understand and therefore work with customers, DSM is focusing on:
 - Value Creation: enhancing market understanding, customer insights and strategic marketing planning. This includes projects focused on identifying the most promising growth business options based on in-depth market understanding.
 - Capture Value: through customer segmentation, value based pricing and margin management. This program is for instance applied to prepare businesses for increasingly competitive markets by developing a future-oriented customer segmentation approach and pricing structures.
- Customer Management: key account management and customer relationship management (CRM) to increase the effectiveness of marketing & sales activities. CRM has been instrumental in strengthening customer relations and the agility of the M&S organizations throughout DSM.
- People & Performance: assessment and development programs to further build the skill base and expertise of the individuals and teams and to boost direct customer facing time.
- To support the change towards more customer centricity, DSM is using the Net Promoter Score metric, which has become the leading metric for loyalty and advocacy tracking in all industries. A better understanding of what is driving customer behavior will help DSM achieve its margin goals by securing longer lasting, more profitable relationships.

Overview

DSM in motion: *driving focused growth*

- Strategic progress
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- DSM Nutritional Products has made steady progress, with continued strong business fundamentals.
- DSM Nutritional Products' strength is derived from its unique dual positioning of being both a full value chain player and having a broad portfolio of micronutrients, with product offerings fully anchored in nutritional science, and production and delivery executed in a tight framework of quality management.
- To meet its growth aspirations DSM Nutritional Products focuses on ensuring continuous improvements in its manufacturing operations, while also searching for science based nutrition innovations. Some examples are the ongoing work on strain improvement in the production of vitamin B2, where we believe to have the most cost effective production in the industry, and our breakthrough fermentation technology for the production of KGA - a critical intermediate in the production of vitamin C. In our recently acquired Nutritional Lipids business (Martek), we focus strongly on yield improvement to further reduce cost. In addition DSM has developed a new process for the production of vitamin B6, addressing our adverse cost position in Grenzach, Germany.
- An additional element of DSM's nutrition strategy is to expand the range and scope of available active ingredients, and to increase the geographic reach of our products. Major progress has been made in 2011 through the acquisition of Martek and of two companies in the field of natural carotenoids, Microbia from the US and Vitatene in Spain.
- In addition, to expand the geographic reach, new premix plants have been added in the last two years in China, India, South Korea, Rumania, Russia, Ecuador and Colombia, and we have strengthened our franchise store network in China.

Martek new ingredients with leading positions

Acquisition supportive to nutrition strategy

- Leading positions in PUFAs and in IF
- Clinically proven health benefits
- One of the largest and fastest growing segments in human nutrition
- Algae technology platform expansion
- Growth accelerated by DSM's global market reach and technology base

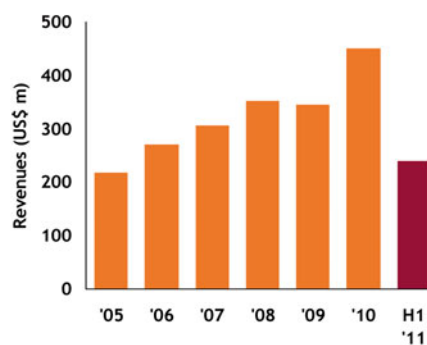
Financials DSM

- Feb 25th-June 31st: Sales € 121m, EBITDA € 40m
- 2011 EBITDA around € 80m (~10 months)

Expectations 2015

- Double digit sales growth
- Stable to rising EBITDA margins

Fast growing, profitable business



Martek History, H1 2011 is Jan - June 2011



- DSM successfully completed the acquisition of Martek Biosciences Corporation in early 2011.
- Martek had a strong position in PUFAs for infant nutrition and an emerging position in food and beverage applications, especially in the United States. In addition, their acquisition of Amerifit, a growing business supplying branded dietary supplements with very specific health benefits, provided an innovative marketing channel for Martek ingredients (and now also some DSM ingredients).
- In line with its strategy, DSM Nutritional Products is utilizing its global market reach, technology base and application capabilities to further accelerate the growth of Martek's product portfolio into other regions, applications and market segments such as animal feed, food, beverage and dietary supplement applications worldwide. The DSM Martek combination will drive continued, rapid and profitable growth.
- Furthermore, Martek's algal and other microbial-based biotechnology platform and its robust biotechnology pipeline, which complements DSM's own portfolio, are expected to deliver new growth opportunities in Life Sciences and Materials Sciences.
- The preparation for the integration of DSM and Martek started when the transaction was first announced in December and is now in full implementation, driven by a dedicated team of DSM and Martek representatives.
- The Martek acquisition is included in the DSM Nutritional Products' sales as of 25 February and added € 121 million to Nutrition sales and € 40 million to EBITDA in H1. DSM expects the full year impact to be around € 80 million in additional EBITDA in 2011 (10 months).
- Martek's sales growth is expected to remain in the double digit levels with stable to rising margins.

Pharma: Leveraging partnerships for growth

Aspiration by 2015	H1 2011
<ul style="list-style-type: none"> • EBITDA margin >15% towards 20% 	3.5%

Strategy progress


- JV with Sinochem established (50% participation for € 210m)
- 6-APA plant under construction
- Partnership discussions for DPP in progress
- Biopharma plant under construction funded by Australian Government

DSM Sinochem Pharmaceuticals established

- 6-APA plant complete 2012
- 5 new products launched
- 1st success in FD and dossiers
- Ongoing debottlenecking

DPP partnership in progress

- Pipeline in progress
- Cost restructuring ongoing
- Fast growing bio-pharma



- DSM was clear in presenting its strategy for the next period, "DSM in motion: *driving focused growth*", that it saw the future for both of its pharma businesses as being in partnership with other players who could accelerate transformation and growth. This has been actively taken forward, with the establishment of our JV with Sinochem for the Anti-Infectives business, and the furthering of discussion with regard to the DSM Pharmaceutical Products business.
- In addition, DSM Anti-Infectives has continued the development of its new 6-APA plant in China, whilst the promise to forward integrate into final dosage products has been met with progress on DSM's 1st product for oral dosage in regulated markets and expansion of the product portfolio through the launch of five new APIs.
- DSM Pharmaceutical Products has strengthened its project pipeline to further optimize asset utilization and continues to control costs to improve profitability. DSM Biologics continues to develop its technology and will open the world's first commercial scale biopharmaceutical manufacturing site in Australia in 2013, funded by the Australian Government.

Anti-Infectives JV positioned to capture growth

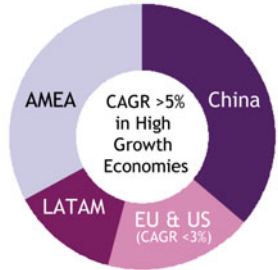
DSM

- Global reach with strong brand
- Market leader
- Technology leader
- Global production footprint

Sinochem

- One of the biggest state-owned chemical companies
- Large pharma sales network
- Track record in accelerated growth


Demand and supply moved to High Growth Economies



Geographical market distribution (SSP and SSC, 2010)

Global 50/50 joint venture with Sinochem

- Focus of JV fully in line with DSM strategy
- Strengthening position of the β -lactam anti-infectives business, especially in China
- Forward integration into finished dosage and dossiers in selected markets
- Options for further growth



- World demand for - and production of - anti-infectives is moving rapidly towards Asia and other high growth economies. Global demand growth for beta-lactam antibiotics is expected to accelerate from 2010 onwards driven by increased demand in the high growth economies, of which China and the rest of Asia are key components.

and DSM and will allow DSM Sinochem Pharmaceuticals JV to grasp market opportunities in China and other high growth economies, in addition to securing European and American access to high quality products. Furthermore, this partnership will accelerate the process of forward integration into dossiers and finished dosage in selected markets.

- DSM is the global market leader in beta-lactams, the largest class of anti-infectives, with a broad global footprint and market-leading technology. However, until recently DSM was underrepresented in China, given the size of the market opportunity there and the size of DSM's current international capabilities. The JV with Sinochem, one of China's biggest central-state owned enterprises, will allow both companies to seize this opportunity - not only in anti-infectives, but also in wider generic pharmaceutical sales, with Sinochem utilizing its vast pharma distribution infrastructure in China, the rest of Asia and across the world.
- In line with DSM's strategy "DSM in motion: *driving focused growth*", this partnership will benefit from the strengths of both Sinochem

Confidence meeting financial objectives by JV

Financial impact of JV

- 50% participation Sinochem for € 210m
- Book profit in Q3 -€ 45m after tax

Expectations by 2015

- JV to increase its sales to > € 600m (2010 sales € 347m)
- EBITDA margin >15%

Accounting effect

- Proportional consolidation for 50% as of 1st of September 2011



- The Sinochem Group has taken a 50% equity interest in the business group for a total cash consideration of € 210 million on a cash and debt-free basis with 1 January 2011 as effective date. Sinochem Group and DSM share the cash inflows and outflows of DSM Anti-Infectives as from that date, on a 50/50 basis. On balance DSM will report a book profit of approximately € 45 million after tax as a result of this transaction in Q3 2011 as an exceptional item.
- DSM is very excited about this partnership, and expects sales from the joint venture to increase by 2015 to over € 600 million, generating EBITDA margins in excess of 15%.
- The JV will be proportionally consolidated at 50% of its value in the DSM accounts as of 1 September.

PM: Growing via innovative sustainable solutions

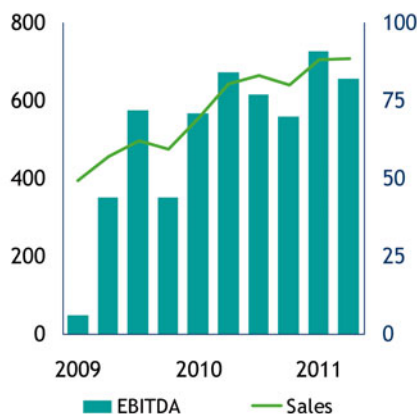
Aspiration by 2015 H1 2011

- Growth at 2 x GDP 17%
- EBITDA margin >17% 12.2%

Strategy progress

- Strong sales growth (except in B&C)
 - Focus on High Growth Economies
 - Launches of sustainable innovations
- Active margin and cost management
- Selective acquisitions & partnerships
 - UV coatings in Taiwan
 - High performance fibers China
 - Engineering plastics in Russia
 - Composite resins partnership in China and India

Strong sales growth



- DSM's Performance Materials businesses are well-positioned to capture growth opportunities that arise from the global trends, supplying business sectors where performance and sustainability are the key drivers impacting demand. Helping to meet the need to address climate change and reduce energy usage, to conserve resources and reduce waste, to further innovation and meet the needs of an ageing population, DSM is developing materials which are lighter, healthier, safer, more durable and have lower environmental footprints through their entire value chains than traditional materials such as metals.
- In this context, DSM's Materials businesses are making steady progress towards the ambitions outlined in "DSM in motion: *driving focused growth*". They have seen strong sales growth, particularly in the high growth economies and in more sustainable innovative solutions.
- There has been an active focus on margin and cost management, and a concentrated effort to grow margins over and above raw materials price increases especially in DSM Resins and DSM Engineering Plastics.
- DSM has also moved forward on its acquisitions and partnerships strategy, strengthening its product portfolio, technology base and market access especially in the high growth economies. DSM and the Russian company KuibyshevAzot OJSC have commenced their strategic cooperation and joint ventures in the field of engineering plastics and caprolactam helping DSM to better serve the fast-growing Russian automotive market.
- We have also concluded a partnership with Kemrock in India for the production of high quality specialty composite resins to serve growing local demand. In China we are building a new composite resins plant with our existing partner Sinopec. In both cases, DSM has a majority share in the joint venture. Still in Asia, our Coating Resins business unit has refined its focus on the coating technologies of the future by acquiring a majority share in AGI Corporation, a Taiwan-based specialist in UV-curable coating systems. This significantly boosts our innovation platform at a time when the coatings industry is accelerating its move away from solvent-based resins in favor of more sustainable technologies.
- In addition, DSM has announced that it has signed an agreement to acquire the majority shareholding in Shandong ICD High Performance Fibre Co Ltd. ("ICD"), based in Laiwu, Shandong province, China. Closing of this transaction is expected in the course of 2011.

Examples of innovation in PM



Stanyl® chain tensioner
for car engines



Dyneema® mooring ropes
for deepwater oil-drilling



Solvent free resin
for paints



- Performance and sustainability are the two key drivers for materials innovation.
- New chain tensioner in car engines made from Stanyl® gives higher endurance, lowers weight and friction and saves 1% fuel used during the life of a car and 1 gram CO₂ reduction per km (~ € 100 penalty/car registered for car manufacturer).
- DSM's Dyneema® fiber will be used in mooring ropes for a semi-submersible mobile offshore drilling unit of Petrobras, one of the world's leading integrated energy companies. To moor one drilling unit, more than 15 kilometers of rope is needed.
- DSM is leading the way in moving towards solvent-free resins systems for paints and coatings, driven by the need to create healthier, more sustainable products.

PI: Strengthening backward integration for DEP

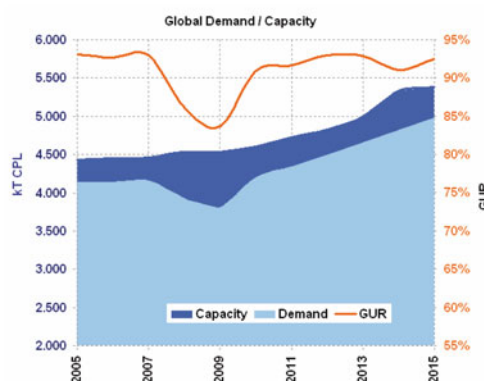
Aspiration by 2015 H1 2011

- EBITDA margin - 14% 21.8%
(on average over the cycle)

Strategy progress

- Strengthened backward integration for DSM Engineering Plastics
 - Partnership KuibyshevAzot Russia
- Strengthened global leadership position
 - China 2nd line 2014; 200kt
Lowest carbon footprint in industry
(~30% additional capacity)
 - US lower variable costs
 - Europe improved production reliability/performance

GUR Caprolactam



- Polymer Intermediates has a uniquely strong starting point: its global market position, a solid partnership in China, excellent performance, technological leadership and a secured supply to DSM Engineering Plastics. Building on these foundations, Polymer Intermediates further strengthened its backward integration with DSM Engineering Plastics through the partnership with KuibyshevAzot in Russia, securing supply of competitive priced raw materials for DSM Engineering Plastics.
- Polymer Intermediates is capitalizing on the opportunities that are arising by variable cost reduction in the US, by doubling production capacity in China with our partner Sinopec, by continuously improving existing assets by means of improving production reliability and performance in Europe and by maintaining its firm commitment to sustainability.
- DSM's strong position in China is very important. DSM is the only caprolactam producer with production assets on 3 continents. In the Chinese region (China and Taiwan), consumption of PA6 is expected to grow rapidly in the coming years, primarily driven by strong growth in engineering plastics and film segments (CAGR > 10%). Being the only Western producer with production assets in China, in combination with a partnership with a strong Chinese company (Sinopec), DSM has an excellent position to grow in Asia. DSM's newest and best-in-class technology, which is being implemented in the second line in China, is expected to demonstrate that lower costs (economy) goes hand in hand with better eco-footprint (reduction of waste, reduction of energy use).
- Until 2015, ~ 500kt of caprolactam capacity might come on stream. Not all of this has, however, been confirmed. Apart from DSM-Sinopec's 200kt second line in China in 2014, another ~ 300kt might come on stream including some smaller debottlenecking. As the global market is expected to grow by more than 3% (~150kt per year), global utilization rates are expected to stay above the healthy level of 90%.

EBA: Building new growth platforms



- Continued strong growth (>15% pa)
- Cardiovascular, Orthopedic & Ophthalmic as main markets focus
- Strong pipeline of new developments, several development agreements signed
- Actamax®, a DSM JV with DuPont, started its activities
- Value capturing through
 - broadening of the portfolio
 - expansion in the value chain
 - royalties from licenses
 - selective acquisitions



- DSM well positioned for cellulosic bio-fuels
 - no. 1 position in yeasts
 - top 3 position in enzymes
- Acquisition of C5 Yeast Company B.V. from Royal Cosun, increasing leadership position in cellulosic biofuels
- DSM and Roquette have announced a commercial scale bio-based succinic acid plant
- Other growth platforms in development: biogas, biodiesel, bio-based adipic acid



- DSM's Emerging Business Areas program is designed to create new growth platforms based on the synergies and strengths of DSM's Life Sciences and Materials Sciences businesses. So far, three EBAs have been established - DSM Biomedical and DSM Bio-based Products and Services being the most advanced - while Advanced Surfaces is in early stage. "DSM in motion: *driving focused growth*" set a target to create € 1 billion in sales from these businesses by 2020, with a high EBITDA.
- DSM Biomedical, which has already built a leading position in the development of novel materials-based solutions to meet the present and future needs of the medical device and biopharmaceutical industries, continues to enjoy strong growth - with a focus on cardiovascular, orthopedic and ophthalmic markets. The joint venture in surgical biomedical materials with DuPont, (Actamax Surgical Materials LLC) received anti-trust approval and started up its activities earlier this year. In addition, DSM Biomedical is working on a range of new developments, as well as working to create different kinds of business models such as royalties from licenses and so on.
- DSM Bio-based Products and Services sees opportunities in the move towards a bio-based economy, particularly in bio-energy and bio-based building blocks and materials. Currently the following businesses are in development: cellulosic biofuels, biogas, biodiesel, bio succinic acid and bio-based adipic acid.
- Recently DSM completed the acquisition of C5 Yeast Company B.V. from Royal Cosun, through which it increased its leadership position in the field of cellulosic biofuels. DSM is currently involved in several tens of research and development projects with partners from around the world.
- DSM and Roquette are currently building a commercial scale plant for the production of bio-based succinic acid in Italy, which is expected to come on stream in H2 2012.
- Last year DSM announced that the focus on the EBA Personalized Nutrition and Specialty Packaging would be reduced and that they will be partnered, exited or transferred to other parts in DSM. In September 2011 DSM announced that it has sold DSM Personalized Nutrition, LLC to Viocare, Inc. The food related part of Specialty Packaging has been transferred to DSM Food Specialties and for the pharma related part discussions are ongoing with third parties.

Overview

DSM in motion: *driving focused growth*

- Strategic progress
- Transforming our organization
- Delivering value through our businesses
- **Strength of DSM & Outlook 2011**



Uncertain macro-economic outlook

Uncertainties due to

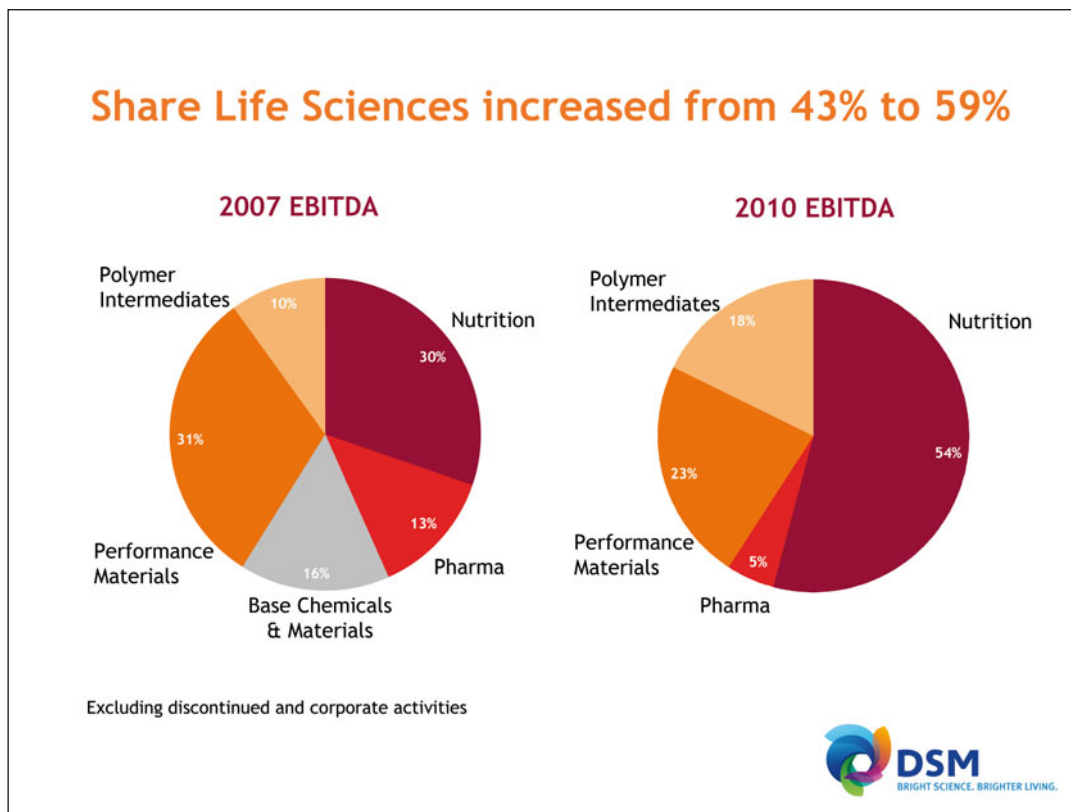
- Political ability to solve the Western sovereign debt crisis and the € crisis
- Concerns about impact on- and influence of the financial sector
- Volatile currency development (see impact of CHF)
- Declining consumer and business confidence
- US and Euro area are losing growth momentum
- Large budget deficits limiting government stimulus
- Inflation and growth risks in HGE (esp. China)
- Concern about global recession is increasing

However

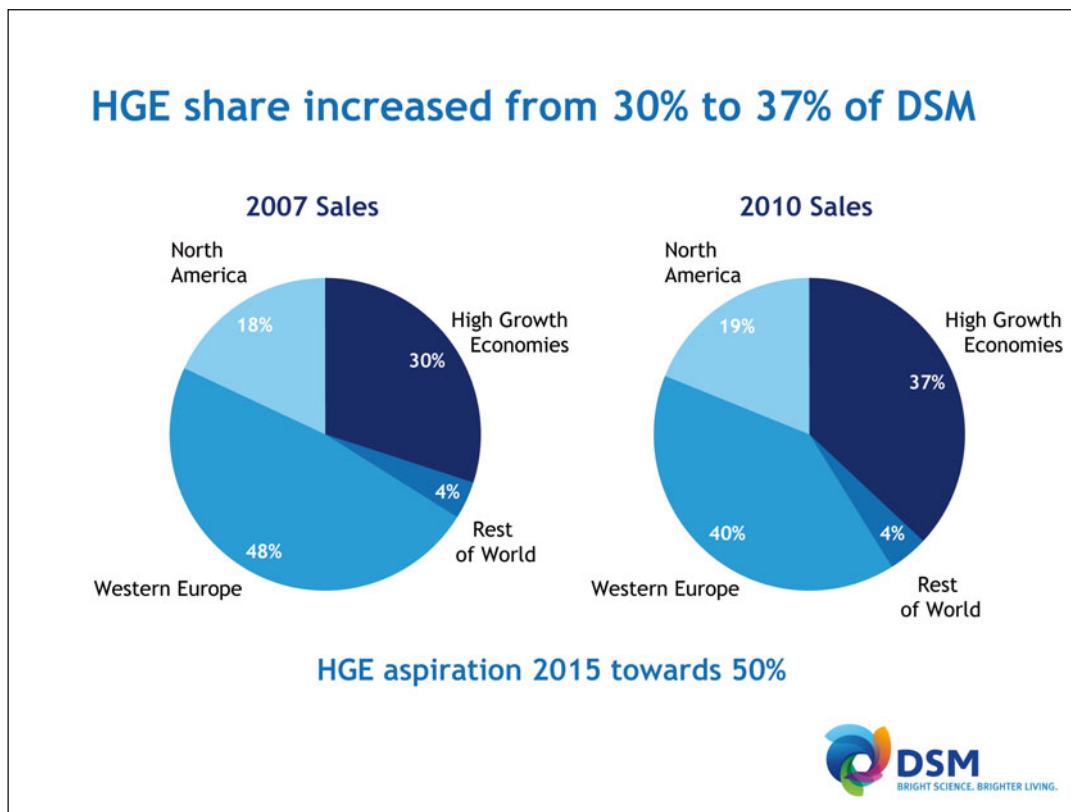
- So far limited impact visible on DSM's markets
- DSM's new portfolio is relatively resilient
- DSM is increasing its sales in HGE
- DSM's financial base is very solid



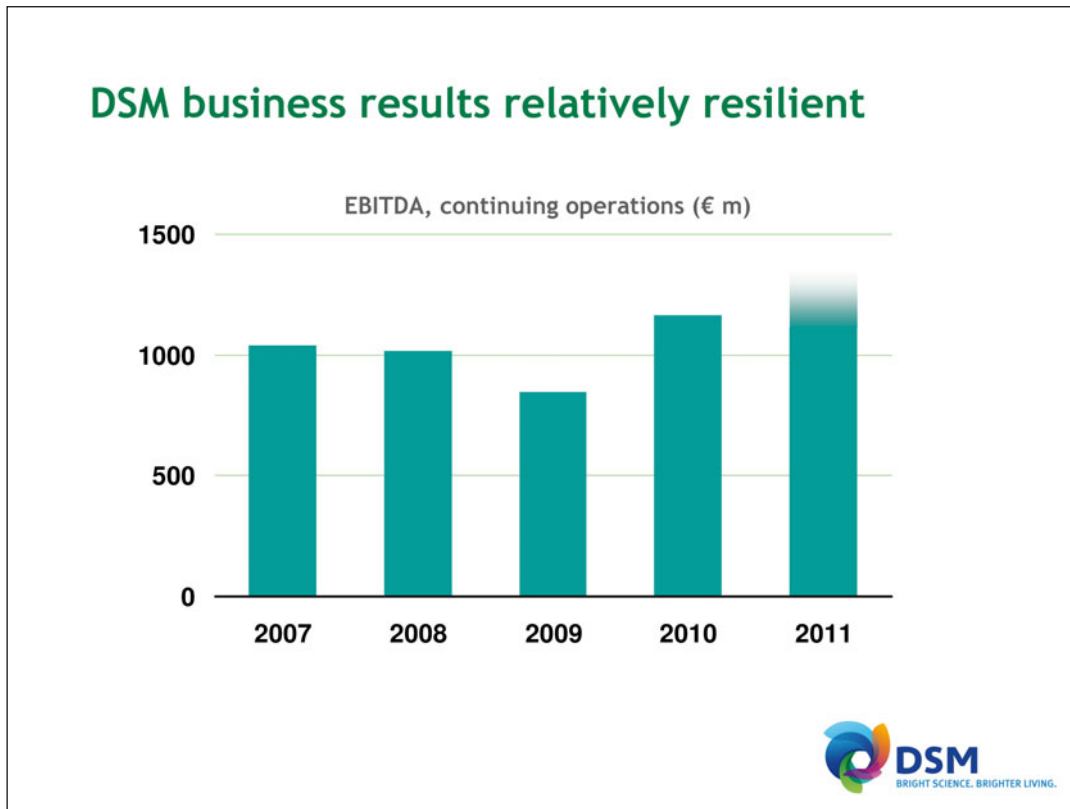
- The world faces an uncertain macro-economic outlook, which has the potential to impact DSM's future performance.
- The political ability to solve debt crises on both sides of the Atlantic is undermining confidence whilst also creating huge uncertainty. The same goes for the Euro. These factors are exacerbating turmoil in the financial sector which - together with the consequent lack of confidence and regulatory moves to prevent further crises - is causing interbank lending to tighten once again. Furthermore, currency markets are unusually volatile, as can be seen in the impact of the Swiss franc over the last few quarters.
- Currently consumer and business confidence are declining in the Western World. Both North America and Europe are seeing slowdowns in economic activity, but the large government debt overhangs are preventing the kind of market stimulus seen in 2009 and 2010. And in the high growth economies, especially China, there are inflation and growth risks.
- All these factors increase the concern of a slide back into global recession.
- However, limited impact of these factors is visible in DSM's markets so far. DSM's new portfolio after its transformation into a Life Sciences and Materials Sciences company is more resilient and the (share of total) sales to the high growth economies is much larger than three years ago. With increased concerns about a global recession, it should also be noted that DSM's financial position is very strong. In Q2 2011 gearing was 5% and DSM had € 1.9 billion in cash, cash equivalents and current investments.



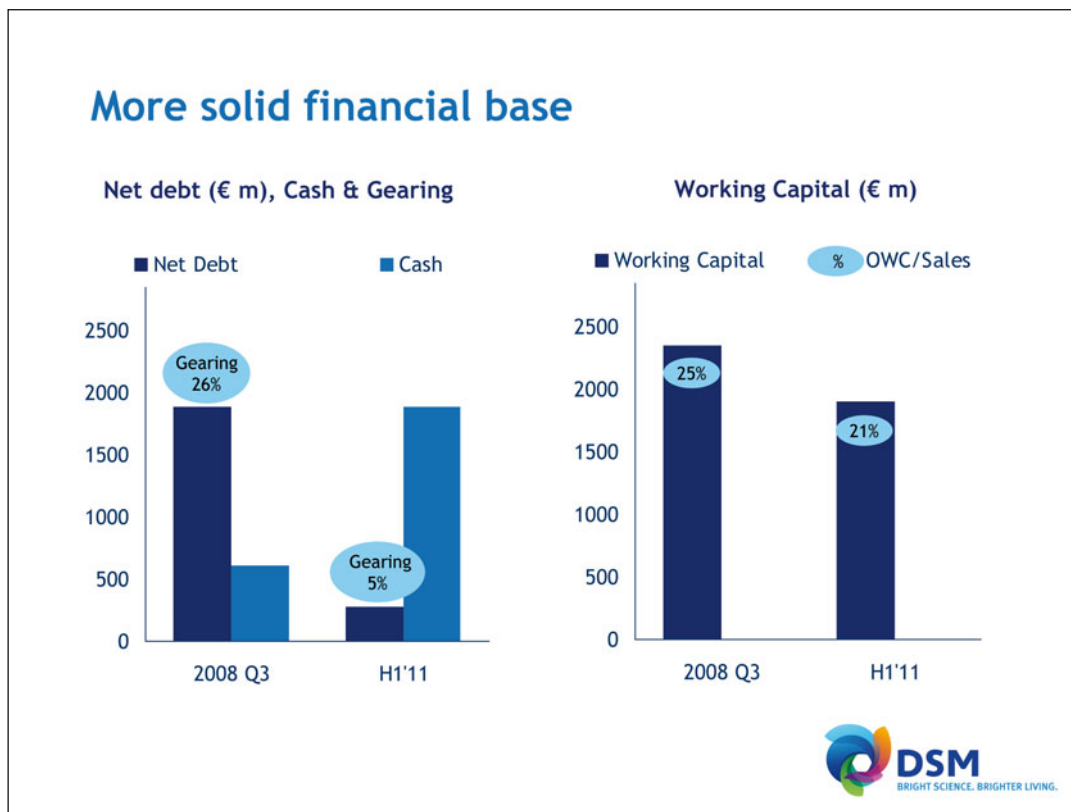
- DSM is confident that its transformation has created a more resilient portfolio.
- Compared to 2007 - the year before the financial crisis created a real economy recession - DSM's business results were much more exposed to commodity chemicals such as fertilizers, melamine, elastomers and caprolactam. However, this has changed markedly, with the much more resilient Life Sciences businesses now making up 59% of EBITDA.
- DSM has exited its Base Chemicals and Materials businesses in the last two years.



- High growth economies make up a far larger proportion of DSM's sales compared with 2007 across the board, increasing from 30% to 37% - a trend which is continuing toward 50% in 2015. As a consequence, in a global slowdown where the high growth economies are less affected than the developed Western world, DSM in turn will be less dramatically impacted than would previously have been the case.



- DSM also believes that its business has already proven to be increasingly resilient through this latest highly unusual economic cycle. In 2009, EBITDA for the current continuing business, excluding Martek, was around € 850 million, approximately 15-20% lower than in the previous years.
- Post 2009, DSM recovered very quickly, and in 2010 recorded an EBITDA higher than pre-recession levels.



- DSM's financial base is now considerably more secure than at the moment the last recession hit in Q4 2008.
- We have reduced our net debt position, whilst cash in hand is substantial, meaning we are independent of financial markets in order to finance the company and our growth.
- Similarly, our decisive and disciplined moves to reduce operating working capital have been highly effective - and this in spite of the fact that we have sold businesses such as our agriculture and elastomers subsidiaries, which had relatively low OWC requirements, and replaced them with businesses such as Martek, whose business and market structure necessitates a much higher OWC level.

Current business trading in DSM end markets

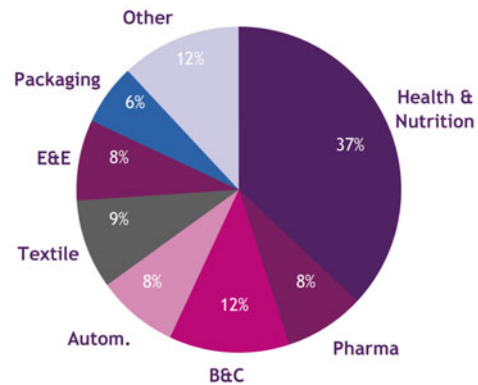
End market demand

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

Geographic demand

• EU, US	moderate*
• Asia, Latam	strong*

Net sales by end market



* Somewhat weakening compared to the beginning of the year



- Trading conditions remain in line with the environment as reported in Q2, with strong growth in high growth economies and a slowdown of growth in Western Europe and North America. The Japanese economy is still weak, following the natural disasters in Q1.
- Within this macro-economic context the majority of DSM's end-markets can be described as good or strong. Building & construction remains weak while the custom manufacturing pharma market can be described as moderate. During the last months, however, we have experienced some weakening in some of our end markets.

Current business trading per cluster

Nutrition

- Sustained good business conditions

Update

- Strong yoy volume growth in Animal Nutrition & Health, moderate to good in other segments.
- Price increases in progress
- Unfavorable currency impact from CHF and US\$ (estimated impact -€ 20 - 25m net of hedges Q3 2011 vs Q3 2010)
- Martek excellent performance

Pharma

- Challenging conditions remain

Update

- Increasing project pipeline and higher volumes yoy Pharmaceutical Products
- Lower prices yoy Anti-Infectives
- Overall business trading in line with previous quarter

Note: Proportional consolidation of DSM Anti-Infectives for 50% as of 1 September 2011



- The fundamental growth drivers for the nutrition business remain fully intact and unchanged despite the uncertain economic climate. In Animal Nutrition & Health there is strong year-on-year volume growth with moderate to good growth in other segments. The cluster is making further progress with price increases.
- The adverse impact of the strong Swiss franc and weak US dollar are approximately € 20 - 25 million net of hedges in Q3 compared to last year.
- Martek continues its excellent performance during the quarter.
- The pharma cluster continues to be impacted by challenging business conditions. DSM Pharmaceutical Products is strengthening its project pipeline and is experiencing higher volumes. DSM Anti-Infectives is experiencing lower prices compared to a year ago.
- The joint venture with Sinochem has been established. As of 1 September 2011 DSM proportionally consolidates DSM Sinochem Pharmaceuticals (DSP) for 50%.
- Overall business trading for the Pharma cluster is in line with Q2.

Current business trading per cluster

Performance Materials

- Growth slowed down

Update

- Mixed demand development:
 - Growth in Dyneema® fiber solutions and automotive
 - Growth weakening in E&E
 - Lower demand in B&C and tender driven vehicle protection
- Q3 2011 volumes lower than Q2 2011
- Unit margins slightly up in Q3 2011 compared to Q2 2011

Polymer Intermediates

- Excellent business conditions

Update

- Continued strong demand in China
- Prices and margins remaining at high levels
- Caprolactam Q3 2011 margins in line with Q2 2011, acrylonitrile margins slightly lower



- **Performance Materials** is experiencing continued growth in end-user demand, albeit at a lower pace. Asia remains the growth engine and markets like automotive continue to grow. However, engineering plastics for the electronics and electrical (E&E) segment are slowing and the building and construction market has not emerged from the recession.
- DSM Dyneema fiber solutions is experiencing double digit growth typically in segments like marine and industrial applications. However, DSM Dyneema is experiencing lower sales in the tender driven vehicle protection market.
- Compared to Q2 2011 volumes are lower and unit margins are slightly up for the cluster.
- **Polymer Intermediates** continues to enjoy excellent business conditions with continued strong demand in China. Prices and margins have remained at high levels, where caprolactam margins are in line with Q2 2011 and acrylonitrile margins are slightly lower compared to Q2.

Outlook confirmed

- Assuming no major changes to the overall business assumptions
- Nutrition results including Martek 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 full year results are expected to be excellent
- 2011 is expected to be a strong year;
good progress towards achieving the 2013 targets



- DSM confirms its 2011 outlook.



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

Abbreviation	Explanation	Abbreviation	Explanation
6-APA	6-amino-penicillanic acid	EU	European Union
AGI	AGI Corporation Taiwan	F&B	Food & Beverage
AMEA	Association of Machinery and Equipment Appraisers	FD	Finished dosage / final dose
ANH	Animal Nutrition & Health	FDA	Food and Drugs Administration
API	Active pharmaceutical ingredients	GBP	Pound Sterling
AR	Anti-reflective	GDP	Gross Domestic Product
ARA	Arachidonic Acid	GHG	Greenhouse Gas
B&C	Building and Construction	GUR	Global Utilization Rate
B2	Vitamin B2	HGE	High Growth Economies
B2C	Business-to-Consumer	HMDA	Healthcare distribution management association
B6	Vitamin B6	HQ	Headquarters
BCM	Billion Cubic Meter	IFRS	International Financial Reporting Standards
BF	Bio-Fuel	INF	Infant Formular
BMM	Biomedical Material	JPY	Japanese Yen
bn	billion	JV	Joint Venture
BP&S	Bio-based Products & Services	KA	KuibyshevAzot OJSC
C/E	Central / East	KGA	Ketoglutaric Acid
CAGR	Compound Annual Growth Rate	kt	kiloton
CAPEX	Capital Expenditures	LATAM	Latin America
CEO	Chief Executive Officer	LCD	Liquid crystal display
CFO	Chief Financial Officer	m	million
CH4	Methane	M&A	Merger & Acquisitions
CHF	Swiss franc	MB	Managing Board
CHP	Combined heat and power	NGO	Non-governmental organization
CIO	Chief Innovation Officer	OEM	Original equipment manufacturer
CIS	Commonwealth of Independent States	OWC	Operating Working Capital
CMD	Capital Markets Days	P&L	Profit and Loss
CMO	Contract Manufacturing Outsourcing	p/a	per annum
CRM	Customer Relationship Management	PA6	Polyamide 6
CTO	Chief Technology Officer	PEN	Penicillin
DA	Depreciation and amortization	PI	Polymer Intermediates
DAI	DSM Anti-Infectives	PM	Performance Materials
DBM	DSM BioMedical	PTG	The Polymer Technology Group
DBPS	DSM Bio-based Products & Services	PUFA	Polyunsaturated fatty acids
DD	DSM Dyneema	R&D	Research and Development
DEP	DSM Engineering Plastics	ROCE	Return on Capital Employed
DEP	DSM Engineering Plastics	SSC	Shared Service Center
DHA	Docosahexaenoic acid	SSP	Supplies Service Partner
DPP	DSM Pharmaceutical Products	UD	Unidirectional
DS	Dietary Supplements	UHMwPE	Ultra-High Molecular Weight Polyethylene
DSP	DSM Sinochem Pharmaceuticals	UOR	Urgent Operational Requests
E&E	Electrical & Electronic Industry	US	United States (of America)
EBA	Emerging Business Area	US\$	United States dollar
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	USA	United States of America
ECO+	The Greenhouse Dialogue	USD	United States dollar
EFSA	European Food and Safety	UV	Ultra Violet
EP	Engineering plastics	VA	Vitamin A
EPA	Environmental Protection Agency	VE	Vitamin E
EPS	Earnings per Share	VOC	Volatile organic compounds
		y-o-y	Year-on-year
		YTD	Year-to-Date