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DSM Announces Major Site Expansion in Tongxiang

Tongxiang, Zhejiang province, China - October 21, 2015 - DSM's Hydrocolloids Business Unit (DHC) is proud to announce the groundbreaking of its gellan gum site expansion at DSM Zhongken Biotechnology Co., Ltd. (DZK) in Tongxiang, Zhejiang province, China. The Mayor of Tongxiang, DSM CTO, DSM China President, and many important customers attended the ceremony. DZK is located in Tongxiang, a city advantageously located between Shanghai and Hangzhou with rich cultural heritage and modern infrastructure. With this strategic investment in both manufacturing facilities and innovation competences, DSM aims to make DZK site a world-class development center for hydrocolloids including gellan gum.

This expansion demonstrates DSM's strong commitment to the Tongxiang site, and marks a significant growth milestone for DHC platform. Through partnership with our customers, DSM Hydrocolloids provides sustainable and innovative hydrocolloid solutions to improve the quality of life for people around the world.

"Produced by a natural and sustainable fermentation process, gellan gum plays a critical role as a stabilizing and texturizing agent in a wide variety of foods and beverages. The site expansion, made possible through intense R&D efforts by DSM's biotech, fermentation, downstream processing and application experts, is DSM Hydrocolloids' answer to customers' repeated calls for a secure and sustainable supply of high quality gellan gum. With the expansion, DSM Hydrocolloids is also committed to bringing global customers the best in class application support and product development." said Dr. Ronnie Yuan, Innovation Director, DSM Hydrocolloids.

Weiming Jiang, DSM China President, commented, "The groundbreaking of our Tongxiang site expansion makes me proud and happy. This investment not only demonstrates DSM's strong commitment to DHC, its only global business unit based in China, but also confirms DSM's consistent belief and confidence in China's economy as a growth engine especially in the food business due to the increasing demand of the rising middle class. The project also fully fits DSM's ideal of 'Bright Sciences, Brighter Life'. Meanwhile, we really appreciate the long-term support of Tongxiang government, and are proud to be able to contribute to the continuous prosperity and well-being of Tongxiang people."

Xiangwei Gong, Global BU Director of DSM Hydrocolloids, commented, "Following our entry into the pectin business through acquisition of a major share of Yantai Andre Pectin Co. Ltd. in 2013, we fulfill another strategic milestone with this significant investment to increase the gellan gum capacity as well as expand our hydrocolloids innovation competence in Tongxiang. This investment strengthens our ability to meet demand, widens our hydrocolloid product portfolio and is



an integral part of our strategic roadmap in Hydrocolloids. We remain fully committed to be the fastest growing and an important global hydrocolloids player."

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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.

DSM began trading with China in 1963 and established its first China sales office and first manufacturing facility in early 1990s. The company currently has 39 affiliates in China including 21 manufacturing sites and employs about 4,200 people. DSM China regional headquarters and China Science and Technology Center is located in Shanghai. DSM's business is growing healthily and steadily in China with revenue of USD 2 billion in 2014. For further information, please visit www.dsm.com.cn.

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Forward-looking statements

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