Press Release

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DSM reports Q1 2015 results

- Sales of €1,886 million, up 11%, including 2% organic sales growth
- EBITDA up 4% to €248 million
- Nutrition delivered good organic growth of 4%, driven by volumes in animal nutrition
- Performance Materials continued to improve EBITDA through higher volumes and margins
- Cash from continuing operating activities improved to €84 million (Q1 2014: €11 million)
- Non-cash impairment of €130 million (after tax) related to the partnership for Polymer Intermediates and Composite Resins announced in March, leading to a net loss after exceptional items
- Outlook 2015 updated for positive foreign exchange developments

Royal DSM, the Life Sciences and Materials Sciences company, today reported its results for Q1 2015. DSM reported sales of €1,886 million, an 11% increase versus Q1 2014, due to 3% higher volumes, 1% lower prices and 9% foreign exchange effects. DSM delivered an increased EBITDA of €248 million compared to €239 million in Q1 2014. The increase in operating working capital of €199 million to €2,102 million at the end of Q1 2015 was entirely due to the foreign exchange translation effect. Cash operating working capital remained flat, contrary to usual seasonality.

Commenting on the results, Feike Sijbesma, CEO/Chairman of the DSM Managing Board, said:
"DSM delivered higher results in Q1 2015 compared to prior year, driven by higher volumes in both Nutrition and Performance Materials. Nutrition delivered mixed results with good volume growth in animal nutrition, partly offset by low prices in vitamin E and weak performance in human nutrition. Performance Materials had another strong quarter with higher volumes and margins. The mix of foreign currencies had an overall positive impact on both clusters.

In Q1 we announced a partnership with CVC Capital Partners for Polymer Intermediates and Composite Resins, a significant step in further optimizing our portfolio and reducing our cyclicality. This strategic action will enable us to focus fully on improving the operational performance of our core businesses while capitalizing on the longer term potential for value creation of our various partnerships.

We are progressing well with setting up a number of efficiency improvement and cost reduction programs especially in Nutrition and in all support functions across the company.

DSM aims to deliver an EBITDA in 2015 ahead of 2014, the increase mainly driven by positive foreign exchange effects."

Sales, EBITDA, operating working capital and cash flow refer to continuing operations.

Key figures

in € million	first quarter 2015	first quarter 2014	+/-	volume	price/mix	exch. rates	other
Net sales							
Nutrition	1,199	1,047	15%	3%	1%	11%	0%
Performance Materials	632	589	7%	3%	-4%	8%	0%
Innovation center	36	34	6%	-12%	0%	18%	0%
Corporate Activities	19	22					
Total continuing operations	**1,886**	**1,692**	**11%**	**3%**	**-1%**	**9%**	**0%**
Discontinued operations	506	606					

in € million	first quarter 2015	first quarter 2014	+/-
EBITDA			
Nutrition	195	203	-4%
Performance Materials	86	71	21%
Innovation Center	-5	-6	
Corporate Activities	-28	-29	
Total continuing operations	**248**	**239**	**4%**
Discontinued operations	38	31	
Core net profit (continuing operations)	88	106	-17%
Net profit before exceptional items, continuing operations	69	91	-24%
Net profit after exceptional items, total DSM	-70	81	
Core EPS (€/share)	0.51	0.61	-17%
Net EPS before exceptional items, continuing operations (€/share)	0.39	0.52	-26%
Net EPS after exceptional items, total DSM (€/share)	-0.42	0.45	
Cash flow from continuing operations	84	11	
Capital expenditures (cash, net of customer funding)	135	146	
Net debt	2,932	2,420 *	
* year-end 2014			

In this report:

- *'Organic sales growth' is the total impact of volume and price/mix;*
- *'Discontinued operations' comprises net sales and operating profit (before depreciation and amortization) of DSM Pharmaceutical Products up to and including 10 March 2014 as well as DSM Fibre Intermediates and DSM Composite Resins up to and including Q1 2015;*
- *'Core net profit' is the net profit from continuing operations before exceptional items and before acquisition related (intangible) asset amortization.*

Review by cluster

Nutrition

	first quarter		
In € million	2015	2014	yoy
Net sales	1,199	1,047	15%
of which:			
- volume growth			3%
- price/mix effect			1%
- fx impact			11%
- other			0%
EBITDA	195	203	-4%
EBITDA margin	*16.3%*	*19.4%*	
EBIT	129	143	-10%
Capital employed	5,509	5,034 *	

*year-end 2014

Sales in the first quarter increased by 15% compared to Q1 2014. Organic sales growth was 4% compared to Q1 2014 as a result of 3% higher volumes and 1% higher prices. Good volume growth in animal nutrition was partly offset by lower vitamin E prices and by weakness in human nutrition. Currencies had an 11% positive impact on sales.

EBITDA for Q1 was €195 million, down 4% from Q1 2014. Higher volumes in animal nutrition were offset by lower vitamin E prices, lower volumes in human nutrition, intensified marketing and sales activities as well as actions to reduce inventory levels. These factors and the relative higher share of animal nutrition impacted the EBITDA margin. Positive effects of foreign exchange rates, especially the US dollar, were partly offset by the negative impact of the Swiss franc.

Animal Nutrition and Health net sales were €574 million in Q1, a 23% increase versus the €467 million in Q1 2014. Organic sales growth in Q1 was 14%, entirely driven by higher volumes. This development reflects the continued positive growth momentum throughout 2014 versus a slow start in Q1 2014. Premixes showed strong growth and Tortuga continued to develop well and delivered a strong quarter.

Vitamin E prices were significantly lower compared to Q1 2014. This negative price effect of more than €20 million was compensated by higher prices for other ingredients. However, as a substantial part of these other ingredients are in-sourced for DSM's premix activities and as such these increased prices only have a limited EBITDA effect.

Human Nutrition & Health net sales increased by 7% to €452 million versus €422 million in Q1 2014. Volumes declined 6% and prices were flat while currencies had a positive effect of 13%. However, compared to Q4 2014, Q1 showed a positive organic sales growth of 7%, breaking the trend of successive sales declines over the last three quarters of 2014.

The weakness in volumes was broadly across expected product categories, in particular low sales in fish oil based Omega 3 dietary supplements in the US. DSM is addressing organic growth in human nutrition with intensified marketing and sales activities and organizational changes.

Food & Beverage markets in developed economies as well as retail sales of vitamin-based dietary supplements in the US showed early signs of improvement. Volume growth in infant nutrition has normalized since Q4 2014, albeit at lower than historic growth rates. I-Health enjoyed strong sales growth.

DSM Food Specialties delivered a solid performance in Q1, with good organic growth in enzymes and cultures. Issues around manufacturing performance in savory ingredients and cultures reported in Q4 2014 have been resolved.

Performance Materials

	first quarter		
In € million	2015	2014	yoy
Net sales	632	589	7%
of which:			
- volume growth			3%
- price/mix effect			-4%
- fx impact			8%
- other			0%
EBITDA	86	71	21%
EBITDA margin	*13.6%*	*12.1%*	
EBIT	53	43	23%
Capital employed	1,930	1,744 *	

*year-end 2014

Organic **sales** development in Q1 amounted to -1% compared to Q1 2014 as a result of 3% volume growth and 4% lower prices reflecting lower raw materials costs. Sales benefited from positive currency effects of 8%.

DSM Engineering Plastics showed good volume growth. Sales were further supported by a substantial FX effect, which more than compensated for lower prices in the polyamide 6 value chain.

Business conditions in DSM Dyneema remained favorable, although organic sales in the quarter were flat due to timing of orders.

In DSM Resins and Functional Materials volumes were flat. Higher volumes in coating resins were offset by lower volumes in functional materials. Positive FX effects were partly offset by slightly negative price effect, driven by lower raw materials costs and some mix effects.

EBITDA in Performance Materials for the quarter increased 21% compared to Q1 2014. Higher margins were achieved in all businesses, resulting from positive foreign exchange effects and lower raw material costs. The EBITDA-margin increased significantly to 13.6%, now in line with the 2015 target range of 13-15%.

EBITDA of DSM Engineering Plastics was substantially up compared to previous year as a result of good volume growth in combination with increased margins. DSM Dyneema delivered solid EBITDA growth. EBITDA of DSM Resins & Functional Materials was slightly up; growth in coating resins was offset by lower results in functional materials.

Innovation Center

	first quarter		
In € million	2015	2014	yoy
Net sales	36	34	6%
EBITDA	-5	-6	
EBIT	-12	-14	
Capital employed	572	523 *	

*year-end 2014

Net sales in Q1 2015 were 6% higher compared to Q1 2014. DSM Biomedical benefited from a stronger US dollar. Volumes in DSM Biomedical were lower compared to Q1 2014, mainly due to destocking at a major customer. Furthermore, Q1 2014 still included the St. Jude royalty revenues, which ended in April 2014.

EBITDA in Q1 2015 improved versus Q1 2014 supported by positive currency developments, despite the lower royalty income.

Corporate Activities

	first quarter	
In € million	2015	2014
Net sales	19	22
EBITDA	-28	-29
EBIT	-39	-39

EBITDA in Q1 2015 was in line with the same period in previous year.

Pharma activities and other associates

Total Q1 2015 sales of joint control entities amounted to €128 million on a 100% basis (Q1 2014: €105 million) of which €117 million from DSM Sinochem Pharmaceuticals (Q1 2014: €98 million).

DPx holdings (49% DSM) realized total sales (100%) of €433 million, from November 2014 up to and including January 2015, with a corresponding EBITDA margin of 17%. The net result of DPx was negatively impacted by €24 million exceptional items (before tax) related to restructuring, integration and realizing synergies of the company.

Discontinued operations

	first quarter	
In € million	2015	2014
Net sales	506	606
EBITDA	38	31
EBIT	20	11

Polymer Intermediates and Composite Resins

Net sales amounted to €506 million, positively impacted by currency effects of 7% and EBITDA amounted to €38 million. The activities currently in discontinued operations showed an increase in EBITDA. Polymer Intermediates (higher volumes and margins) and DSM Composite Resins (higher volumes) both contributed to the increase. The Q1 2014 discontinued operations also included DSM Pharmaceutical Products (€102 million sales, -€2 million EBITDA) which is now part of the DPx joint venture.

Financial overview

Exceptional items

Total *exceptional items* in the first quarter amounted to a loss of €163 million before tax (€145 million after tax). This includes €137 million (€130 million after tax) due to the impairment following the announced partnership for Polymer Intermediates and Composite Resins businesses and €26 million restructuring and related expenses.

Net profit

Financial income and expense in Q1 2015 amounted to -€52 million compared to -€19 million in Q1 2014. The main reason for these higher costs were unfavorable hedge results amongst others due to a downward shift in the interest curve of the Swiss franc.

The effective tax rate in Q1 2015 was 18%, in line with the full year 2014.

Net profit, continuing operations before exceptional items in Q1 2015 decreased by €22 million compared to Q1 2014 and stood at €69 million.

Net earnings per ordinary share (continuing operations, before exceptional items) amounted to €0.39 in Q1 2015 compared to €0.52 in Q1 2014.

Cash flow, capital expenditure and financing

Cash provided by operating activities from continuing operations in Q1 2015 was €84 million (Q1 2014: €11 million).

Operating working capital, continuing operations expressed as a percentage of annualized sales amounted to 27.9% compared to 26.3% at year-end 2014. The operating working capital increased by €199 million from €1,903 million at year-end of 2014 to €2,102 million at the end of Q1 2015. This was entirely due to the foreign exchange translation effect. Cash operating working capital from continuing operations remained flat, contrary to usual seasonality.

Cash used for *capital expenditure net of customer funding* amounted to €135 million in Q1 2015 compared to €146 million in Q1 2014.

Net debt increased by €512 million compared to year-end 2014 and stood at €2,932 million by the end of Q1 2015. The increase was mainly driven by the mark-to-market change in fair value of financial derivatives held.

DSM in motion: *driving focused growth*

Strategy update

DSM in motion: *driving focused growth* is the strategy that the company embarked on in September 2010, which was updated in September 2013. The next update is planned for Q4 2015.

Improvement programs

The steps DSM is taking to address the ongoing challenging external environment, including a focus on operational performance and enhancing profitability, are going to plan. DSM is progressing well with setting up a number of efficiency improvement and cost reduction programs, especially in Nutrition and across all support functions of the company. In addition, in 2015 further focus will be given to improve operating working capital management.

Below are some highlights of DSM's Q1 2015 achievements.

High Growth Economies: from reaching out to being truly global

DSM finalized the previously announced acquisition of Aland, a Hong Kong-based company producing vitamin C in mainland China. Aland is one of the leading Vitamin C manufacturers in China with a production facility in Jingjiang, Jiangsu Province. In 2014 the company realized net sales of about USD 110 million in vitamin C with around 1,800 employees. The transaction excludes Aland's consumer health activities.

Innovation: from building the machine to doubling innovation output

DSM opened its Nutrition Innovation Center for Asia Pacific in Singapore. It is an integral part of an expanded DSM Singapore office, alongside similar facilities located in China, Brazil, Switzerland and the United States. By extending its global network of innovation expertise, the new center anchors DSM's status as the world's premier nutrition solutions provider while enhancing its ability to address the needs of its regional customers.

Sustainability: from responsibility to business driver

DSM published its 2014 Integrated Annual Report. The report is now based on the G4 guidelines of the Global Reporting Initiative, the fourth generation of sustainability reporting guidelines.

Acquisitions & Partnerships: from portfolio transformation to driving focused growth

DSM and CVC Capital Partners announced a partnership for DSM's activities in Polymer Intermediates (Caprolactam and Acrylonitrile) and Composite Resins through the formation of a new company, provisionally called NewCo. The new company will be 65% owned by CVC and 35% by DSM, with 1,950 employees. Pro-forma third-party sales of NewCo in 2014 amounted to €2.1 billion with a 2014 EBITDA of €106 million.

In accordance with the applicable accounting standards, DSM's caprolactam, acrylonitrile and composite resins businesses are classified as assets held for sale in Q1 2015 and an initial book loss after tax of €130 million is recognized as an exceptional item in Q1 2015. Post-closing, expected in Q3 2015, DSM will present the investment in NewCo as an associate, accounted in accordance with the equity method. Re-stated figures have been made available.

DSM finalized the previously announced divestment of Euroresins to Cathay Investments and the sale of DSM Synres to Standard Investment. Both divestments are in line with the strategic actions DSM announced in November 2014.

Outlook

Macro-economic uncertainty and low consumer confidence continue to impact market dynamics. DSM assumes low growth in Europe, continued economic resilience and growth in the US and a slowdown of growth in some of the high growth economies.

Assuming current low spot prices in vitamin E persist, the negative price impact on DSM's 2015 EBITDA will be around €80 million compared to 2014.

The volatility in currencies, including the strengthening of the Swiss franc and the US Dollar against the Euro, will have a mixed effect on DSM's 2015 results compared to 2014. Based on current exchange rates and the 2015 hedge effects, an overall annual positive impact on 2015 EBITDA is estimated at approximately €45 million, should current rates persist throughout the remainder of the year.

Taking the above into account, DSM aims to deliver an EBITDA in 2015 ahead of 2014, the increase mainly driven by positive foreign exchange effects.

Additional information

Today DSM will hold a conference call for the media from 08.00 AM to 08.30 AM CET and a conference call for investors and analysts from 09.00 AM to 10.00 AM CET. Details on how to access these calls can be found on the DSM website, www.dsm.com. Also, information regarding DSM's Q1 result 2015 can be found in the Presentation to Investors, which can be downloaded from the Investors section of the DSM website.

Important dates

Annual General Meeting of Shareholders	Thursday, 30 April 2015
Ex-dividend quotation date 2015	Tuesday, 5 May 2015
Report for the second quarter of 2015	Tuesday, 4 August 2015
Report for the third quarter of 2015	Tuesday, 3 November 2015
Capital Markets Day	Wednesday, 4 November 2015
Full year results 2015	Wednesday, 17 February 2016

Condensed consolidated statement of income for the first quarter

first quarter 2015			*in € million*	first quarter 2014		
before exceptional items	exceptional items	total		before exceptional items	exceptional items	total
2,392	0	2,392	total net sales	2,298	0	2,298
248	-22	226	EBITDA from continuing operations	239	-41	198
38	-4	34	EBITDA from discontinued operations	31	22	53
286	-26	260	EBITDA total DSM	270	-19	251
151	-163	-12	operating profit (EBIT) total DSM	144	-19	125
20	-141	-121	operating profit from discontinued operations	11	22	33
131	-22	109	operating profit from continuing operations	133	-41	92
-52	0	-52	net finance costs	-19	-7	-26
79	-22	57	profit before income tax	114	-48	66
-14	5	-9	income tax	-21	7	-14
4	-10	-6	share of the profit of associates / joint control entities	-2	0	-2
69	-27	42	net profit from continuing operations	91	-41	50
15	-128	-113	net profit from discontinued operations	6	22	28
84	-155	-71	profit for the period	97	-19	78
2	0	2	non-controlling interests continuing operations	2	0	2
-1	0	-1	non-controlling interests discontinued operations	1	0	1
85	-155	-70	net profit attributable to equity holders of DSM	100	-19	81
-3	0	-3	dividend on cumulative preference shares	-3	0	-3
82	-155	-73	net profit used for calculating earnings per share	97	-19	78
			net earnings per ordinary share in €:			
0.47	-0.89	-0.42	- net earnings, total DSM	0.56	-0.11	0.45
0.39	-0.16	0.23	- net earnings, continuing operations	0.52	-0.24	0.28
0.51			- core earnings per share	0.61		
		173.6	average number of ordinary shares (x million)			172.8
		173.9	number of ordinary shares, end of period (x million)			171.8
135	137	272	depreciation and amortization	126	0	126
		119	capital expenditure			98
		125	acquisitions			0
		20,868	workforce (headcount) at end of period, continuing operations			19,027 *
		4,362	of which in the Netherlands			4,372 *

* Year-end 2014

This quarterly report has not been audited.

Consolidated balance sheet: assets

in € million	31 March 2015		year-end 2014	
intangible assets	3,101		2,867	
property, plant and equipment	3,311		3,673	
deferred tax assets	418		427	
associates and joint ventures	783		762	
other financial assets	134		130	
non-current assets		**7,747**		**7,859**
inventories	1,736		1,739	
trade receivables	1,516		1,570	
other receivables	226		199	
financial derivatives	43		47	
current investments	6		6	
cash and cash equivalents	765		669	
		4,292		4,230
assets held for sale		1,241		37
current assets		**5,533**		**4,267**
total assets		**13,280**		**12,126**

Consolidated balance sheet: equity and liabilities

in € million	**31 March 2015**		**year-end 2014**	
shareholders' equity	5,956		5,723	
non-controlling interest	233		213	
equity		**6,189**		**5,936**
deferred tax liabilities	395		365	
employee benefits liabilities	457		479	
provisions	105		105	
borrowings	1,649		1,637	
other non-current liabilities	70		81	
non-current liabilities		**2,676**		**2,667**
employee benefits liabilities	41		45	
provisions	43		42	
borrowings	1,401		1,143	
financial derivatives	696		362	
trade payables	1,150		1,361	
other current liabilities	606		554	
		3,937		3,507
liabilities held for sale		478		16
current liabilities		**4,415**		**3,523**
total equity and liabilities		**13,280**		**12,126**
capital employed*		8,808		8,105
equity / total assets		47%		49%
net debt		2,932		2,420
operating working capital, continuing operations		2,102		1,903
OWC / net sales, continuing operations		27.9%		26.3%

***** Before reclassification to held for sale

Condensed consolidated cash flow statement

	first quarter			
in € million		2015		2014
cash, cash equivalents and current investments				
at beginning of period		**675**		**789**
current investments at beginning of period		6		19
cash and cash equivalents at beginning of period		**669**		**770**
operating activities:				
- earnings before interest, tax, depreciation and amortization	286		270	
- change in working capital	-102		-265	
- income tax	-21		-14	
- other	-141		-28	
cash provided by operating activities		**22**		**-37**
- of which provided by continuing operations		**84**		**11**
investing activities:				
- capital expenditure	-138		-151	
- acquisitions	-73		3	
- disposal of subsidiaries and businesses	5		85	
- disposal of other non-current assets	5		1	
- change in fixed-term deposits			-1	
- interest received	4		2	
- other	-13		-15	
cash used in investing activities		**-210**		**-76**
- dividend paid				
- interest paid	-8		-112 *	
- repurchase of shares			-109	
- proceeds from re-issued shares	11		3	
- change in commercial paper	220		10	
- other cash from/used in financing activities	4		31	
cash used in financing activities		**227**		**-177**
changes in consolidation and exchange differences		57		
cash and cash equivalents end of period		**765**		**480**
current investments end of period		6		20
cash, cash equivalents and current investments		**771**		**500**
end of period				

*Impacted by -€77 million due to the settlement of the interest rate pre-hedge of the €500 million bond.

Condensed consolidated statement of comprehensive income

in € million	first quarter	
	2015	2014
items that will not be reclassified to profit or loss		
remeasurements of defined benefit pension plans	0	6
exchange differences on translation of foreign operations related to the non-controlling interest	21	0
items that may susbsequently be reclassified to profit or loss		
exchange differences on translation of foreign operations	285	28
change in fair value reserve	5	2
change in hedging reserve	-46	23
other comprehensive income, before tax	265	59
income tax expense	41	-6
other comprehensive income, net of tax	306	53
profit for the period	-71	78
total comprehensive income	**235**	**131**

Condensed consolidated statement of changes in equity

in € million	first quarter	
	2015	2014
Total equity at beginning of period	5,936	6,096
changes:		
total comprehensive income	235	131
dividend	0	0
repurchase of shares	0	-115
proceeds from reissue of ordinary shares	11	4
other changes	7	31
total equity end of period	**6,189**	**6,147**

Geographical information (continuing operations)

first quarter 2015	The Nether-lands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the world	Total
net sales by origin											
in € million	492	575	32	342	170	170	20	14	55	16	1,886
in %	26	30	2	18	9	9	1	1	3	1	100
net sales by destination											
in € million	32	517	105	437	261	214	38	50	173	59	1,886
in %	2	27	6	23	14	11	2	3	9	3	100
total assets (total DSM) in € million*	3,911	2,250	121	3,733	836	1,731	83	102	422	91	13,280
workforce (headcount)	4,362	4,684	406	3,283	1,925	4,463	488	145	859	253	20,868

first quarter 2014	The Nether-lands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the world	Total
net sales by origin											
in € million	490	550	25	263	139	135	13	13	51	13	1,692
in %	29	33	1	15	8	8	1	1	3	1	100
net sales by destination											
in € million	80	480	107	368	209	179	30	49	141	49	1,692
in %	5	28	6	22	12	11	2	3	8	3	100
total assets (total DSM) in € million*	3,709	2,110	113	3,323	820	1,458	70	88	359	76	12,126
workforce (headcount)**	4,372	4,697	404	3,299	1,891	2,639	478	141	866	240	19,027

*total DSM

**year-end 2014

Notes to the financial statements

- Accounting policies and presentation

The consolidated financial statements of DSM for the year ended 31 December 2014 were prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of the balance sheet date. These interim statements are in compliance with IAS 34 'Interim Financial Reporting' and need to be read in conjunction with the Integrated Annual Report 2014 and the discussion by the Managing Board earlier in this interim report.

- Audit

These interim financial statements have not been audited.

- Related party transactions

Transactions with related parties are conducted at arm's length conditions.

- Risks

DSM has a risk management system in place. A description of the system and an overview of potentially important risks for DSM is provided in the Integrated Annual Report 2014 and in the governance section on www.dsm.com.

- Seasonality

In cases where businesses are significantly affected by seasonal or cyclical fluctuations in sales, this is discussed in the 'Review by cluster' earlier in this report.

- Scope of the consolidation

In the first quarter of 2015 the acquisition of Aland was finalized. The acquisition of the Hong-Kong based company producing Vitamin-C in mainland China was already announced on 11 July 2014 and closed on 31 March 2015. Aland was founded in 1990 and is one of the leading Vitamin C manufacturers in China. It has a production facility in Jingjiang, Jiangsu Province in China. In 2014 the company realized net sales of about USD 110 million in vitamin C with around 1,800 employees. The transaction excludes Aland's consumer health activities. From 31 March onwards the financial statements of Aland are consolidated by DSM and reported in the segment Nutrition. In accordance with IFRS 3 the purchase price of Aland needs to be allocated to identifiable assets and liabilities acquired. The results of the purchase price allocation are not yet available and therefore the book values of assets and liabilities of Aland were used in consolidation with the remainder of the purchase price being provisionally allocated to goodwill.

The impact of the acquisition of Aland on DSM's consolidated balance sheet, at the date of acquisition, is shown in the following table. This information will change when the purchase price allocation is completed and fair values of assets and liabilities have been established. The acquisition did not contribute to net sales or profit in the first quarter of 2015.

Acquisition of Aland *in € million*		book value
intangible assets	7	
property, plant & equipment	59	
inventories	15	
receivables	13	
cash and cash equivalents	3	
total assets	**97**	
non-current liabilities	4	
current liabilities	21	
total liabilties	**25**	
net assets at book value		**72**
total consideration		125
preliminary goodwill		**53**

On 16 March 2015 DSM and CVC Capital Partners (CVC) announced a partnership for DSM's activities in Polymer Intermediates (caprolactam and acrylonitrile) and Composite Resins (those remaining after the disposal of Euroresins and DSM Synres), provisionally called NewCo. The DSM activities will be transferred into a new privately held company in which DSM will hold a 35% share. CVC will own 65% of NewCo and will have control. From March onwards the activities are classified as held for sale and presented as discontinued operations. DSM's 35% investment in NewCo will be reported as an associate and accounted for in accordance with the equity method from the moment that the transaction is completed. Completion is subject to customary conditions and expected in the third quarter of 2015. The initial result on the transfer of these activities to Newco amounts to a book loss of approximately €130 million after tax as the fair value less cost to sell of the activities is lower than the carrying amount of the net assets transferred. This expected book loss was recognized in Q1 when the activities are classified as held for sale.

Result on contribution of Polymer Intermediates and Composite Resins to NewCo.

in € million	**Q1 2015**	
intangible assets	14	
property, plant & equipment	557	
other non-current assets	135	
inventories	179	
receivables	316	
total assets		1,201
provisions	4	
non-current liabilities	46	
current liabilities	480	
total liabilities		530
net assets 31 December 2014 cash & debt free		671
non-controlling interest cash & debt free		-173
net assets DSM shareholders cash & debt free		498
expected changes until completion (DSM shareholders part)		150
expected net assets on completion		648
fair value less cost to sell		470
		-178
release hedging reserve		-2
release translation reserve		43
impairment per Q1 2015		**-137**
income tax		7
net impact on profit/loss for the year		**-130**

Prior to its held for sale classification, DSM Polymer Intermediates was a separate reporting segment (which now ceases to exist), while the Composite Resins business was reported in the Performance Materials segment. NewCo will also become a 65% shareholder in Sitech Services, the on-site service provider at the Chemelot site in Sittard-Geleen (Netherlands), as a result of the transfer of DSM's caprolactam and acrylonitrile activities to NewCo. Sitech Services was previously reported in the Segment Corporate Activities. Pro-forma third-party sales of NewCo in 2014 amounted to €2.1 billion with EBITDA of €106 million, excluding non-controlling interests. NewCo will continue to supply at least 80% of DSM Engineering Plastics' caprolactam needs in Europe and North America for the coming 15 years via a drawing rights contract. In China, DSM Engineering Plastics will continue to be supplied by NewCo as today.

Heerlen, 29 April 2015

The Managing Board

Feike Sijbesma, CEO/Chairman
Geraldine Matchett, CFO
Stefan Doboczky
Stephan Tanda
Dimitri de Vreeze

DSM – Bright Science. Brighter Living.™
Royal DSM is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders simultaneously. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM and its associated companies deliver annual net sales of about €10 billion with approximately 25,000 employees. The company is listed on Euronext Amsterdam. More information can be found at www.dsm.com

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