Life Sciences and Materials Sciences

Presentation to Investors

Q1 2014 Results, 6 May 2014

HEALTH · NUTRITION · MATERIALS

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Safe harbor statement

This presentation may contain forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the company. DSM cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and position to differ materially from these statements. DSM has no obligation to update the statements contained in this presentation, unless required by law.

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

- Q1-2014 Operational performance
- Update on Nutrition
- Business conditions and outlook
- Our strategy

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Highlights

DSM reports Q1 2014 results

- In Q1 2014 DSM delivered €272 million EBITDA from continuing operations, in line with expectations
- Q1 2014 EBITDA from continuing operations was €29 million below Q1 2013, of which about €23 million was due to adverse exchange rate developments
- The impact of the headwinds in Nutrition appear to have peaked in Q1
- In Performance Materials all business groups delivered good volume growth
- DSM maintains 2014 outlook, anticipating EBITDA improvements over the coming quarters

Quote from Feike Sijbesma

"DSM delivered results in line with expectations, despite further currency deterioration during the quarter. We are pleased to report that market conditions in Nutrition began to show some signs of improvement by the end of the quarter. Our performance in Q1 demonstrates DSM's strength in Nutrition, owing to our highly integrated and global business model, benefiting from the structural megatrends of health and wellness. We also see a more positive momentum in a number of Performance Materials end-markets."

"Through maintaining our focus on the operational performance of the business, benefiting from the Profit Improvement Program, we continue to execute our near term initiatives of protecting profitability and improving cash flow. Therefore, we confirm our outlook given in January 2014, and anticipate to deliver improving financial results in the coming quarters."

Feike Sijbesma CEO / Chairman of the Managing Board

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Results Q1-2014 Key figures

(€ million)	Q1-2014	Q1-2013	Δ%
Continuing operations before exceptional items:			
Net Sales	2,196	2,188	0%
EBITDA	272	301	-10%
EPS (€)	0.57	0.71	-20%
Core EPS (€)*	0.66	0.78	-15%
Total DSM before exceptional items:			
Net Sales	2,298	2,320	-1%
EBITDA	270	308	-12%
Total DSM after exceptional items:			
Net profit	81	119	-32%
EPS (€)	0.45	0.69	-34%

- ‘Core earnings per share’ is the earnings per share from continuing operations before exceptional items and before acquisition related (intangible) asset amortization

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Net sales growth Q1-2014 versus Q1-2013

(€ million)	Q1-2014	Q1-2013	Diff.	Volume	Price / Mix	FX	Other
Nutrition	1,047	990	6%	4%	-2%	-3%	7%
Performance Materials	670	669	0%	4%	-2%	-2%	0%
Polymer Intermediates	405	437	-7%	2%	-8%	-1%	
Innovation Center	34	37	-8%	-5%	0%	-3%	
Corporate Activities	40	55					
Continuing Operations	2,196	2,188	0%	3%	-3%	-3%	3%

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EBITDA – development

EBITDA (€ million)	Q1-2014	Q1-2013	Δ%
Nutrition	203	215	-6%
Performance Materials	77	79	-3%
Polymer Intermediates	20	28	-29%
Innovation Center	-6	-2	
Corporate Activities	-22	-19	
Continuing Operations*	272	301	-10%

- Continuing operations (excluding discontinued activities)

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Nutrition

(€ million)	Q1-2014	Q1-2013	Δ%
Net sales	1,047	990	6%
Organic growth			*2%*
EBITDA	203	215	-6%
EBITDA margin	*19.4%*	*21.7%*	
EBIT	143	163	-12%
Capital employed	4,672	4,496*	

- Sales in the first quarter increased by 6% compared to Q1 2013. Organic sales growth was 2% compared to Q1 2013, as a result of 4% higher volumes and 2% lower prices. Currencies had a negative impact of 3%, while acquisitions (mainly Tortuga) had a positive impact of 7%

- EBITDA for Q1 was €203 million, down 6% from Q1 2013. The positive impact of the organic growth and the contribution from acquisitions was offset by negative foreign exchange developments, lower prices in some vitamins and a less favorable business mix, resulting in an EBITDA margin slightly below DSM's target range of 20-23%

- DSM Food Specialties delivered a solid performance in Q1 with good organic growth in enzymes and cultures. The integration of Cargill and DSM's cultures businesses was concluded according to plan. The combined businesses are generating value for DSM's customers, resulting in significant growth opportunities

* year-end 2013

Human Nutrition & Health*

(€ million)	Q1-2014	Q1-2013	Δ%
Net sales	423	442	-4%
Organic growth			*-1%*

- Human Nutrition & Health net sales were €423 million in Q1. Organic sales declined by 1% compared to Q1 2013, with volumes flat and prices/mix down slightly. As expected, the US dietary supplements markets (vitamins and fish oil based Omega 3) were down significantly, while dietary supplements in Europe and Asia performed well. Good growth was also realized in i-Health and in premixes. Western food & beverage markets in general remained soft
- Compared to Q4 2013, prices were down 3% mainly due to a less favorable product mix, while volumes were up almost 14%, due to seasonal effects and some restocking

* Human Nutrition & Health activities of DSM Nutritional Products

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Animal Nutrition & Health*

(€ million)	Q1-2014	Q1-2013	Δ%
Net sales	466	396	18%
Organic growth			*7%*

- Animal Nutrition and Health net sales were €466 million in Q1. Organic sales growth in Q1 was 7% with volumes up 10% compared to the weak Q1 2013 when the animal feed markets were still being impacted by the high commodity prices resulting from the 2012 drought. Improving market conditions in animal feed drove volume growth, albeit tempered by ongoing animal diseases in certain regions, with strong performance in premix. Volumes for our key vitamins, especially vitamin E, remained flat. Prices were down 3% from Q1 2013 due to lower vitamin prices, especially vitamin E
- Compared to Q4 2013, volumes were down 6% mainly attributable to seasonality. Overall, prices were slightly lower (-1%), with vitamin E prices stabilizing in Q1. Higher vitamin spot prices in March had no significant impact on Q1 pricing, as DSM primarily supplies on a contract basis
- In Q1 2014, Tortuga delivered sales of €64 million and an EBITDA of €10 million

* Animal Nutrition & Health activities of DSM Nutritional Products

Performance Materials

(€ million)	Q1-2014	Q1-2013	Δ%
Net sales	670	669	0%
Organic growth			*2%*
EBITDA	77	79	-3%
EBITDA margin	*11.5%*	*11.8%*	
EBIT	44	46	-4%
Capital employed	1,967	1,902*	

- Organic sales growth in Q1 2014 was 2% compared to Q1 2013 with 4% volume growth and 2% lower prices. Adverse currency effects amounted to 2%. DSM Engineering Plastics showed good volume growth, despite the negative impact of the severe winter in the US on PA 6 production. Prices were slightly higher. DSM Resins & Functional Materials saw good volume growth, while prices were down due to price/mix effects. In DSM Dyneema, sales were supported predominantly by higher volumes

- EBITDA in Performance Materials for the quarter was 10% above the underlying result of Q1 2013, as that quarter benefited from a €9 million book profit related to the sale of distribution activities in DSM Resins & Functional Materials. In DSM Engineering Plastics, EBITDA was up substantially from the previous year as a result of good volume growth, slightly higher prices and the impact of cost reductions, which were partly offset by negative exchange rates. Underlying EBITDA at DSM Resins & Functional Materials was up, driven by good volume growth and continued cost control. DSM Dyneema delivered a substantially higher EBITDA than Q1 2013, owing to higher volumes and an improved cost base

* year-end 2013

Polymer Intermediates

(€ million)	Q1-2014	Q1-2013	Δ%
Net sales	405	437	-7%
Organic growth			*-6%*
EBITDA	20	28	-29%
EBITDA margin	*4.9%*	*6.4%*	
EBIT	7	20	-65%
Capital employed	662	570*	

- Organic sales development was -6% compared to the same quarter of 2013, with 2% higher volumes and 8% lower prices. Sales were negatively impacted by currency effects of 1%. Volumes were up due to increased caprolactam production from the new 2nd line in China. This increase was largely offset by severe winter related outages of caprolactam production in the US

- EBITDA for the quarter declined compared to Q1 2013, driven by lower caprolactam margins due to the ongoing challenging business environment with lower prices and high benzene costs. In addition, disruptions of caprolactam production resulted in higher costs

* year-end 2013

Innovation Center

(€ million)	Q1-2014	Q1-2013	Δ%
Net sales	34	37	-8%
EBITDA	-6	-2	
EBIT	-14	-11	
Capital employed	468	469*	

- Sales in Q1 2014 were lower than Q1 2013 due to DSM Biomedical. Underlying growth in DSM Biomedical is well on track.
- EBITDA declined as a combination of lower sales, a negative currency impact in Biomedical and increased costs resulting from intensified innovation programs.
- The cellulosic bioethanol plant that DSM is building together with POET is nearing completion and is scheduled to start up by the end of Q2 2014. DSM's advanced cellulosic yeast product was named the 'Breakthrough Technology of the Year' by Green Power Conferences

* year-end 2013

Corporate Activities

(€ million)	Q1-2014	Q1-2013
Net sales	40	55
EBITDA	-22	-19
EBIT	-34	-30

- EBITDA in Q1 2014 was in line with DSM's expectations as well as with Q1 2013

Discontinued Activities

- Discontinued activities in Q1 2014 reflects the contribution of DSM Pharmaceutical Products until the closing of the transaction with JLL Partners. EBITDA declined due to seasonal factors and closing of the transaction before the end of the quarter

Pharma activities and other associates

- DSM stopped proportional consolidation of joint ventures in line with IFRS, with all 2013 numbers restated accordingly. The net result of these ventures is included in Share of profit of associates / joint ventures

- The announced venture combining Patheon and DSM Pharmaceutical Products started at 11 March 2014, resulting in a new privately held company, named DPx. The total book loss amounted to €130 million. Further details are provided in the notes to the financial statements in this report. The new company started well, experiencing very healthy customer demand in Q1 2014

- Total Q1 2014 sales of joint ventures amounted to €105 million (100% base) of which €98 million coming from DSM Sinochem Pharmaceuticals (Q1 2013: €94 million) which realized good organic sales growth, mainly driven by prices

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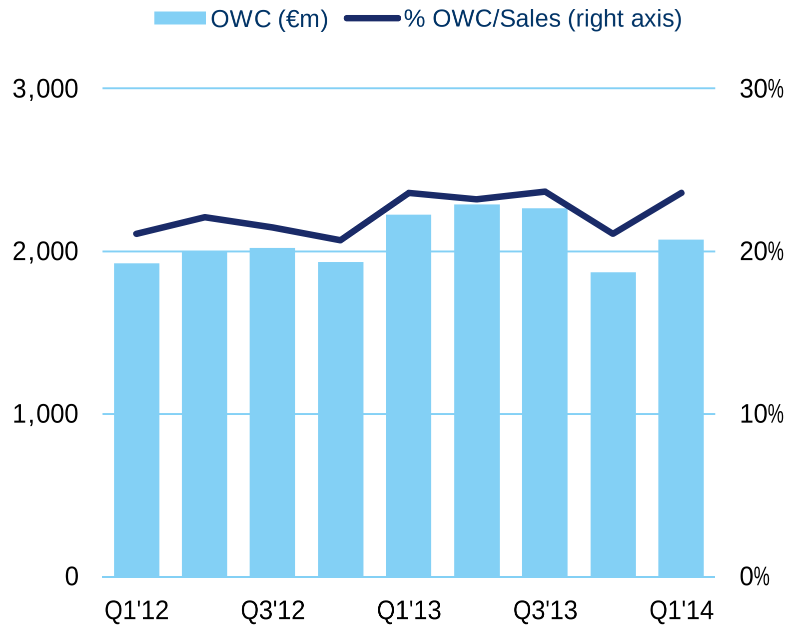
Cash flow

Cash Flow (€ million)	Q1-2014	Q1-2014
Cash from operating activities	-37	-49
Cash from investing activities*	-75	-94
Free cash flow from operations	-112	-143

Balance sheet (€ million)	Q1-2014	YE 2013
Net debt	2,161	1,841
Gearing	26%	23%

* Excl. changes in fixed-term deposits

OWC development Q1-2012 – Q1-2014

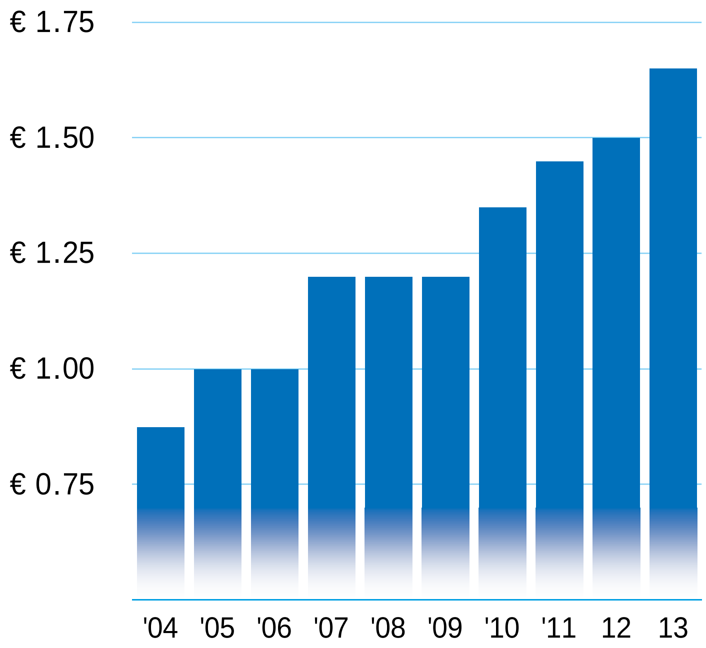


- Cash provided by operating activities in Q1-2014 was -€37 million (Q1-2013: -€49 million)
- Operating working capital increased from €1,843 million at year-end of 2013 to €2,074 million at the end of Q1-2014 due to higher inventories and receivables (expressed as a percentage of annualized sales this represents 23.6%, in line with Q1-2013)

Dividend to increase for the 4th consecutive year

- Dividend policy “stable and preferably rising”
- Proposal to AGM (May 2014) to increase the dividend by 10% from €1.50 to €1.65 per ordinary share
  - € 0.50 interim dividend (paid in August 2013)
  - € 1.15 final dividend (payable in June 2014)
- Payable in cash or ordinary shares at the option of the shareholder
- Dividend in cash will be paid after deduction of 15% Dutch dividend withholding tax
- The ex-dividend date is 9 May 2014

Dividend per ordinary share (€)



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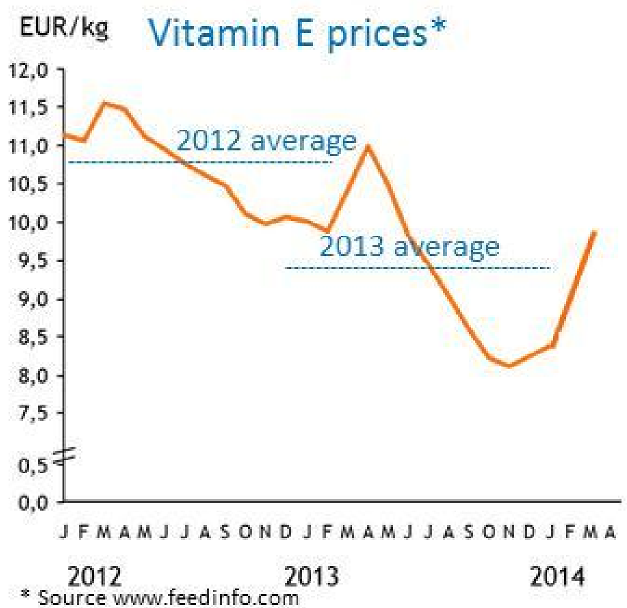
Vitamin E

- Animal feed volumes have been weak in the period H2 2012 - H1 2013, putting pressure on the supply chain for nutritional ingredients, such as vitamins (notably vitamin E where the threat of a new entrant in China added to competitive pressures in H2 2013)

- Currently, trading of vitamin E is firming and prices have started to recover as:
  - meat production has normalized
  - the potential new Chinese entrant will most likely not be in the market for some time
  - Force Majeure at a major Vitamin E producer in March 2014 led to sharp increases in spot prices (see graph from www.feedinfo.com)

- As DSM has most of its business in contracts, with lead times of 3-6 months, impact on Q2 results is expected to be limited. Contract prices are expected to improve gradually over Q2-Q3



US Dietary Supplements

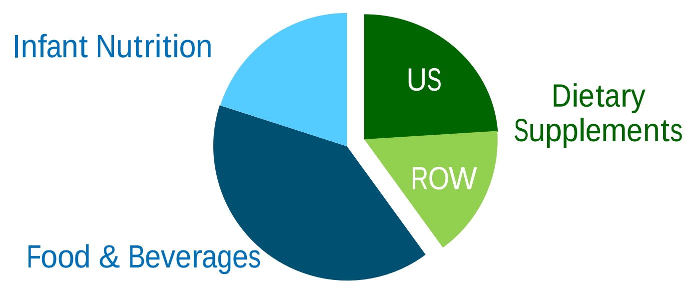
- US dietary supplements markets weakened towards end of 2013, with inventory adjustments in the retail supply chain at end of 4^{th} quarter, as reaction to negative publications doubting certain positive effects of dietary supplements
- Severe winter conditions in the US put additional stress on these dietary supplement sales
- Dietary supplement markets outside the US have not been impacted and continue to show good growth
- Dietary supplement producers and retailers started promotion campaigns in Q1 to address consumer sentiment
- After continued drop of sales in January and February on a year-on-year basis, both March and April y-o-y showed a stabilization of retail sales, which could indicate that the market has bottomed-out
- We expect a gradual recovery of this market over the coming quarters

US retail volumes*

Ingredient	Q1’14 vs Q1’13	March’14 vs March’13
Vitamin A	-6%	-17%
Vitamin C	-8%	-1%
Vitamin D	+4%	+7%
Vitamin E	+5%	+1%
Multivitamins	-4%	0%
Omega-3	-14%	-10%

* Source: IRI (April 2014)

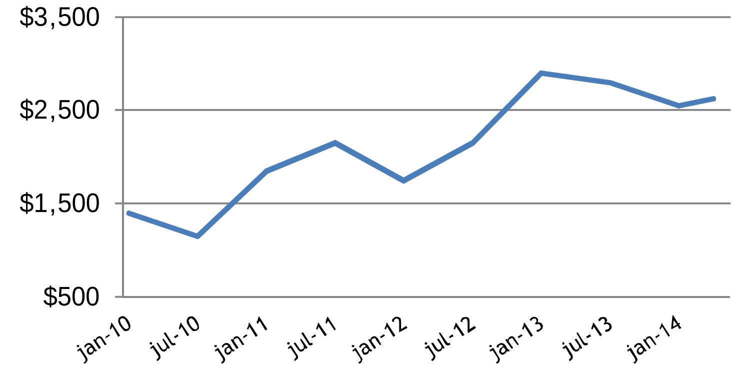
2013 Sales in Human Nutrition & Health



Fish-oil based Omega-3

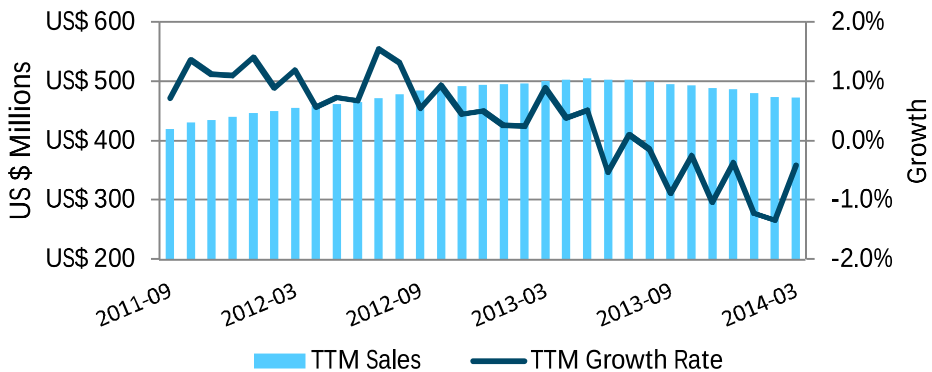
- Increased fish-oil costs in 2013 were passed through, leading to sharp increases in retail prices. This, combined with the prevalence of multiple negative media events, led to a volume decline of 10% in 2013
- Q1 Omega-3 sales have not improved versus Q4 2013
- Fish-oil cost have not come down substantially
- Promotion actions and industry wide campaigns, highlighting the vast scientific proof of positive health benefits, are being targeted to re-launch the category in H2 2014

Average Omega-3 Crude Fish-oil Price (FOB US$/MT)*



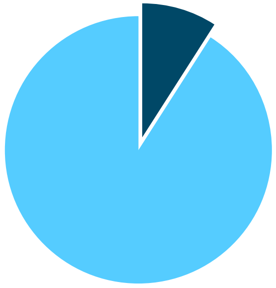
*Source: IFFO

Trailing 12 Month (TTM) FDM Channel Sales of Omega-3 Supplements**



** Source: AC Nielsen

US Fish-oil based Omega-3 related sales in Human Nutrition & Health



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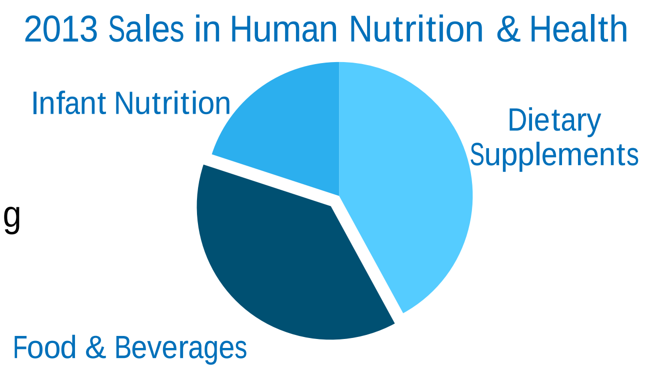
Western Food & Beverages markets

- Western Food & Beverages markets showed – in general- sluggish growth:
  - General Mills: *“This year's severe winter weather dampened sales performance across the food industry, and results for our U.S. Retail and Convenience Stores and Foodservice segments reflect that disruption”*
  - Nestlé: *“In North America the market remained subdued and the severe weather conditions had an impact across the categories. In Europe, Spain and Portugal showed encouraging early signs of a recovery, while France, Germany and the UK had a slower start to the year”*
  - Kraft: *“We expected to see some of the same headwinds that impacted the North American food and beverage market in 2013 continue as we entered 2014, and what we saw in quarter one was indeed consistent with our expectations”*
  - *The Coca-Cola Company reported worldwide volume growth of 2% for the first quarter. Volume in their developed markets was down 1%*
- DSM’s global and regional ‘A-label’ customers are addressing these conditions by launching new products, promotional campaigns and by speeding-up innovations
- A-label growth is expected to pick-up gradually again outgrowing the general market growth in F&B markets
- Emerging economies will also drive good growth rates for F&B, tapping into the increased need for good and save quality processed food & beverages



Post integration streamlining in Nutrition

- Recent years were marked by intense integration of acquisitions of Martek, ONC, Fortitech, Unitech and Tortuga

- DSM continues to implement further post-integration improvements in support of its unique business model,
  - Adapting HQ's in Kaiseraugst towards a cost-effective, more responsive global leadership & support center to the regions
  - Streamlining North American operations
  - Simplifying biotech & chemical process development set-up: closing of biotech unit in Kaiseraugst

- Structural organizational changes and post integration streamlining in Nutrition are expected to result in:
  - A positive impact of €50m per annum by 2015 which will be partially reinvested into external (open) innovation and local, front-line support
  - Affecting some 210 FTE
  - Related one-off costs of €28 million were recognized in Q1 2014

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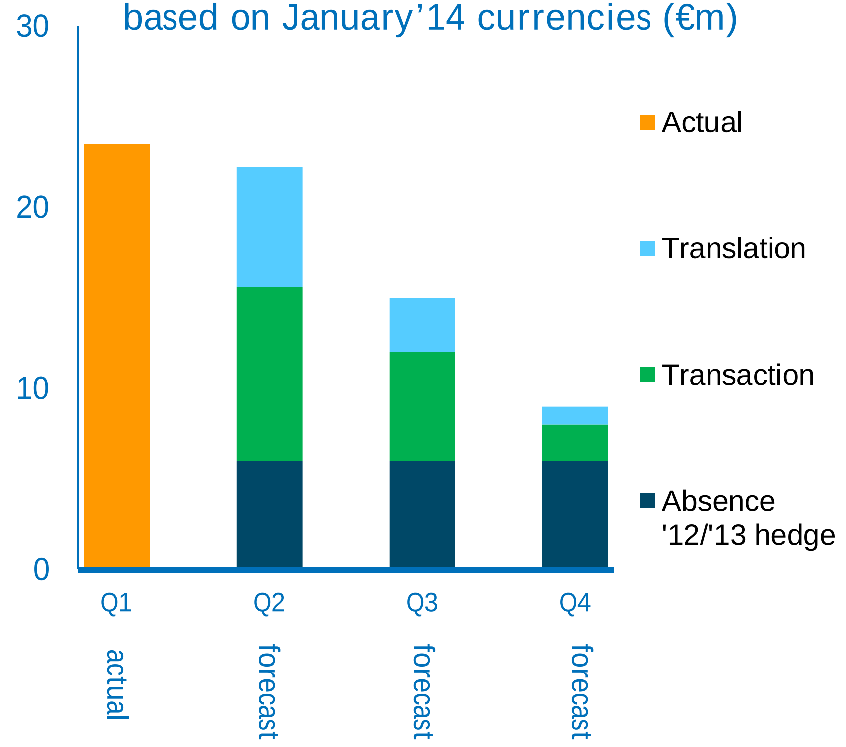
Negative currency effects in 2014

At constant January '14 exchange rates, DSM's EBITDA in 2014 was estimated to be negatively impacted by about €70 million, due to:

1. Less favorable hedge results from the 2013/2014 hedges versus the more favorable 2012/2013 hedges
2. Negative transaction impact from 2014 vs 2013 for the non-hedged transactions exposure:
   - DSM has hedged for 2014, 50% of the net transaction exposure of Euro/US$, US$/CHF, CHF/JPY, GPB/CHF
3. Negative translation impact which increased due to the €2.8bn acquisitions in recent years mainly outside Europe

Actual FX impact and initial forecasts based on January'14 currencies (€m)



Q1 FX impact slightly higher than estimated at constant Jan'14 currencies

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Business Conditions

Animal Nutrition

- Continued positive momentum in global animal protein markets
  - ✓ Limited impact from Avian flu in China & Mexico
  - ✓ Aquaculture in South East Asia still not fully recovered from shrimp disease
  - ✓ Too early to tell impact swine disease in US & Mexico
- Vitamin E spot prices are significantly up, contract prices expected to improve gradually over Q2-Q3

Human Nutrition

- Ongoing good growth in premix for Infant Nutrition and Food & Beverages
- Western Food & Beverages markets in general remain soft
- Food Specialties markets remain strong
- Dietary supplement markets in US for vitamins have stabilized by the end of Q1
- Fish-oil based Omega-3 dietary supplements in the US have not shown improvement yet

Performance Materials

- More positive momentum experienced in the European end-markets
- Composite Resins sees first volume pickup after many years of continued declines in the European B&C markets, but prices are still low
- Polyamide-6 value chain remains under pressure due to high benzene prices, which will continue to impact Engineering Plastics results to minor extend

Polymer Intermediates

- High benzene prices continue to cause significant margin pressure, as overcapacities prevent adequate caprolactam price increases
- Scheduled maintenance stop of caprolactam plants in the Netherlands in Q2 (2-3 weeks)
- License incomes will be at lower level vs 2013
- Continued strong market positions for acrylonitrile

2014 Outlook unchanged

- For 2014 DSM takes a prudent approach, assuming the unfavorable January 2014 foreign exchange rates are maintained for the year. Furthermore, DSM assumes a continued challenging macro-economic environment, with low growth in Europe, modest growth in the US, and a slowdown in the high growth economies

- Based on the above, DSM targets for 2014 to improve its business performance to at least offset the negative currency impact of €70 million at January 2014 exchange rates

- Comparable EBITDA in 2013 from continuing operations after new accounting rules for joint ventures amounted to €1,261 million

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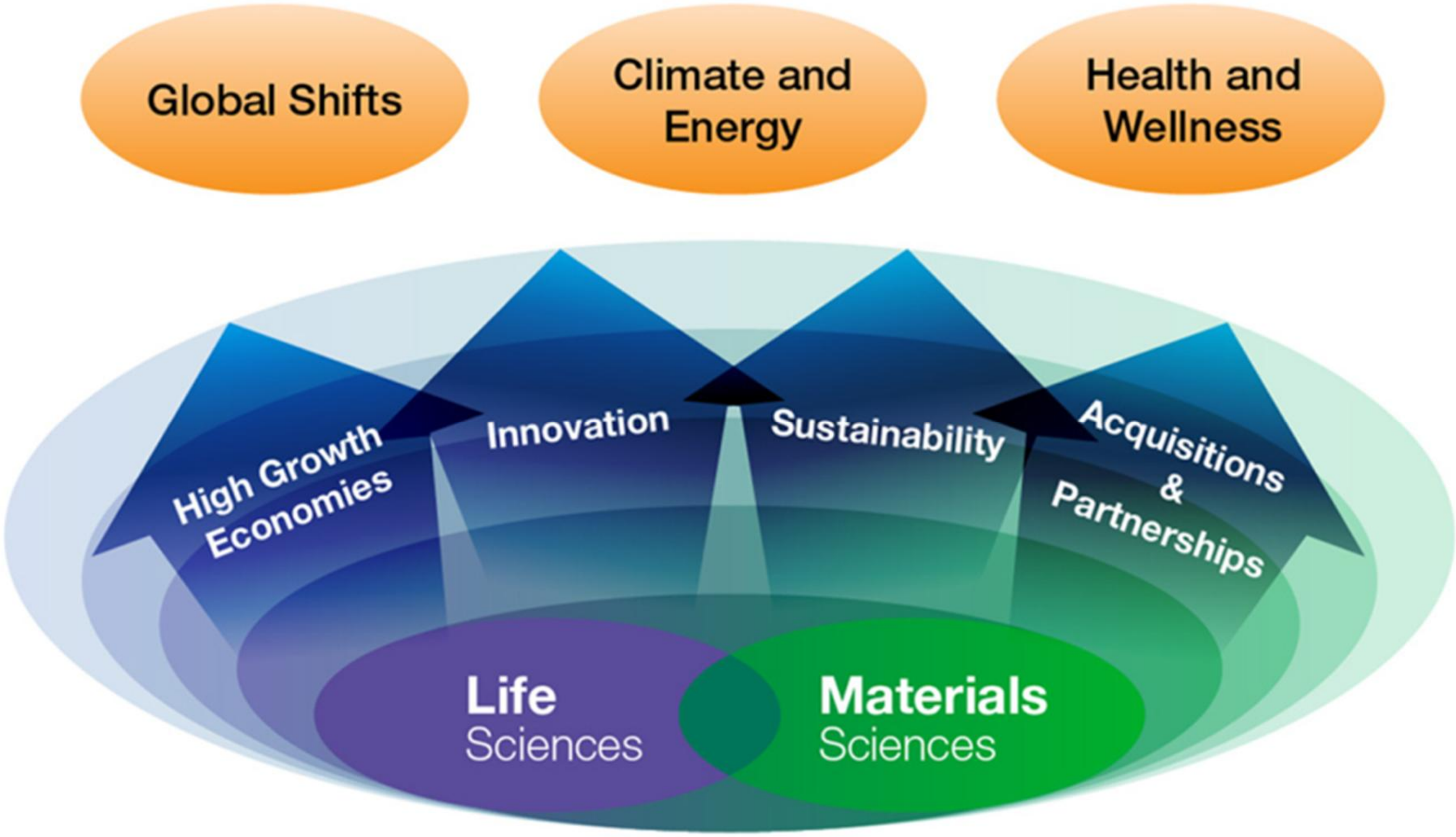
Driving growth by embracing global megatrends

Aging population
Population growth
Resources constraints
Healthcare costs
Urbanization
Energy security
Food security
Wealth
Sustainability

Health	Nutrition	Materials

DSM in motion: *driving focused growth*



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Nutrition: continued value growth

FROM: Actives → Forms → Premix

TO: Active Ingredients → Forms + Solutions → Access & insights

GLOBAL PRODUCER | LOCAL SOLUTION PROVIDER

Active Ingredients	Forms	Solutions	Access & insights
Broad, global *Portfolio of Actives:* – high quality, cost-competitive – to maintain leading market position	Maximum *Differentiation* through industry & segment specific *Formulations* offering stability, shelf life, heat resistance, solubility, bio-availability, physical properties	*Premixes*: from channel-to- market to customer-driven solutions. Further downstream integration to *segment-specific finished product solutions*	*Proprietary access* to local customers (B2B) and end-consumers (including B2F)) Translating customer insight into *unique nutritional solution offers*

Unique business model: global producer & local solution provider

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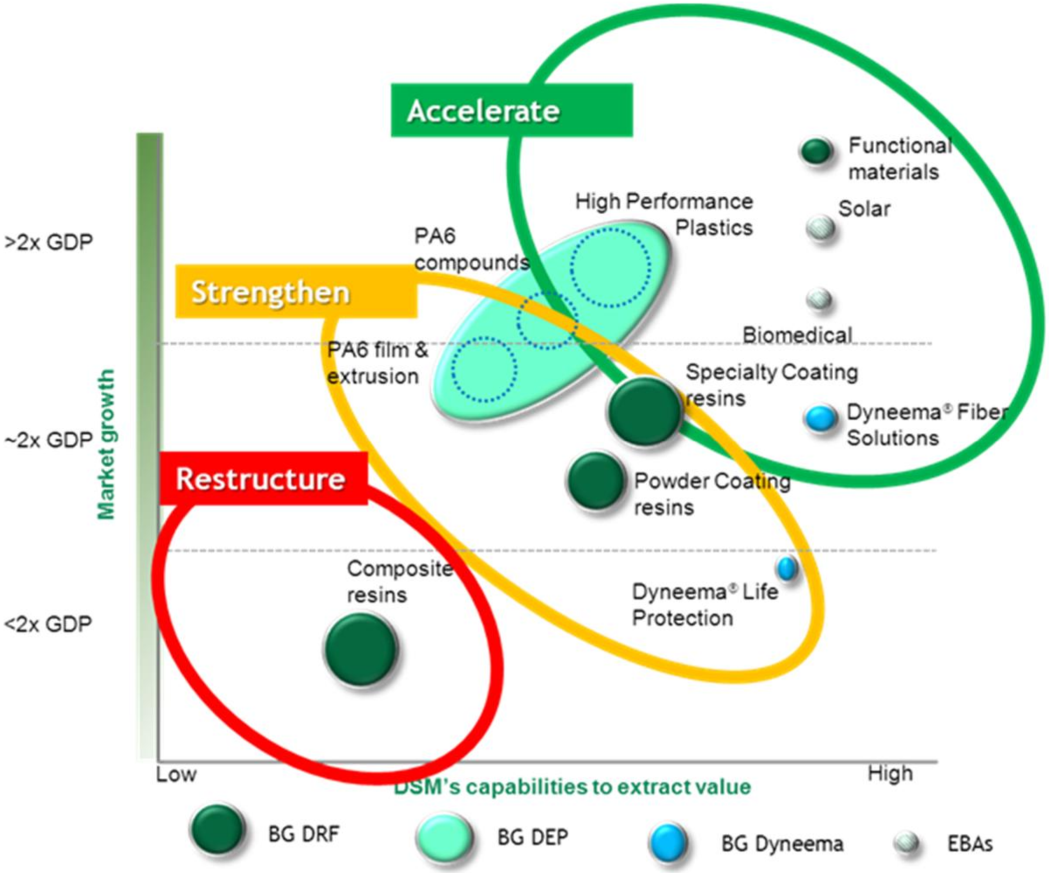
Performance Materials: upgrade portfolio

Via differentiated strategy:

- Accelerate:
  Accelerate growth in highly innovative markets to fully benefit from megatrends
- Strengthen:
  Combine sustainable innovation sales growth with margin optimization programs
- Restructure:
  Composite Resins



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Pharma activities

Partnership established in Pharmaceutical Products: DPx Holdings

- Combining DPP and Patheon is another successful step in DSM's strategy execution as well as an excellent value creation opportunity
  - ✓ independent stand alone company, of which DSM owns 49%
  - ✓ anticipated 2014 sales of about US$ 2bn (full year pro-forma)
  - ✓ unmatched combined offering compared to industry peers
- DSM and JLL will maximize the value of DPx

Partnership in anti-infectives: DSM Sinochem Pharmaceuticals

- Strategy of DSM Sinochem Pharmaceuticals is
  - ✓ strengthening the core, anti-infective API businesses
  - ✓ upgrading the portfolio attractiveness
  - ✓ stepping into formulations and finished dosages

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2015 targets

Profit targets 2015	
• EBITDA margin (%)	14% - 15%
• ROCE	11% - 12%
Sales target 2015	
• Organic sales growth	5% - 7% annually
• China sales	towards US$ 3bn
• High Growth Economies sales	about 45% of total sales
• Innovation sales	20% of total sales
• ECO+ sales	towards 50% of total sales
Cluster targets 2015	
• Nutrition	EBITDA margin 20% - 23% Sales growth GDP+2%
• Performance Materials	EBITDA margin 13% - 15% Sales growth at double GDP

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Annex: new Factbook available

http://www.dsm.com/content/dam/dsm/cworld/en_US/documents/factbook-2014.pdf

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Annex: DSM's IR App @your service

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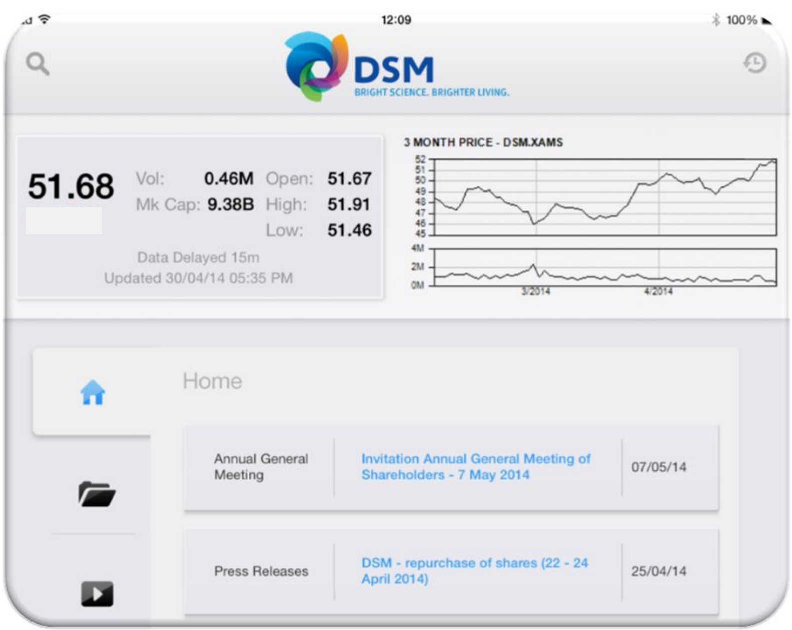

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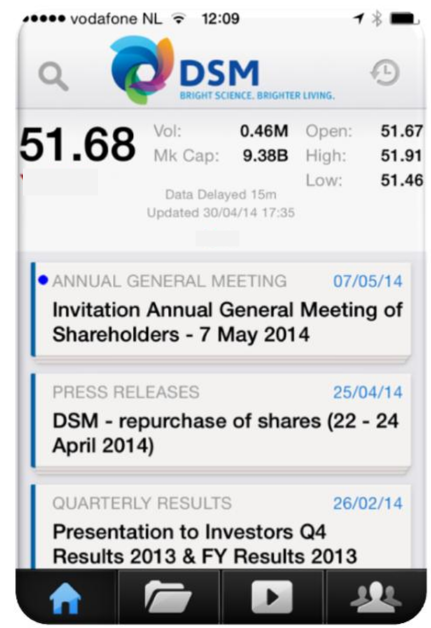

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