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Value creation

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Capital Markets Days 2012

HEALTH · NUTRITION · MATERIALS

Safe harbor statement

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The English language version of this document is leading.

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

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Overview

- Value creation at DSM
- Achieving the 2013 and 2015 targets

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Financial policies as business enablers

- Priorities for cash allocation unchanged:
  1. Capex for organic growth
  2. Dividend
  3. Acquisitions
  4. Cash return to shareholders
- Dividend policy
  "stable and preferably rising dividend"
- Commitment to Single A rating
- Systematic, risk-management-oriented hedging strategy

Commitment to Single A Rating

Committed to a solid and flexible financial base

- 2012 H1 gearing 11%
- No commercial paper outstanding

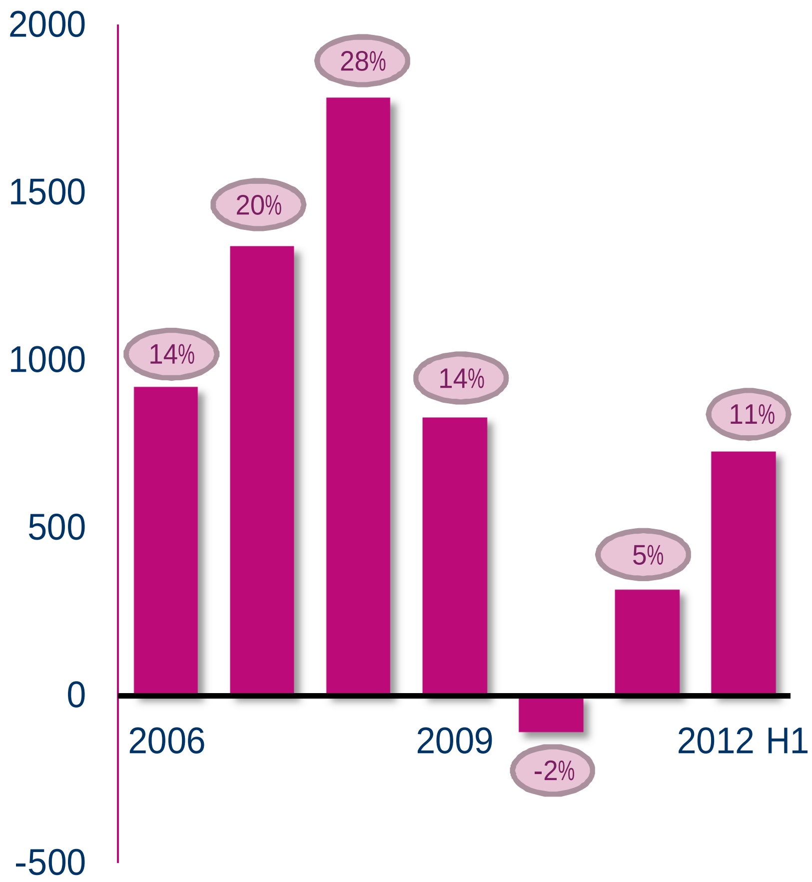
Achievements

- Successfully renewed € 500m committed credit facility
- The additional € 400m facility expected to be replaced in 2013
- Updated Commercial Paper program of € 1.5bn
- Change in Dutch pension plan from defined benefit plan into defined contribution plan

Cash position

- Cash position at end of Q2'12: € 1.9bn, of which ~ € 420m has been used for ONC and ~ € 465m is needed for Tortuga

Development Net Debt (€ m) & Gearing (%)



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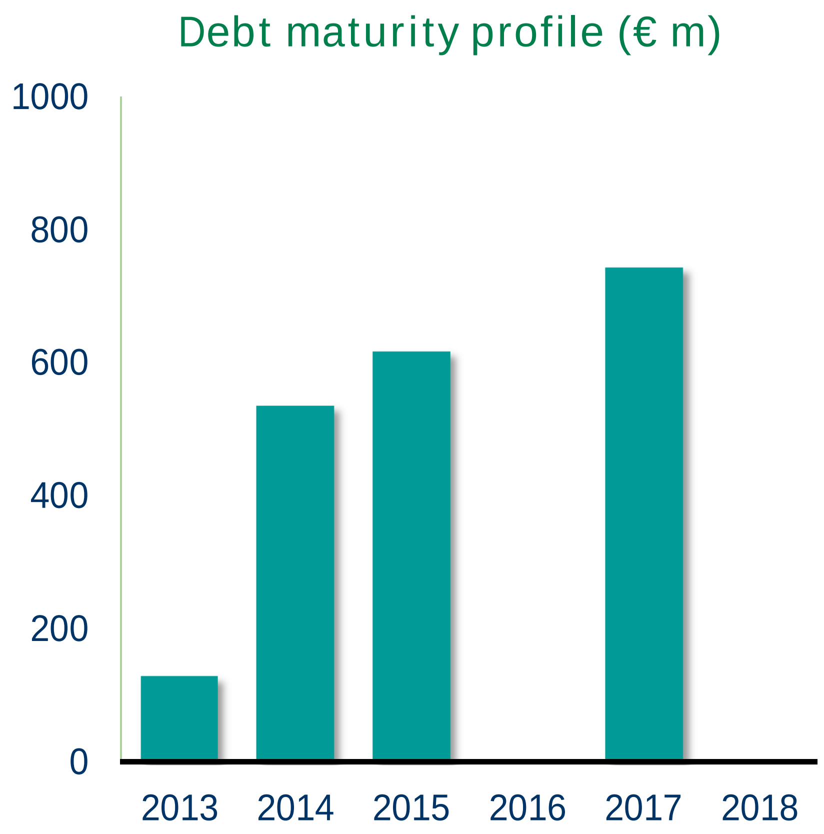
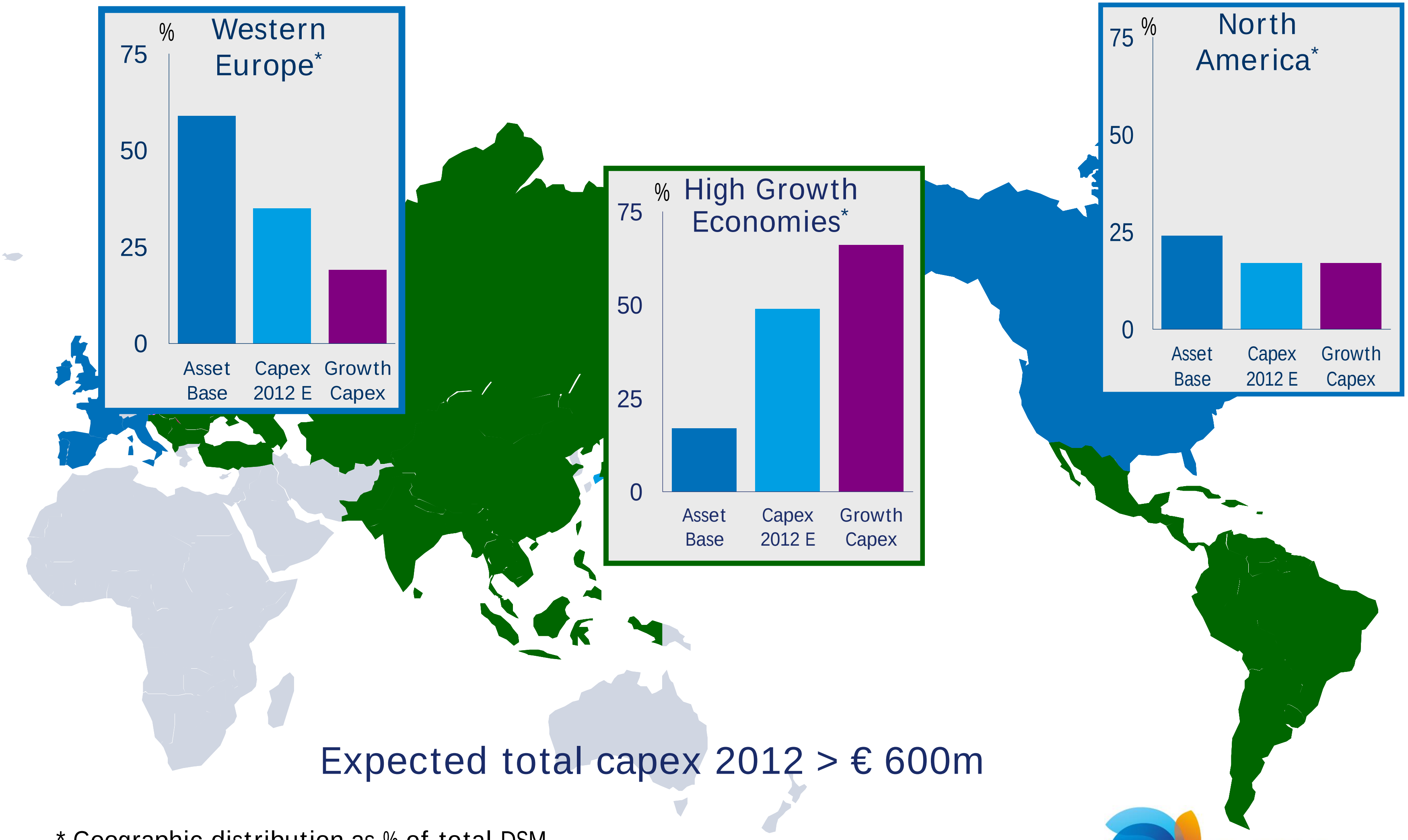
Debt situation well under control

- Most long-term debt will mature as from 2014
- No covenants in outstanding bonds
- Successful risk mitigation, including hedging of currency exposures
- Counter party limits of banks have been reduced and geographic spread adjusted



Two-thirds of growth capex in High Growth Economies



Expected total capex 2012 > € 600m

* Geographic distribution as % of total DSM

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Dividend increased for 2nd consecutive year

- Dividend policy “stable and preferably rising”
  - In cash or ordinary shares

- May 2012 (AGM): dividend increase of € 0.10 to € 1.45
  - Since announcement of new CSD, dividend has been increased by 21% from € 1.20 to € 1.45

- Interim dividend for the year 2012: € 0.48 per ordinary share, which, as usual, represents one third of the total dividend paid for the previous year (2011)

Dividend per ordinary share (€)

Limited impact new pension accounting rules

- Impact from new IFRS rules for defined benefit pension plans applicable as from 2013:
  - Expected return on pension assets is no longer used for the determination of annual pension costs.
    Instead, interest costs/benefits will be calculated on the net balance of pension assets and liabilities. This will increase annual pension cost by ~ € 10m*
  - Return on plan assets and interest costs on defined benefit obligations are currently reported in EBITDA but have to be reported in Financial Income and Expense.
    This will improve EBITDA with € 5m*
  - Application of the corridor is abolished and all actuarial gains and losses have to be recognized in other comprehensive income immediately.
    This will not impact DSM because immediate recognition has already applied since 2006

- Changes have no impact on pension related cash flows

* Amounts mentioned are high-level estimates on the basis of 2012.

Cost impact

Annual pension costs increase by ~ € 10m

New Presentation

EBITDA improves by ~ € 5m

Financial Income and Expense: minus ~ € 15m

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Conservative & successful acquisition approach

Strategic / Business fit		Balance sheet / Cash	
Add / increase leadership positions Strengthening market / technology position	Increase innovation potential Contribute to our geographic ambitions Add to our sustainability drive	Sustained Single A rating	Cash EPS accretive from beginning Supportive to other financial targets
One or more of the above		All of the above	

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Creating attractive shareholder value

Acquisition	EV	EBITDA	EBITDA /Sales	EV/ EBITDA'12	Full NPV*	FCF Yield (year 1)
Martek	~ € 730m	~ € 100m	~ 30%	7.3	€ 1.4bn	~7%
ONC	~ € 420m	~ € 45m	~ 30%	9.0	€ 850m	~ 8%
Tortuga	~ € 465m	~ € 60m	~ 16%	7.8	not disclosed	~ 8-9%

- Acquisitions with conservative multiples providing 100% strategic & operational fit, creating profitable growth and shareholder value

* DSM base case including synergies

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Acquisitions contributing to EBITDA growth

ACQUISITIONS

~ € 1.8bn

Nutrition
- Martek (microbial DHA/ARA)
- Vitatene (natural carotenoids),
- Premix plants (Romania, Italy)
- Food enzymes business and technology (Verenium)
- Ocean Nutrition Canada (fish derived Omega-3)
- Tortuga (animal dietary supplements)

~ € 0.3bn

Innovation center
- Kensey Nash (biomedical materials)
- C5 Yeast Company (cellulosic bioethanol)

~ € 0.1bn

Performance Materials
- ICD China; High performance fibers
- AGI Taiwan; UV resins

PARTNERSHIPS

Nutrition
- Premix plant Russia

Pharma
- DSM Sinochem Pharmaceuticals

Innovation center
- POET; cellulosic bio-ethanol
- DuPont: Actamax, biomedical materials

Performance Materials
- KuibyshevAzot Russia; PA6
- Kemrock India; composite resins

Total acquisitions now reaching ~ € 2.2bn*

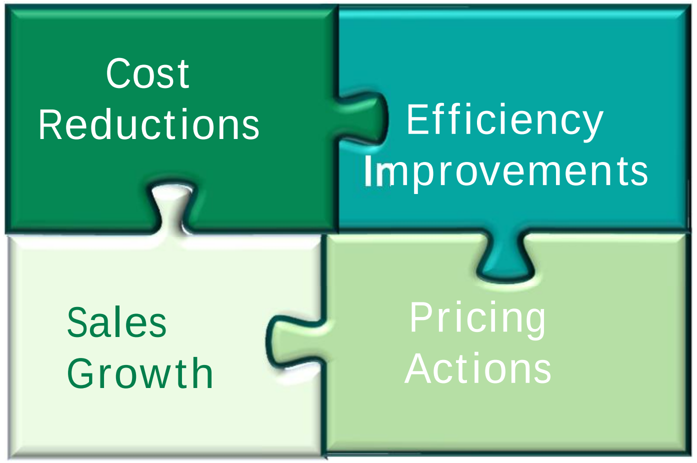
Adding ~ € 250m high quality EBITDA to DSM

* Since September 2010

2013 Targets: Profit Improvement Program

Profit Improvement Program	2013	2014
• Benefits of 2012 plan	~ € 75m	~ € 150m

- Company-wide program with main focus on costs & efficiency
- Expected structural annual benefits of € 150m
- Reduction in global headcount of ~1,000 positions
- In addition to the previously announced restructuring at DSM Resins (€ 25-30m EBITDA by 2013)
- Committed to seeking additional efficiencies



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Examples of a broad range of projects started

Life Sciences

- Improving competitiveness of key vitamins (Bs and C) with projects in Grenzach (D) and Dalry (UK)
- Reduction of the Swiss Franc dependency
- Closing of the LTP plant in Sweden
- Termination of Percivia’s Biosimilar business
- Other programs in Pharma

Materials Sciences

- Reduce fixed costs, improve efficiency at DSM Engineering Plastics
- Alignment of DSM Dyneema with vehicle protection business
- Intensifying the previously announced restructuring initiatives at DSM Resins (further initiatives focused on Composite Resins)

Other

- Standardizing and offshoring transactional services in accounting and ICT

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Savings to be fully effective by 2014

	Annual Savings by 2014	Provisions / Impairments 2012	Headcount Reduction
Life Sciences	~ € 55m	~ € 60m	~ 500
Materials Sciences*	~ € 50m	~ € 40m	~ 300
Other	~ € 45m	~ € 50m	~200
Total DSM	~ € 150m	~ € 150m	~ 1,000

* excluding the program announced in Q3’11 at DSM Resins

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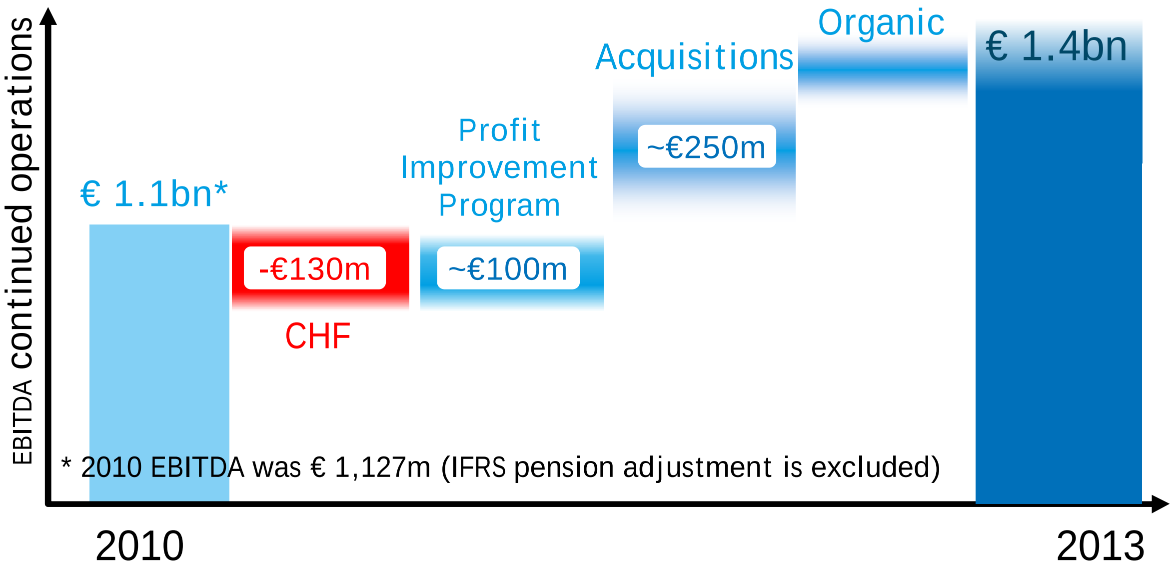
2013 EBITDA target confirmed

Profitability Targets	Target 2013	Current Expectation
• EBITDA	€ 1.4 - € 1.6bn	~ € 1.4bn
• ROCE	> 15%	< 15%



- Assuming no further deterioration of the economic conditions, and based on its strategy, financial strength, and the additional actions now taken, DSM will move towards the 2013 strategic targets
- The ROCE target is unlikely to be achieved due to accelerated acquisitions and deterioration in global macro-economic conditions

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Conclusions

- Successful strategic progress continued
- Biggest share of ~ € 2.2bn M&A since CSD announcement, has been realized in Nutrition
- These acquisitions contribute ~ € 250m high quality EBITDA to DSM's portfolio, but in the short term, they have a negative impact on the ROCE
- A company wide € 150m Profit Improvement Program has been announced to mitigate the impact from macro economic developments
- Outlook 2012 confirmed
- Assuming no further deterioration of the economic conditions, and based on its strategy, financial strength, and the additional actions now taken, DSM will move towards the 2013 strategic targets

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