Press Release

Heerlen (NL), 14 February 2017

Royal DSM
www.dsm.com

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DSM reports 2017 results

Full year Highlights

- Strong performance in Q4, contributing to an excellent year
- Sales up 9% to €8,632m, with 9% organic growth mainly from volume growth
- Adjusted EBITDA up 15% to €1,445m, driven by both Nutrition and Materials
- ROCE up 190 bps to 12.3%
- Adjusted net profit up 36% to €706m
- Total net profit of €1,781m, including gain on Patheon disposal of €1,250m
- Proposed dividend increase from €1.75 to €1.85 per ordinary share
- Full year outlook 2018 above Strategy 2018 targets

Key figures and indicators

in € million	FY 2017	FY 2016	% Change	Volume	Price/mix	FX	Other
Sales	**8,632**	7,920	9%	7%	2%	-1%	1%
Nutrition	**5,579**	5,169	8%	7%	1%	0%	0%
Materials	**2,825**	2,513	12%	7%	6%	-2%	1%
Adjusted EBITDA[1]	**1,445**	1,262	15%				
Nutrition	**1,053**	931	13%				
Materials	**488**	435	12%				
EBITDA (cont. operations)	**1,348**	1,174					
ROCE (%)	**12.3%**	10.4%					

[1]Adjusted EBITDA (and Adjusted net profit) are Alternative Performance Measures (APMs) that reflect continuing operations. See page 17 for definition and reconciliation

CEO statement

"We are delighted to report again an excellent year, as we significantly exceeded our Strategy 2018 targets for EBITDA, ROCE and organic sales growth. Our focus on driving above market growth while relentlessly pursuing efficiency initiatives and maintaining capital discipline continues to produce very good results in both Nutrition and Materials.

Our success comes from the ability to deliver sustainable, innovative solutions to meet our customers' demand and help them to address end-market needs. Furthermore, we have taken next steps in embedding the organizational agility and culture that we seek within our company. We are firmly on track with our cost-reduction and efficiency improvement programs. In addition, we successfully divested our share in Patheon ahead of schedule, creating significant value. With all of these developments ahead of plan we brought forward our regular strategic review process for the period beyond 2018.

We remain relentlessly focused on improving our operational and financial performance through our growth initiatives and by completing the final stage of our improvement programs. These actions should allow us to continue our above-market growth and further improve our financial returns and capital efficiency. We expect to deliver above our Strategy 2018 targets in 2018."

Outlook 2018

DSM expects to deliver full-year 2018 results above the targets set in Strategy 2018, with an Adjusted EBITDA growth somewhat up from high single-digit to double-digit and a ROCE growth above 100 basis points. The expected substantial negative foreign exchange effects, based on current rates, will be more than offset by a positive pricing environment in Nutrition, part of which is temporary in nature and expected to be heavily weighted towards the first half of the year.

Q4 Highlights

- DSM reports another strong quarter
- Sales up 8% to €2,176m, with 12% organic growth, driven by volumes and prices
- Adjusted EBITDA up 14% to €359m
- Nutrition: 13% organic sales growth; Adjusted EBITDA up 12%
- Materials: 5% volume growth; Adjusted EBITDA up 13%

Key figures and indicators

in € million	Q4 2017	Q4 2016	% Change	Volume	Price/mix	FX	Other
Sales	2,176	2,015	8%	7%	5%	-5%	1%
Nutrition	1,428	1,321	8%	9%	4%	-6%	1%
Materials	693	639	8%	5%	7%	-4%	0%
Adjusted EBITDA[1]	359	315	14%				
Nutrition	267	238	12%				
Materials	119	105	13%				
EBITDA (cont. operations)	316	270					
ROCE (%)[2]	12.3%	10.4%					

[1]Adjusted EBITDA (and Adjusted net profit) are Alternative Performance Measures (APMs) that reflect continuing operations. See page 17 for definition and reconciliation

[2]Full year 2017

Key figures and indicators

in € million	full year 2017	2016	% Change	Volume	Price/mix	FX	Other
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Innovation Center	**169**	167					
Corporate Activities	**59**	71					

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Nutrition	**1,428**	1,321	8%	9%	4%	-6%	1%
Materials	**693**	639	8%	5%	7%	-4%	0%
Innovation Center	**43**	41					
Corporate Activities	**12**	14					

in € million	full year 2017	2016	% Change	Q4 2017	Q4 2016	% Change
Sales	**8,632**	7,920	9%	**2,176**	2,015	8%
Adjusted EBITDA[1]	**1,445**	1,262	15%	**359**	315	14%
Nutrition	**1,053**	931	13%	**267**	238	12%
Materials	**488**	435	12%	**119**	105	13%
Innovation Center	**9**	1		**4**	-1	
Corporate Activities	**-105**	-105		**-31**	-27	
Adjusted EBITDA margin[1]	**16.7%**	15.9%		**16.5%**	15.6%	
EBITDA[1]	**1,348**	1,174		**316**	270	
Adjusted EBIT[1]	**957**	791	21%	**240**	190	26%
EBIT[1]	**846**	685		**199**	139	
Capital Employed[1]	**7,766**	7,889				
Average Capital Employed[1]	**7,776**	7,627				
ROCE (%)	**12.3%**	10.4%				
Effective tax rate[2]	**16.8%**	18.3%				
Adjusted net profit[1,3]	**706**	520	36%	**202**	130	55%
Net profit - Total DSM	**1,781**	629	183%	**178**	87	105%
Adjusted net EPS[1]	**3.92**	2.90	35%	**1.11**	0.73	52%
Net EPS - Total DSM	**10.07**	3.52		**0.98**	0.48	
Operating cash flow	**996**	1,018	-2%	**377**	374	1%
Capital expenditures[4]	**546**	475		**162**	170	
Net debt	**742**	2,070				

[1] Continuing operations
[2] Over Adjusted taxable result
[3] Including result attributed to non-controlling interest
[4] Cash, net of customer funding

In this report:
- *'Organic sales growth' is the total impact of volume and price/mix;*
- *'Total Working Capital' refers to the total of 'Operating Working Capital' and 'non-Operating Working Capital'*

Strategy 2018: *Driving Profitable Growth*

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Two headline financial targets	High single-digit percentage annual Adjusted EBITDA growth	High double-digit basis point annual ROCE growth	
Clear actions identified to achieve targets	Businesses aim to outpace market growth in all segments	€ 250-300m cost reduction and efficiency improvement programs	Consistent improvements in capital efficiency
Additional items underpinning strategy	Stepping up sustainability aspirations	Global organizational and operational adjustments	Extract value from Pharma & Bulk Chemicals joint ventures

Stepping up DSM's financial performance

DSM's Strategy 2018: *Driving Profitable Growth* is focused on ensuring that the potential of the business portfolio that has been created over recent years is translated into improved financial results. Reflecting its disciplined focus on performance, DSM has implemented a three-year strategic period with two headline financial targets: high single-digit percentage annual Adjusted EBITDA growth and high double-digit basis point annual ROCE growth.

In 2017, we delivered well ahead of our original ambitions for the second year in a row:

Two headline financial targets	High single-digit percentage annual Adjusted EBITDA growth	High double-digit basis point annual ROCE growth
Achievements to date:	2016: 17% 2017: 15%	2016: 280 bps 2017: 190 bps

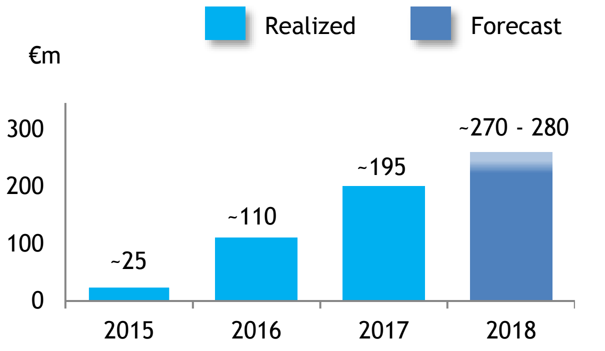
DSM has defined clear actions to achieve its targets, including outpacing market growth, cost reduction and efficiency improvement programs and making a continuous push for consistent improvements in capital efficiency.

Clear actions identified to achieve targets	Businesses aim to outpace market growth in all segments	€250-300m cost reduction and efficiency improvements	Consistent improvements in capital efficiency
Achievements to date:	Nutrition organic growth • 2016: 5% • 2017: 8% Materials volume growth • 2016: 4% • 2017: 7%	2017 achievements: • Cumulative savings on track (about €195m run rate at the end of 2017)	2017 achievements: • Cash from operating activities at €996m • Capex at €546m, within guidance of €500-550m • Total Working Capital at 17.2%, aspiration level <20%

Outpaced market growth
DSM has outpaced market growth in 2016 and in 2017 delivering strong organic growth in both Nutrition and Materials, growing at rates around double the markets it operates in. DSM continued to leverage its innovation capabilities together with market insights and close customer relationships to accelerate growth for its solutions in its key segments and to develop and open new segments. DSM also took further steps on promising innovation projects for future growth with a wider societal impact, such as Clean Cow, Green Ocean (now called Veramaris), Stevia and Niaga. Sales to High Growth Economies increased in line with the higher sales in 2017. It remained stable at 44% of total sales, in line with our aspirations, providing a well-balanced geographical spread of our sales. Sales to China increased from 12% to 13% of total sales.

Cost-reduction and improvement programs
DSM has instigated extensive cost-reduction and improvement programs which were targeted to deliver €250-300 million versus the 2014 baseline. In 2017, all of these well-identified programs progressed as planned and the programs are on track to deliver the targeted benefits. DSM achieved run-rate cumulative cost savings of about €195 million at the end of 2017. We expect to achieve run-rate cumulative savings of between €270 million and €280 million for the total program at the end of 2018. The 2017 one-time costs related to the improvement programs amount to €60 million with roughly €30 million to go in 2018 to complete the program. In support of our targets, we adjusted our global organizational and operating model to create a more agile, commercially focused and cost-efficient company.

Timing of cumulative cost savings[1]



1. Versus 2014 baseline

Additional actions underpinning Strategy 2018

Besides stepping up the financial performance of DSM's businesses, Strategy 2018 comprises additional elements aimed at future-proofing the company, providing a sustainable basis for long-term value creation for all its stakeholders.

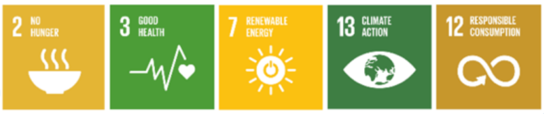
For DSM, sustainability is a core value as well as a key business driver. Our growth platforms are addressing important societal trends and have in particular strong alignment with 5 of the 17 United Nations Sustainable Development Goals (SDG's also referred to as global goals), which together in fact set out the strategy for the world. In doing so, DSM focuses on delivering science-based, sustainable and scalable solutions that not only help address challenges the world faces but also positively impact the value chain. These 'Brighter Living Solutions' offer higher growth rates and better margins.
DSM continued to make good progress toward its sustainability aspirations in 2017:

- The 'Brighter Living Solutions' amounted to 62% of sales, on track towards our ambitious aspirations.
- DSM's drive to improve its environmental efficiency is on track, with further improvements in both greenhouse-gas efficiency (26% versus 2008) and energy efficiency (3% versus 2015) in 2017.
- The company now sources about a fifth of its purchased electricity from renewable sources and is on track to reach its goal of 50% by 2025.
- Employee engagement jumped from 71% to 75% according to the Employee Engagement Index, which indicates how our employees feel in terms of commitment, pride, advocacy, and satisfaction.
- The Frequency Index of all DSM Recordable Injuries increased from 0.33 to 0.36, due to a relative increase in the number of incidents in the first months of 2017. This increase and a fatal incident in the latter part of the year stresses the paramount importance of continued safety programs as we aspire to be an incident-free company.

Many of the above-mentioned achievements are being recognized externally as well, resulting in leading positions in, amongst others, CDP, Dow Jones Sustainability Index (DJSI) and Sustainalytics.

Key sustainability focus areas

Nutrition | Climate & energy | Circular & bio-based economy



Sustainability as business growth driver

ECO+ | People+

Brighter Living Solutions: ECO+ and People+[1]	2017
Profitable solutions better for people and planet	
Aspiration: 65% of DSM products by 2020	62%

Securing sustainable operations

GHG and Energy Efficiency Renewable energy | Health & Safety Engagement Diversity

Operational Aspirations[1]	Long-term goals	2017
Leading in reporting benchmarks	Gold class DJSI	Gold class
GHG efficiency improvements	40-45% (2008-2025)	26%
Energy efficiency improvements	>10% (2015-2025)	3%
Purchased electricity from renewables	50% by 2025	21%
Employee engagement favorable score	75% by 2020	75%
Safety: Frequency recordable index	0.25 by 2020	0.36

[1] see DSM's Integrated Annual Report for definitions and additional information

DSM has adjusted its global organization and operating model to support the company's growth and to create a more agile, commercially-focused and cost-efficient business. Actions such as the implementation of new more globally leveraged target operating models in ICT, Finance, HR, Indirect Sourcing, Communication and Legal are all completed. The emphasis at this stage is above all on ensuring that cost savings, as well as the new way of working are anchored in the organization and in supporting mindset and behaviors.

Talent management and development is a further strategic cornerstone. DSM continued to invest in its talent pipeline to ensure it can sustainably address future challenges and demands. It also finalized the roll-out of a new learning and development program called Lead & Grow for all executives.

Inclusion & Diversity is an important enabler for a high-performing organization and DSM continues to strive to achieve a balanced and representative workforce. Today, more nationalities are represented across DSM and there is a better gender balance across different levels of our organization, including more women in executive positions (from 15% in 2016 to 17% in 2017). The composition of our Supervisory Board also reflects our desire to be more gender balanced, international, inclusive and diverse.

DSM monetized the partnership established for its former pharma activities with the sale of its remaining stake in Patheon to Thermo Fisher Scientific Inc., realizing over recent years total proceeds of approximately €2 billion, of which €1.5 billion in 2017 with a gain on disposal of €1,250 million.

DSM strengthened its portfolio through smaller acquisitions. Key highlights include:

- Twilmij: acquisition of a Dutch feed premix company
- UP4® brand: acquisition in probiotics for consumer health
- Inner Mongolia Rainbow Biotechnology: acquisition of a majority stake in hydrocolloid for human nutrition
- BioCare®: acquisition in probiotics for consumer health
- Amyris: acquisition of Amyris' production facility in Brazil for bio-based farnesene Furthermore, DSM made an equity investment in Amyris and entered into a development arrangement for bio-based nutritional ingredients
- Sunshine: acquisition of a solar photovoltaic (PV) backsheet technology

DSM is building for further sales and adjusted EBITDA growth beyond 2018 through Innovation. DSM made good progress. Innovation Sales were 21% against our ambitious aspiration of 20% and DSM further focused its innovation program on a smaller number of bigger projects providing interesting opportunities from 2019/2020 and onwards. Examples include:

- The Clean Cow project; feed additives for reduced methane emissions in cattle
- The Green Ocean partnership with Evonik (now called Veramaris) for algae-based omega-3 for sustainable aquaculture
- The fermentative stevia sweetener platform
- Plant-based proteins for human nutrition
- Sustainable biological solutions for crop protection in agriculture
- Niaga® Technology for fully-recyclable carpets
- ForTii® high-performance plastics
- Dyneema® carbon composites

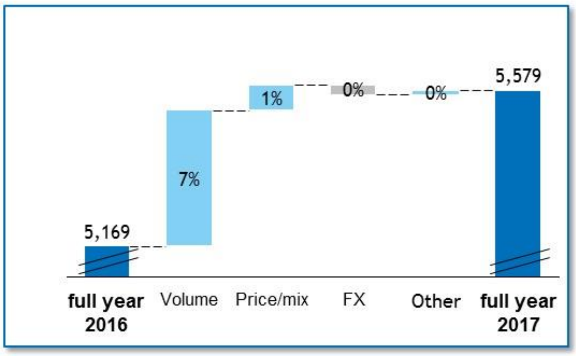
Furthermore, DSM strengthened its innovation infrastructure through the establishment of two state-of-the-art R&D centers, one in Biotechnology and one in Materials Sciences.

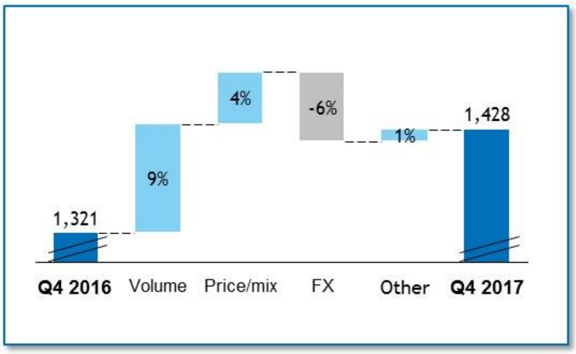
Review by Cluster

Nutrition

in € million	full year 2017	2016	% Change	Q4 2017	Q4 2016	% Change
Sales	5,579	5,169	8%	1,428	1,321	8%
Adjusted EBITDA	1,053	931	13%	267	238	12%
Adjusted EBITDA margin (%)	18.9%	18.0%		18.7%	18.0%	
Adjusted EBIT	770	645	19%	195	160	22%
Capital Employed	5,420	5,537				
Average Capital Employed	5,447	5,375				
ROCE (%)	14.1%	12.0%				
Total Working Capital	1,339	1,414				
Average Total Working Capital as % of Sales	26.6%	28.1%				

Sales development





Nutrition is outperforming its aspirations as outlined in Strategy 2018. The business continued its strong momentum, delivering clearly above market growth with an increasingly higher-value portfolio of feed and food solutions. The nutrition improvement programs, covering cost reductions, operational and sales excellence, continued to underpin ongoing progress.

Full year 2017 sales increased by 8% organically when compared to 2016, led by volumes up 7% and prices up 1%. The successful implementation of the growth initiatives continued to drive organic growth, both in Animal Nutrition and Human Nutrition, clearly outpacing market growth.

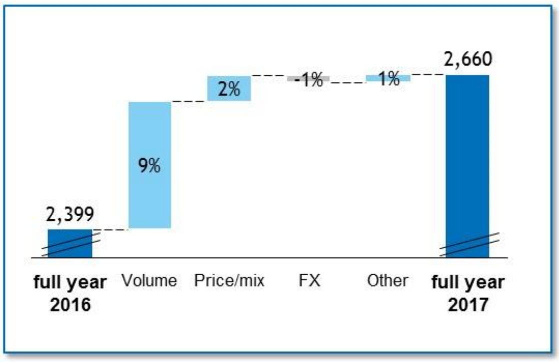
Full year 2017 Adjusted EBITDA was €1,053 million, up 13% driven by organic sales growth in combination with the impact of the cost savings and efficiency improvement programs. This increase in Adjusted EBITDA equals the very strong 2016, when Adjusted EBITDA also grew by 13%. The Adjusted EBITDA margin of 18.9% further improved in 2017 compared with 18.0% in 2016.

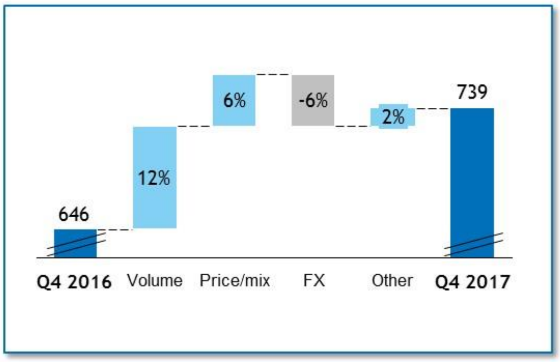
Q4 2017 sales were 8% up on prior year with 13% organic growth partly offset by a 6% negative currency effect. The 9% higher volumes were driven by good growth in all businesses with an exceptionally strong performance in Animal Nutrition. The 4% price increase was largely the result of higher premix and vitamin prices.

Q4 2017 Adjusted EBITDA was up 12% compared to Q4 2016, driven by a combination of strong organic sales growth and the impact of improvement programs. This increase was achieved despite a negative development in currencies. The Adjusted EBITDA margin was 18.7%, a solid increase versus 18.0% in Q4 2016.

Animal Nutrition & Health

Sales development





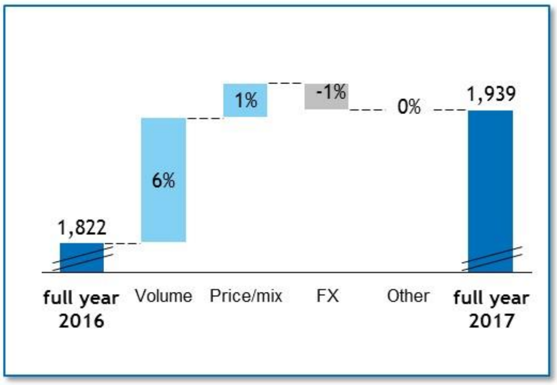
Full year 2017 sales were exceptionally strong, with 11% organic growth, driven by 9% volume growth, albeit against an easy comparative base. The business continued to benefit from its strategy to address a wide range of species, as well as from its diversified geographical presence, covering all the major growth areas in the world, and its strong forward-integrated premix position. Markets in animal feed were favorable and supportive in 2017, except for Latin America, where weak economic conditions impacted domestic demand. Prices were 2% above 2016, owing to higher premix and vitamin prices.

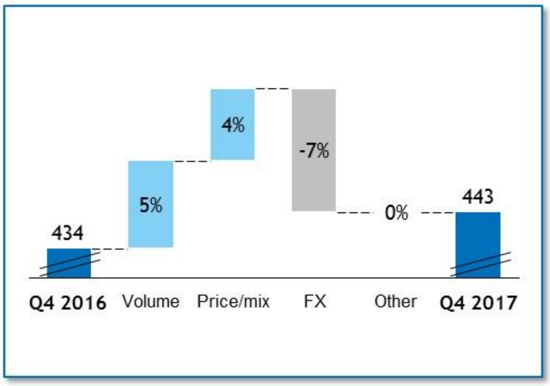
Q4 2017 organic growth was exceptionally high at 18%. The reported 12% volume growth against an undemanding comparison base, resulted from a combination of very strong sales in Brazil, strong premix sales in all regions reflecting continued strong global demand, and higher vitamin sales. The high demand for the export beef markets in Brazil continued in Q4 2017. This was accentuated by additional sales in anticipation of an ERP system change in January 2018 at Tortuga. The supply shortages in vitamin E and vitamin A from outages at some large European producers have resulted in some additional deliveries to our existing -contracted- premix customers as well as emergency spot businesses with other accounts.

The reported 6% price effect resulted largely from a mix effect driven by the exceptionally strong premix and Tortuga sales. Towards the end of the quarter, DSM also benefitted from somewhat higher vitamin A and E prices for emergency spot business.

Human Nutrition & Health

Sales development





Full year 2017 sales were up 6%, led by 7% organic growth. After a significant step-up in organic growth in 2016, the business maintained its positive momentum with 6% volume growth and a slightly positive price development, despite ongoing softness in some of its end-market segments. The growth initiatives we embarked on under Strategy 2018 resulted in this above market growth.

Food & beverage markets are being successfully addressed through tailored premixes and the business moving closer to regional and local customers. Growth in dietary supplements is driven by sales excellence programs, the introduction of new multi-vitamins and omega-3 solutions and continued double-digit growth in i-Health which benefitted from the recent expansion into China.
Overall, the business has moved closer to the consumer, with more than 40% of revenues coming from custom nutrient premixes, retail-ready solutions, and the i-Health consumer products.
Early life nutrition remained a solid performer despite the volatility in China due to new regulations.

Overall, prices were stable, with higher prices for advanced formulations and premixes compensating for somewhat lower contractual prices in early life nutrition.

Q4 2017, showed strong organic growth driven by volumes (+5%) and price/mix (+4%). Volume growth continued to be good in all segments. The positive price effect resulted from a combination of a favorable mix of strong performance in premixes, early life nutrition and i-Health, and some benefits from higher prices for premix and advanced formulations. Vitamin C prices were positively impacted by supply restrictions due to the enforcement of environmental regulations in China, an event which in part could prove to be temporary.

Food Specialties

FY 2017 sales were up 1% versus 2016 with an organic growth of 3%, driven by a solid performance in hydrocolloids, savory ingredients, bio-preservation, food & crop protection, cultures and enzymes. The latter was hampered by some capacity constraints and therefore not able to fully benefit from strong demand. Initiatives to expand capacity and optimize supply are underway. Savory Ingredients had a strong year driven by strong demand for its portfolio of yeast extracts, process flavors, and taste modulators to provide an enjoyable taste experience in low-sugar, low-salt, and low-fat applications.

In 2018 DSM will re-evaluate its control assumption over Yantai Andre Pectin which could result in de-consolidation of the entity. The re-evaluation is triggered by recent developments around the refusal of the other shareholders to transfer their shares to DSM, despite an earlier agreement. In 2017 the consolidated sales were €47 million and Adjusted EBITDA was €17 million.

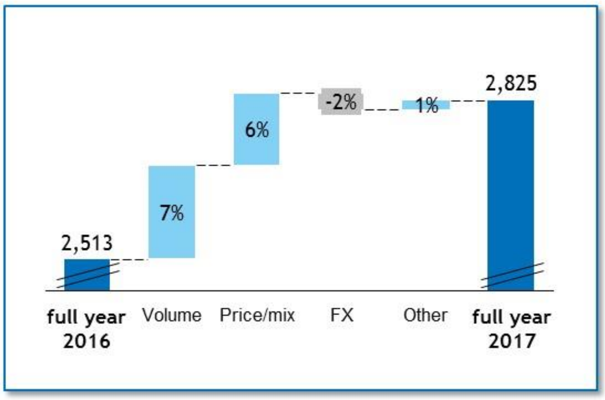
Personal Care & Aroma Ingredients

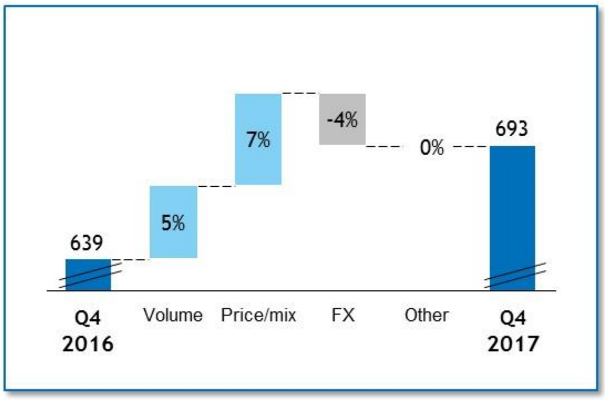
FY 2017 sales were up 5% versus 2016 with an organic growth of 6%, driven by good performance in all product lines (sun-, skin- and hair care, and aroma ingredients) supported by accelerated innovation and stronger customer relationships. Aroma ingredients had a very strong Q4 sales due to competitor supply outages.

Materials

in € million	full year 2017	2016	% Change	Q4 2017	Q4 2016	% Change
Sales	2,825	2,513	12%	693	639	8%
Adjusted EBITDA	488	435	12%	119	105	13%
Adjusted EBITDA margin (%)	17.3%	17.3%		17.2%	16.4%	
Adjusted EBIT	361	311	16%	86	77	12%
Capital Employed	1,786	1,807				
Average Capital Employed	1,809	1,772				
ROCE (%)	20.0%	17.6%				
Total Working Capital	323	280				
Average Total Working Capital as % of Sales	12.2%	12.5%				

Sales development





Materials delivered another year of strong financial performance, continuing its excellent progress since the start of Strategy 2018. The 'silent transformation' of the materials portfolio through a differentiated approach focusing on specialty products, provides a clear framework to outpace market growth and supported the cluster's performance again in 2017. Growth continued to be driven by demand for more sustainable, innovative lightweight, environmentally friendlier, safer, and high-performing solutions.

Full year 2017 sales were up 12% versus the same period last year. Strong growth in specialties was the main driver behind the 13% organic growth, of which 7% was volume growth. The 6% price effect reflected increased input costs. All three businesses in Materials delivered a double-digit percentage organic growth.

- DSM Engineering Plastics continued to successfully shift its portfolio toward higher-value, sustainable, specialty materials aimed at electrics & electronics and automotive applications, markets within which DSM has a strong position. DSM made good progress with its aim to further reduce its exposure to the polyamide-6 extrusion markets, by optimizing its US manufacturing footprint and by focusing on its captive specialty compounds and higher-end applications such as food packaging.

- DSM Resins & Functional Materials continued to benefit from strong demand for non-solvent based coating solutions. Strong growth in powder and waterborne coating resins was driven by healthy demand in the global building and construction markets, as well as Chinese demand for environmentally-friendly waterborne coatings for maritime container coatings. The IP-protected functional materials once again delivered strong growth especially driven by the healthy demand for fiber-optic materials for 4G infrastructures.

- DSM Dyneema delivered strong growth in personal protection and commercial marine markets in which Dyneema is well recognized for its innovative, unique, and patent-protected technologies.

Full year 2017 Adjusted EBITDA increased by 12% versus 2016, driven by higher volumes. The Adjusted EBITDA margin was stable at 17.3% as pricing and group-wide cost savings and efficiency improvement programs offset higher input costs and negative foreign currency effects. This robust financial performance demonstrates the improvements achieved in the quality of returns in Materials over recent years.

Q4 2017 sales were up 12% organically with 5% higher volumes and 7% higher prices, reflecting the increase in input costs. All three businesses delivered double-digit percentage organic growth in Q4 2017.

The powder coating resins plant in Augusta (US) remained closed in Q4 because of the tragic accident at the end of September 2017. Nevertheless, owing to its global manufacturing footprint, DSM's US customers continued to be supplied. DSM expects the Augusta plant to start up again at the end of Q1 2018.

Q4 2017 Adjusted EBITDA was up 13% compared to Q4 2016, driven by good volume growth and efficiency improvements and despite weaker currencies as well as higher input costs during the quarter, causing some margin pressure in our resins business. The Adjusted EBITDA margin was 17.2%, versus 16.4% in Q4 2016, as the effects of negative currency effects and higher raw materials costs, were offset by higher prices and cost savings.

Innovation Center

in € million	full year 2017	2016	% Change	Q4 2017	Q4 2016	% Change
Sales	169	167	1%	43	41	5%
Adjusted EBITDA	9	1		4	-1	
Adjusted EBIT	-30	-24		-1	-9	
Capital Employed	562	576				

The Innovation Center made good progress over the year delivering on its Strategy 2018 goals to extract value from the Emerging Business Areas, the acceleration of large innovation projects, while simultaneously supporting the Nutrition and Materials business with their growth initiatives.

Full year 2017 sales in the main Emerging Business Area DSM Biomedical showed a strong underlying growth, largely offsetting the gradual discontinuation of a large contract during the year. DSM Advanced Solar delivered good growth in antireflective coatings and through the new backsheet activities for solar panels which were added in 2017 through the Sunshine acquisition.

The full year 2017 Adjusted EBITDA increase was largely driven by one-time positive effects from restructurings in DSM Advanced Solar which had a positive EBITDA effect due to releases of acquisition related liabilities, whereas the redundancy of certain assets related to these restructurings led to an impairment loss impacting the EBIT negatively.

Corporate Activities

in € million	full year 2017	2016	Q4 2017	Q4 2016
Sales	59	71	12	14
Adjusted EBITDA	-105	-105	-31	-27
Adjusted EBIT	-144	-141	-40	-38

Full year 2017 Adjusted EBITDA stayed in line with last year mainly as a result of the contribution of the cost savings programs being offset by the impact of the Augusta incident on DSM's captive insurance company.

Joint Ventures and Associates

Financial overview of DSM's key joint ventures and associates

in € million, based on 100%		full year 2017	2016	% Change	Q4 2017	Q4 2016	% Change
DSM Sinochem	Sales	440	431	2%	119	102	17%
	Adjusted EBITDA%	17%	14%		23%	15%	
ChemicalInvest	Sales	1,933	1,802	7%	458	502	-9%
	Adjusted EBITDA%	11%	6%		15%	13%	

- DSM Sinochem Pharmaceuticals (50% DSM) - continued to deliver strong growth over the year as its sustainability-driven antibiotics platforms are increasingly valued by the market. Sales growth was partly offset by negative foreign currency effects. Q4 was a strong quarter.
- ChemicalInvest (35% DSM) - showed a very good financial recovery driven by favorable conditions in the caprolactam market combined with an improved cost structure and lean operational management. Lower sales in Q4 2017 compared to Q4 2016 were due to the closure of the caprolactam plant in the US.

Net result contribution of joint ventures / associates

in € million	full year 2017	2016	Q4 2017	Q4 2016
DSM Sinochem (50%)	9	6	5	1
Patheon[1]	7	10	0	16
ChemicalInvest (35%) [2]	5	-9	5	0
Other associates / joint ventures	-25	-25	-7	-13
Total before APM adjustments	-4	-18	3	4
APM adjustments	1,158	212	6	-5
Share of the profit of associates/joint ventures	1,154	194	9	-1

[1] DSM's share in Patheon was 49% in H1 2016, and 33.5% up until 15 May 2017. DSM completed the divestment of its share in Patheon on 29 August 2017.

[2] DSM only recognized the part of its share in the 2017 positive result of ChemicalInvest that exceeded the zero-equity value. DSM has not recognized losses below zero as DSM has no obligation to fund beyond its net interest.

The following APM adjustments were included in the full year 2017 result of joint ventures and associates:

- On 29 August 2017, the shares in Patheon N.V. were sold to Thermo Fisher Scientific Inc. resulting in a book profit of €1,250 million.
- Over the year, DSM made other various APM adjustments of €92 million, mostly related to impairments of assets of associates, including POET-DSM for €65 million.

Cash Flow, Capital Expenditures and Financing

in € million	full year 2017	2016	Q4 2017	Q4 2016
Cash from Operating Activities	996	1,018	377	374
Total Working Capital	1,499	1,481		
Total Working Capital as % of Sales	17.2%	18.4%		
Capital Expenditure (cash, net of customer funding)	546	475	162	170
Net Debt (end of period)	742	2,070		

Cash flow from operating activities amounted to €996 million for the year 2017, which was slightly below the comparative period in 2016. Cash-wise, the OWC increased by €195 million reflecting strong organic growth. This negatively impacted the cashflow. In absolute terms OWC was stable in 2017 as the increase of OWC related to organic growth (9%) was largely compensated by the weakening of mainly USD and CHF. The OWC percentage improved from 23.9% end of 2016 to 22.3% end of year 2017.

Total Working Capital amounted to €1,499 million at the end of 2017 compared to €1,481 million at the end of 2016. Working capital as a percentage of sales amounted to 17.2%, being an improvement of 1.2% compared to year-end 2016 and well below our aspiration of lower than 20%.

Net debt was €742 million compared to €2,070 million end of 2016. The decrease of €1,328 million was mainly due to the proceeds from the sale of Patheon shares in total of €1,535 million.

The reported effective **tax rate** was 16.8% over Adjusted taxable result 2017 (2016: 18.3%). This decrease was mainly caused by a one-time benefit from the US tax reform. As from 2018, this tax reform, being a combination of a decreased US federal tax rate from 35% to 21% and a broadening of the tax base, will have a net positive effect of approximately 1%. Overall however, the Group effective tax rate is expected to remain within the 18-20% range.

Proposed dividend

DSM's dividend policy is to provide a stable and preferably rising dividend. Reflecting its confidence in the financial performance of the company, DSM proposes to increase the dividend from €1.75 to €1.85 per ordinary share for 2017. This will be proposed to the Annual General Meeting of Shareholders to be held on 9 May 2018. An interim dividend of €0.58 per ordinary share having been paid in August 2017, the final dividend payment would then amount to €1.27 per ordinary share.

The dividend will be payable in cash or in the form of ordinary shares at the option of the shareholder, with a maximum of 40% of the dividend amount available for stock dividend. If more than 40% of the dividend is requested by the shareholders to be paid in shares, those shareholders who have chosen to receive their dividend in shares will receive their stock dividend on a pro-rata basis, the remainder being paid out in cash. Dividend in cash will be paid after deduction of 15% Dutch withholding tax. The ex-dividend date is 11 May 2018.

Overview of Alternative Performance Measures (APM) adjustments to EBIT(DA)

In presenting and discussing DSM's financial position, operating results and cash flows, management uses certain alternative performance measures not defined by IFRS. These alternative performance measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have standardized meaning under IFRS and therefore, may not be comparable to similar measures presented by other companies. For DSM, the most important APM is the application of APM adjustments to the IFRS measures to provide clear reporting on the underlying business developments.

The following overview gives a summary of APM adjustments (for reconciliation see page 19 & 21).

APM adjustments full year 2017:

Nutrition: EBITDA adjustments amounted to -€31 million of which -€19 million relating to the profit improvement programs, -€9 million site-closure costs and -€3 million acquisition related costs. EBIT adjustments amounted to -€42 million including -€11 million asset impairment.

Materials: EBITDA adjustments amounted to -€2 million of which -€3 million relating to site closure costs and +€1 million relating to the release of a litigation provision. EBIT adjustments amounted to +€7 million including +€9 million reversal of an asset impairment.

Innovation Center: EBITDA adjustments amounted to zero as +€1 million relating to the release of a restructuring provision was offset by -€1 million acquisition costs. EBIT adjustments amounted to -€11 million including -€11 million asset impairment.

Corporate Activities: EBITDA adjustments amounted to -€64 million of which -€42 million related to restructuring programs, -€15 million relating to a provision for demolition costs and -€7 million related to the spin-off of some research activities. EBIT adjustments amounted to -€65 million including -€1 million asset impairment.

APM adjustments Q4 2017:

Nutrition: EBITDA adjustments amounted to -€17 million of which -€5 million relating to the profit improvement programs, -€3 million acquisition related costs and -€9 million site closure costs. EBIT adjustments amounted to -€24 million including -€7 million asset impairment.

Materials: EBITDA adjustments amounted to -€3 million relating to site closure costs. EBIT adjustments amounted to +€6 million including +€9 million reversal of an asset impairment.

Corporate Activities: EBITDA adjustments amounted to -€23 million (EBIT -€23 million) of which -€15 million relating to a provision for demolition costs and -€8 million related to restructuring programs.

Condensed consolidated statement of income for the full year

in € million	full year 2017 Cont. operations	full year 2017 Discont. operations	full year 2017 Total	full year 2016 Cont. operations	full year 2016 Discont. operations	full year 2016 Total
Sales	8,632	0	8,632	7,920	0	7,920
EBITDA	1,348		1,348	1,174	-28	1,146
Operating profit (EBIT)	846		846	685	-28	657
Financial income and expense	-104		-104	-133	0	-133
Profit before income tax expense	742	0	742	552	-28	524
Income tax expense	-115		-115	-89	0	-89
Share of the profit of associates/ joint control entities	1,154		1,154	194	0	194
Net profit	1,781	0	1,781	657	-28	629
Of which:						
Profit attributable to non-controlling interests	-12		-12	-8	0	-8
Net profit attributable to equity holders of DSM	1,769	0	1,769	649	-28	621
Dividend on cumulative preference shares	-8	0	-8	-4	0	-4
Net profit available to holders of ordinary shares	1,761	0	1,761	645	-28	617
Average number of ordinary shares (million)			174.8			175.1
Net earnings per share (EPS) (in €)	10.07	0.00	10.07	3.68	-0.16	3.52
Depreciation and amortization	502	0	502	489	0	489
Workforce			21,054			20,786
of which in the Netherlands			3,831			4,026

Reconciliation to Alternative Performance Measures for the full year

in € million	full year 2017 Cont. operations	Discont. operations	Total	full year 2016 Cont. operations	Discont. operations	Total
EBITDA	1,348	0	1,348	1,174	-28	1,146
Acquisitions/divestments	11	0	11	-13	28	15
Restructuring	60	0	60	101	0	101
Other	26	0	26	0	0	0
Sub-total APM adjustments to EBITDA	97	0	97	88	28	116
Adjusted EBITDA	1,445	0	1,445	1,262	0	1,262
Operating profit (EBIT)	846	0	846	685	-28	657
APM adjustments to EBITDA	97	0	97	88	28	116
Impairments of PPE and Intangible assets	14	0	14	18	0	18
Sub-total APM adjustments to operating profit (EBIT)	111	0	111	106	28	134
Adjusted operating profit (EBIT)	957	0	957	791	0	791
Net profit	1,781	0	1,781	657	-28	629
APM adjustments to operating profit (EBIT)	111	0	111	106	28	134
APM adjustments to financial income and expense	0	0	0	0	0	0
Income tax related to APM adjustments	-28	0	-28	-31	0	-31
APM adjustments to share of the profit of associates/joint control entities	-1,158	0	-1,158	-212	0	-212
Sub-total APM adjustments to net profit	-1,075	0	-1,075	-137	28	-109
Adjusted net profit	706	0	706	520	0	520
Net profit available to holders of ordinary shares	1,761	0	1,761	645	-28	617
APM adjustments to net profit	-1,075	0	-1,075	-137	28	-109
Adjusted net profit available to holders of ordinary shares	686	0	686	508	0	508
Average number of ordinary shares (million)			174.8			175.1
Earnings per share (EPS) (in €):						
Net earnings per share	10.07	0.00	10.07	3.68	-0.16	3.52
Adjusted net earnings per share	3.92	0.00	3.92	2.90	0.00	2.90

Condensed consolidated statement of income for the fourth quarter

in € million	Q4 2017 Cont. operations	Q4 2017 Discont. operations	Q4 2017	Q4 2016 Cont. operations	Q4 2016 Discont. operations	Q4 2016
Sales	2,176	0	2,176	2,015	0	2,015
EBITDA	316	0	316	270	0	270
Operating profit (EBIT)	199	0	199	139	0	139
Financial income and expense	-11	0	-11	-37	0	-37
Profit before income tax expense	188	0	188	102	0	102
Income tax expense	-19	0	-19	-14	0	-14
Share of the profit of associates/ joint control entities	9	0	9	-1	0	-1
Net profit	178	0	178	87	0	87
Of which:						
Profit attributable to non-controlling interests	-5	0	-5	-3	0	-3
Net profit attributable to equity holders of DSM	173	0	173	84	0	84
Dividend on cumulative preference shares	-2	0	-2	2	0	2
Net profit available to holders of ordinary shares	171	0	171	86	0	86
Average number of ordinary shares (million)			174.5	0	0	175.9
Net earnings per share (EPS) (in €)	0.98	0.00	0.98	0.48	0.00	0.48
Depreciation and amortization	117	0	117	131	0	131
Workforce			21,054			20,786
of which in the Netherlands			3,831			4,026

Reconciliation to Alternative Performance Measures for the fourth quarter

in € million	Q4 2017 Cont. operations	Q4 2017 Discont. operations	Q4 2017	Q4 2016 Cont. operations	Q4 2016 Discont. operations	Q4 2016
EBITDA	316	0	316	270	0	270
Acquisitions/divestments	3	0	3	3	0	3
Restructuring	13	0	13	42	0	42
Other	27	0	27	0	0	0
Sub-total APM adjustments to EBITDA	43	0	43	45	0	45
Adjusted EBITDA	359	0	359	315	0	315
Operating profit (EBIT)	199	0	199	139	0	139
APM adjustments to EBITDA	43	0	43	45	0	45
Impairments of PPE and Intangible assets	-2	0	-2	6	0	6
Sub-total APM adjustments to operating profit (EBIT	41	0	41	51	0	51
Adjusted operating profit (EBIT)	240	0	240	190	0	190
Net profit	178	0	178	87	0	87
APM adjustments to operating profit (EBIT)	41	0	41	51	0	51
APM adjustments to financial income and expense	0	0	0	0	0	0
Income tax related to APM adjustments	-11	0	-11	-13	0	-13
APM adjustments to share of the profit of associates/joint control entities	-6	0	-6	5	0	5
Sub-total APM adjustments to net profit	24	0	24	43	0	43
Adjusted net profit	202	0	202	130	0	130
Net profit available to holders of ordinary shares	171	0	171	86	0	86
APM adjustments to net profit	24	0	24	43	0	43
Adjusted net profit available to holders of ordinary shares	195	0	195	129	0	129
Average number of ordinary shares (million)			174.5			175.9
Earnings per share (EPS) (in €):						
Net earnings per share	0.98	0.00	0.98	0.48	0.00	0.48
Adjusted net earnings per share	1.11	0.00	1.11	0.73	0.00	0.73

Condensed Consolidated Statement of Comprehensive Income

in € million	full year 2017	2016
Items that will not be reclassified to profit or loss		
Remeasurements of Defined Benefit Pension Plans	83	-8
FX on Translation of Foreign Operations Related to Non-Controlling Interest	-8	0
Equity accounted investees - share of Other comprehensive income	0	-6
Items that may subsequently be reclassified to profit or loss		
FX on Translation of Foreign Operations	-624	197
Change in Fair Value Reserve	-3	7
Change in Hedging Reserve	59	-4
Equity accounted investees - share of Other comprehensive income	4	-1
Other Comprehensive Income (before tax)	-489	185
Income Tax Expense	-25	8
Other Comprehensive Income (net of tax)	-514	193
Profit for the Period	1,781	629
Total Comprehensive Income	1,267	822

Condensed Consolidated Statement of Changes in Equity

in € million	full year 2017	2016
Total Equity (at beginning of the period)	6,180	5,631
Changes:		
Total Comprehensive Income	1,267	822
Dividend	-323	-301
Repurchase of Shares	-297	-273
Proceeds from Re-issue of Ordinary Shares	233	253
Other Changes	5	48
Total Equity (end of period)	7,065	6,180

Condensed Consolidated Balance Sheet - Assets

in € million	year-end 2017	year-end 2016
Intangible Assets	3,058	3,188
Property, Plant & Equipment	3,313	3,325
Deferred Tax Assets	281	355
Share in Associates & Joint Ventures	227	586
Financial derivatives	16	0
Other Financial Assets	475	463
Non-Current Assets	7,370	7,917
Inventories	1,848	1,800
Trade Receivables	1,542	1,504
Income tax receivables	55	62
Other Current Receivables	93	87
Financial Derivatives	41	40
Current Investments	954	944
Cash & Cash Equivalents	899	604
Current Assets	5,432	5,041
Total Assets	12,802	12,958

Condensed Consolidated Balance Sheet - Equity and Liabilities

in € million	year-end 2017	year-end 2016
Shareholders' Equity	6,962	6,072
Non-controlling interest	103	108
Equity	7,065	6,180
Deferred Tax Liabilities	259	278
Employee Benefits Liabilities	356	490
Provisions	151	128
Borrowings	2,551	2,552
Financial derivatives	4	14
Other Non-current Liabilities	188	158
Non-current liabilities	3,509	3,620
Employee Benefits	39	40
Provisions	53	54
Borrowings	77	853
Financial Derivatives	20	239
Trade Payables	1,452	1,376
Income tax payable	51	56
Other Current Liabilities	536	540
Current Liabilities	2,228	3,158
Total Equity and Liabilities	12,802	12,958

in € million	year-end 2017	year-end 2016
Capital Employed, continuing operations	7,766	7,889
Equity/Total Assets	55%	48%
Net Debt	742	2,070
Operating Working Capital - Continuing Operations	1,938	1,928
OWC/Net Sales - Continuing Operations	22.3%	23.9%
Total Working Capital - Continuing Operations	1,499	1,481
Total WC/Net Sales - Continuing Operations	17.2%	18.4%

Condensed Consolidated Cash Flow Statement

in € million	full year 2017	2016
Cash, Cash Equivalents and Current Investments (at beginning of period)	1,548	674
Current Investments (at beginning of period)	944	9
Cash & Cash Equivalents (at beginning of period)	604	665
Operating Activities		
EBITDA	1,348	1,146
Change in Working Capital	-237	-89
Income Tax	-66	-77
Other	-49	38
Cash provided by Operating Activities (Operating cash flow)	996	1,018
Investing Activities		
Capital Expenditures	-547	-476
Payments regarding drawing rights	-8	-19
Acquisitions	-242	4
Disposal of Subsidiaries, Businesses & Associates	1,525	80
Disposal of Other Non-current Assets	21	7
Change in Fixed-term Deposits	-33	-936
Interest Received	30	40
Dividend and capital (re)payments	-94	117
Other	37	-11
Cash used in Investing Activities	689	-1,194
Dividend	-200	-190
Interest Paid	-163	-151
Repurchase of shares	-297	-273
Proceeds from re-issued treasury shares	107	137
Change in Commercial Paper	0	-150
Proceeds from / repayments of corporate bonds	-750	747
Other Cash from/ used in Financing Activities	-41	-7
Cash from / used in Financing Activities	-1,344	113
Exchange Differences	-46	2
Cash and Cash Equivalents (end of period)	899	604
Current Investment (end of period)	954	944
Cash and Cash Equivalents & Current Investments (end of period)	1,853	1,548

Geographical Information

full year 2017	The Netherlands	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	2,193	2,560	182	1,430	669	1,024	82	123	285	84	**8,632**
in %	25	30	2	17	8	12	1	1	3	1	**100**
Net Sales by Destination											
in € million	316	2,074	564	1,918	1,059	1,117	200	299	820	265	**8,632**
in %	4	24	7	22	12	13	2	3	10	3	**100**
Total Assets (total DSM) in € million	4,656	2,530	141	2,739	877	1,110	104	139	403	103	**12,802**
Workforce (headcount, end of period)	3,831	4,905	504	3,264	2,078	4,593	537	195	870	277	**21,054**

full year 2016	The Netherlands	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	2,006	2,444	160	1,436	544	842	73	100	241	74	**7,920**
in %	25	31	2	18	7	11	1	1	3	1	**100**
Net Sales by Destination											
in € million	303	1,877	494	1,795	989	989	178	264	787	244	**7,920**
in %	4	25	6	23	12	12	2	3	10	3	**100**
year-end 2016: Total Assets in € million	4,560	2,495	126	3,110	885	1,077	87	144	367	107	**12,958**
Workforce (headcount)	4,026	4,715	439	3,187	2,069	4,594	475	193	828	260	**20,786**

Notes to the condensed financial statements

The financial statements and other reported data in this press release have not been audited.

Accounting policies and presentation

The financial reporting is in accordance with the accounting policies as stated in the Integrated Annual Report 2016, unless otherwise stated.

Heerlen, 14 February 2018
The Managing Board

Feike Sijbesma, CEO/Chairman
Geraldine Matchett, CFO
Dimitri de Vreeze, member

Financial calendar

Beginning of March	Publication of Integrated Annual Report 2017
8 May 2018	Publication of the results of the first three months of 2018
9 May 2018	Annual General Meeting of Shareholders
11 May 2018	Ex-dividend
1 August 2018	Publication of the half year results of 2018
31 October 2018	Publication of the results of the first nine months of 2018

Contact Information

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Additional Information

Today DSM will hold a conference call for media at 08:00 and a conference call for **investors and analysts** at 09:00. Details on how to access these calls can be found on the DSM website, www.dsm.com.

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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Forward Looking Statement