Press Release

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DSM delivers higher profits; full year outlook unchanged

- **DSM records 19% higher Q2 EBITDA versus Q2 2012 (€345 million versus €290 million)**
- **Nutrition EBITDA up 28% versus Q2 2012 driven by acquisitions and organic growth**
- **Materials Sciences continues to deliver a solid performance**
- **Q2 cash flow from operating activities €231 million, higher than Q2 2012 and Q1 2013**
- **Core earnings per share Q2 2013 up 28% compared to Q2 2012**
- **Interim dividend of €0.50, in line with DSM's dividend policy**
- **Outlook 2013 unchanged, moving towards EBITDA of €1.4 billion**

Royal DSM, the Life Sciences and Materials Sciences company, today reported a second quarter EBITDA of €345 million compared to €290 million in Q2 2012 and €311 million in Q1 2013. The improvement compared to Q2 2012 was realized despite a negative caprolactam effect of €20 million and a challenging macro-economic environment, which mainly affected Materials Sciences.

Commenting on the results, Feike Sijbesma, CEO/Chairman of the DSM Managing Board, said:
"We are pleased to report that the momentum in our Nutrition business that we saw at the end of Q1 continued into Q2. Nutrition, with its higher profits and healthy margins, is demonstrating the quality of its broad offering across the value chain. Materials Sciences' profit remained at the same level as last year despite a negative caprolactam impact of €20 million and a challenging market environment."

"For the rest of this year, we will continue to fully focus on operational performance and on the integration of our acquisitions, ensuring the capture of synergies. In addition, the early successes of our profit improvement initiatives leave us confident that this group-wide program is well on track. We expect strong EBITDA growth in 2013, moving towards €1.4 billion."

Key figures

second quarter 2013	second quarter 2012	+/-	*in € million*	*volume*	*price/mix*	*exch. rates*	*other*
2,468	**2,268**	9%	**Net sales**	**6%**	**-4%**	**-1%**	**8%**
1,108	899	23%	Nutrition	6%	-3%	-2%	22%
187	182	3%	Pharma	3%	1%	-1%	
714	713	0%	Performance Materials	6%	-3%	-2%	-1%
375	389	-4%	Polymer Intermediates	5%	-8%	-1%	
37	18		Innovation Center				
47	67		Corporate Activities				

second quarter				first half		
2013	2012	+/-	*in € million*	2013	2012	+/-
345	**290**	**19%**	**EBITDA**	**656**	**596**	**10%**
249	195	28%	Nutrition	464	387	20%
14	17	-18%	Pharma	22	22	0%
82	77	6%	Performance Materials	162	156	4%
26	30	-13%	Polymer Intermediates	55	99	-44%
-3	-10		Innovation Center	-7	-25	
-23	-19		Corporate Activities	-40	-43	
156	118	32%	Core net profit	285	267	7%
141	114	24%	Net profit before exceptional items	262	259	1%
112	41	173%	Net profit after exceptional items	231	186	24%
0.91	0.71	28%	Core EPS (€/share)	1.67	1.62	3%
0.79	0.67	18%	Net EPS before exceptional items (€/share)	1.49	1.54	-3%
0.62	0.23	170%	Net EPS after exceptional items (€/share)	1.31	1.10	19%
231	197		Cash flow from operations	153	294	
168	162		Capital expenditures (cash)	332	288	
			Net debt	2,266	1,668 *	
			* year-end 2012			

In this report:
- 'net profit' is the net profit attributable to equity holders of Koninklijke DSM N.V.;
- 'core net profit' is the net profit before exceptional items and before acquisition accounting related intangible asset amortization.

Review by cluster

Nutrition

second quarter				first half		
2013	2012	yoy	*In € million*	2013	2012	yoy
1,108	899	23%	Net sales	2,096	1,799	17%
		3%	Organic growth			1%
249	195	28%	EBITDA	464	387	20%
22.5%	*21.7%*		*EBITDA margin*	*22.1%*	*21.5%*	
190	153	24%	EBIT	354	302	17%
			Capital employed	4,696	4,122 *	

*year-end 2012

Sales in Q2 rose 23% compared to Q2 2012, driven primarily by acquisitions. Organic sales growth was 3% versus Q2 2012, with strong volume growth (6%) partly offset by lower prices (-3%). Overall prices have stabilized compared to Q1 2013 as DSM continues to pursue its value over volume strategy.

EBITDA for Q2 was €249 million, up 28% compared to Q2 2012, driven by acquisitions, organic growth and strong operational performance including cost savings. The EBITDA margin of 22.5% was at the upper end of DSM's target range due to a favorable mix.

Human Nutrition & Health delivered 6% organic growth in Q2 versus Q2 2012, driven by healthy volume growth. A particularly strong performance was delivered in infant nutrition, dietary supplements and premixes. In Q2 **Fortitech** realized sales of €49 million and EBITDA of €11 million in line with expectations.

Animal Nutrition & Health experienced an organic sales decrease of 3% in Q2 compared to Q2 2012, due to lower prices, which have now stabilized, offsetting higher volumes. Compared to the previous quarter, Q2 2013 showed organic growth of 5%, driven by higher volumes due to recovery in meat production, despite temporarily lower sales for poultry in China as a result of the avian flu. **Tortuga** delivered a good result in Q2 with sales of €98 million and EBITDA of €18 million in line with expectations.

Food Specialties showed healthy sales growth through a combination of organic growth and the contribution of the acquired cultures and enzymes business.

Pharma

second quarter				first half		
2013	2012	yoy	*In € million*	2013	2012	yoy
187	182	3%	Net sales	365	357	2%
		4%	Organic growth			3%
14	17	-18%	EBITDA	22	22	0%
7.5%	*9.3%*		*EBITDA margin*	*6.0%*	*6.2%*	
1	-4		EBIT	-5	-12	
			Capital employed	814	766 *	

*year-end 2012

Organic **sales** growth was 4% compared to Q2 2012, mainly driven by higher volumes at DSM Pharmaceutical Products. Sales of DSM Sinochem Pharmaceuticals were at the same level as in Q2 2012.

EBITDA for the quarter was €14 million versus €17 million in the same quarter last year (of which €7 million due to a non-recurring profit coming from the restructuring of the Biosimilar activities in Q2 2012). Higher sales at DSM Pharmaceutical Products and cost savings positively contributed to a higher underlying result for the cluster.

Performance Materials

second quarter				first half		
2013	2012	yoy	*In € million*	2013	2012	yoy
714	713	0%	Net sales	1,387	1,414	-2%
		3%	Organic growth			0%
82	77	6%	EBITDA	162	156	4%
11.5%	*10.8%*		*EBITDA margin*	*11.7%*	*11.0%*	
48	42	14%	EBIT	95	90	6%
			Capital employed	2,097	2,026 *	

*year-end 2012

Organic **sales** growth in Q2 was 3%. Volumes were up in all three business groups compared to the same period last year, mainly because of new business through application development. Prices were down at DSM Resins & Functional Materials and DSM Engineering Plastics, with the latter being impacted by lower polyamide-6 prices reflecting lower caprolactam prices. Prices were stable at DSM Dyneema.

EBITDA for Q2 was up in all three business groups compared to the same period last year. Volume growth and the impact of the Profit Improvement Program offset lower prices. EBITDA of the specialty businesses in DSM Engineering Plastics more than compensated for the lower results in polyamide-6.

Polymer Intermediates

second quarter				first half		
2013	2012	yoy	*In € million*	2013	2012	yoy
375	389	-4%	Net sales	812	819	-1%
		-3%	Organic growth			0%
26	30	-13%	EBITDA	55	99	-44%
6.9%	*7.7%*		*EBITDA margin*	*6.8%*	*12.1%*	
17	23	-26%	EBIT	37	85	-56%
			Capital employed	544	447 *	

*year-end 2012

Organic **sales** development was -3% compared to Q2 2012, with higher volumes unable to fully compensate for lower prices.

EBITDA for the quarter was slightly lower than Q2 2012. Higher volumes, license income and the initial benefits of the cost savings programs largely offset lower caprolactam margins. The impact of the fire related shutdown of the caprolactam plants in the Netherlands was very limited.

Innovation Center

second quarter				first half		
2013	2012	yoy	*In € million*	2013	2012	yoy
37	18	106%	Net sales	75	34	121%
-3	-10		EBITDA	-7	-25	
-12	-14		EBIT	-25	-31	
			Capital employed	556	507 *	

*year-end 2012

The strong growth in **sales** versus Q2 2012 was driven by DSM Biomedical, mainly due to the contribution of Kensey Nash (€17 million). All other activities at the Innovation Center were at the same level as in Q2 2012. The POET-DSM Advanced Biofuels joint venture continues to progress with the construction of its cellulosic bio-ethanol refinery, which is on track for timely completion.

EBITDA increased by €7 million compared to Q2 2012. This is fully attributable to the €7 million contribution of Kensey Nash in the quarter.

Corporate Activities

second quarter			first half	
2013	2012	*In € million*	2013	2012
47	67	Net sales	109	135
-23	-19	EBITDA	-40	-43
-35	-32	EBIT	-64	-66

EBITDA in Q2 2013 was lower than in Q2 2012, which was mainly due to higher share-based payments costs as a result of a higher share price increase in Q2 2013 compared to Q2 2012 and non-recurring costs for the captive insurance company following the fire incident at DSM Fibre Intermediates, which were partly compensated for by lower corporate costs.

Financial overview

Exceptional items

Total *exceptional items* in the second quarter amounted to a loss of €41 million before tax (€29 million after tax). These included €28 million in expenses related to the Profit Improvement Program, €4 million for restructuring to capture acquisition related synergies and €9 million acquisition related costs.

Net profit

Financial income and expense in Q2 2013 amounted to -€38 million, which is €9 million more negative than Q2 2012. This was mainly caused by higher interest expense due to increased net debt and a change in presentation of pension related interest income and expense.

The effective tax rate was 18%, in line with the full year 2012.

Net profit before exceptional items in Q2 2013 increased by 24% and amounted to €141 million, compared to €117m in Q2 2012. This was mainly due to a higher operating profit, which was partly offset by higher net finance costs.

Core net profit (net profit before exceptional items and before acquisition accounting related intangible asset amortization) increased by 32% and amounted to €156 million, compared to €118 million in Q2 2013.

Net earnings per ordinary share (before exceptional items) increased by 18% and amounted to €0.79 in Q2 2013 compared to €0.67 in Q2 2012.

Core net earnings per share increased by 28% and amounted to €0.91 in Q2 2013 compared to €0.71 in Q2 2012.

Cash flow, capital expenditure and financing

Cash provided by operating activities in Q2 2013 was €231 million (Q2 2012: €197 million).

Operating working capital increased from €1,936 million at the end of 2012 to €2,291 million at the end of Q2 2013 (OWC as a percentage of annualized sales increased from 20.7% to 23.2%). Compared to the end of Q1 2013, the percentage decreased by 0.4%.

Cash used for *capital expenditure* amounted to €168 million in Q2 2013 compared to €162 million in Q2 2012. Capital expenditure in Q2 2013 included investments in the joint venture with POET for advanced biofuels and the second caprolactam line in China as well as the new ammonium sulfate plant for Polymer Intermediates.

Net debt increased by €598 million compared to year-end 2012 and stood at €2,266 million (gearing 27%).

Interim dividend

DSM's policy is to provide a stable and preferably rising dividend. It has been decided to pay an interim dividend of €0.50 per ordinary share for 2013. As usual, this represents one third of the total dividend paid for the previous year. The interim dividend should not be taken as an indication of the total dividend for the year 2013. The dividend will be payable in cash or in the form of 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 7 August 2013. The interim dividend will be payable as from 29 August 2013.

Strategy update
DSM in motion: *driving focused growth* is the strategy that the company embarked on in September 2010. It marks the shift from an era of intensive portfolio transformation to a strategy of maximizing sustainable and profitable growth. DSM's strategic focus on Life Sciences (Nutrition and Pharma) and Materials Sciences (Performance Materials and Polymer Intermediates) is fueled by three main societal trends: Global Shifts, Climate & Energy and Health & Wellness. DSM aims to meet the unmet needs resulting from these societal trends with innovative and sustainable solutions. Below is an overview of DSM's Q2 2013 achievements.

High Growth Economies: from reaching out to being truly global
Sales to High Growth Economies reached a level of 40% of total sales in Q2 2013 versus 39% in Q2 2012. The strongest contribution to growth in sales to High Growth Economies was in Nutrition through the acquisition of Tortuga in Latin America. Sales to China amounted to USD 403 million, versus USD 430 million in Q2 2012 as healthy growth in most businesses could not compensate for lower sales prices for caprolactam in China.

Innovation: from building the machine to doubling innovation output
Innovation sales in the first half of 2013 – measured as sales from innovative products and applications introduced in the last five years – reached 18% of total sales equal to the first half of 2012, which is close to DSM's 2015 target of approximately 20%. Examples of innovations, recently launched are:

- OatWell® beta-glucan, a dietary supplement with clinically proven health benefits including cholesterol reduction, blood glucose control and gastrointestinal health.
- Multirome® LS, a concentrated yeast extract produced with DSM's unique enzyme technology. By replacing the use of low salt basic yeast extracts with Multirome® LS, savory food producers can reduce the CO_2 footprint of the yeast extracts they use by 81%.
- EcoPaXX® , a high performance, 70% bio-based polyamide, which has been selected by Mercedes Benz for the engine cover in their new A-class, helping it to improve the carbon footprint of the car.
- Beyone™ 1, a styrene and cobalt-free composite resin containing around 40% bio-based raw materials.

Sustainability: from responsibility to business driver
DSM launched some major Eco+ products in H1 2013. This increases Eco+ in the Innovation pipeline to 93% in H1 2013, which is above the 2015 aspiration of 80%. The Eco+ share in the running business was 41% in H1 2013, well on track towards the 2015 aspiration of 50%.

DSM announced plans to help provide effective nutrition interventions to 50 million beneficiaries (pregnant or lactating women, children under the age of 2) per year by 2020. This commitment is part of DSM's endorsement of the Global Nutrition for Growth Compact, which aims to provide 500 million beneficiaries with effective nutrition interventions by 2020.

DSM and World Vision, a global development organization, announced an ambitious partnership that aims to improve the lives of 165 million of the world's most vulnerable children under the age of five across the globe who are affected by stunted growth due to under-nutrition.

Acquisitions & Partnerships: from portfolio transformation to driving focused growth
DSM acquired Unitech Industries Limited, a New Zealand based producer of micronutrient premixes and blends for the rapidly growing Asian Nutrition & Health markets.

DSM further grew in Nutrition, by acquiring Bayer's animal nutrition premix business in the Philippines.

DSM signed agreements to acquire a 19% equity interest in Yantai Andre Pectin Co. Ltd., a China based producer of texturing ingredients. In addition a 10% stake has already been acquired from Hony Capital.

DSM continues to explore opportunities to reduce its exposure to the merchant caprolactam market as well as options for a partnership in DSM Pharmaceutical Products.

Outlook
The challenging macro-economic environment experienced during Q1 2013 continued, with little or no growth in Europe. Asia continues to show good levels of economic activity, though at more modest levels, while the US has maintained a modest rate of recovery.

DSM's outlook remains unchanged:

The Profit Improvement Program is fully on track and is expected to deliver structural annual EBITDA benefits of €150 million by 2014 and €200-250 million to be fully achieved by 2015.

Nutrition is expected to show clearly higher results than in 2012 due to organic growth moving towards the target of 2% above GDP and due to the acquisitions made.

Business conditions in Pharma are likely to remain challenging, but DSM is confident that it will be able to deliver substantially better results, notwithstanding the usual uneven delivery patterns between quarters.

Performance Materials is expected to show improved results in 2013, despite the expected negative effects of caprolactam, especially compared to the first half of 2012.

Polymer Intermediates is expected to show lower results than in 2012.

For the Innovation Center the activity level will be in line with 2012, with EBITDA clearly improving following the full year contribution of Kensey Nash. The result of the second half of 2013 is expected to be in line with the second half of 2012.

Overall, based on current economic assumptions, DSM expects a step up in EBITDA during 2013 due to stronger organic growth, supported by DSM's Profit Improvement Program and as the benefits of acquisitions and a more resilient portfolio has an increasing impact. In 2013 the focus is on the operational performance and the integration of the acquisitions DSM completed in 2012, with special attention to capturing synergies. Overall, based on current economic assumptions, the above will enable DSM to move towards its 2013 EBITDA target of €1.4 billion.

Additional information
Today DSM will hold a conference call for the media from 07.30 AM to 08.00 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 result for the first half of 2013 can be found in the Presentation to Investors, which can be downloaded from the Investors section of the DSM website.

Important dates

Ex interim dividend quotation	Wednesday, 7 August 2013
Record date	Friday, 9 August 2013
Interim dividend payable	Thursday, 29 August 2013
Report for the third quarter of 2013	Tuesday, 5 November 2013
Annual Report 2013	Wednesday, 26 February 2014
Report for the first quarter of 2014	Tuesday, 6 May 2014
Report for the second quarter of 2014	Tuesday, 5 August 2014
Report for the third quarter of 2014	Tuesday, 4 November 2014

Condensed consolidated statement of income for the second quarter

second quarter 2013			*in € million*	second quarter 2012		
before exceptional items	exceptional items	total		before exceptional items	exceptional items	total
2,468		2,468	net sales	2,268		2,268
345	-41	304	EBITDA	290	-67	223
209	-41	168	operating profit (EBIT)	168	-92	76
-38		-38	net finance costs	-29		-29
1		1	share of the profit of associates	1		1
172	-41	131	profit before income tax	140	-92	48
-32	12	-20	income tax	-23	19	-4
140	-29	111	profit for the period	117	-73	44
1		1	non-controlling interests	-3		-3
141	-29	112	net profit	114	-73	41
141	-29	112	net profit	114	-73	41
-2		-2	dividend on cumulative preference shares	-2		-2
139	-29	110	net profit used for calculating earnings per share	112	-73	39
			net earnings per ordinary share in €:			
0.79	-0.17	0.62	- net earnings, total DSM	0.67	-0.44	0.23
0.91			- core earnings per share	0.71		
		171.2	average number of ordinary shares (x million)			164.8
		172.9	number of ordinary shares, end of period (x million)			166.0
136		136	depreciation and amortization	122	25	147
		192	capital expenditure			174
		447	acquisitions			272
		24,326	workforce (headcount) at end of period			23,498 *
		5,804	of which in the Netherlands			6,007 *

* Year-end 2012

This report has not been audited.

Condensed consolidated statement of income for the first half

first half 2013			*in € million*	first half 2012		
before exceptional items	exceptional items	total		before exceptional items	exceptional items	total
4,844		4,844	net sales	4,558		4,558
656	-52	604	EBITDA	596	-67	529
392	-52	340	operating profit (EBIT)	368	-92	276
-73		-73	net finance costs	-40		-40
1		1	share of the profit of associates	2		2
320	-52	268	profit before income tax	330	-92	238
-58	21	-37	income tax	-59	19	-40
262	-31	231	profit for the period	271	-73	198
			non-controlling interests	-12		-12
262	-31	231	net profit	259	-73	186
262	-31	231	net profit	259	-73	186
-5		-5	dividend on cumulative preference shares	-5		-5
257	-31	226	net profit used for calculating earnings per share	254	-73	181
			net earnings per ordinary share in €:			
1.49	-0.18	1.31	- net earnings, total DSM	1.54	-0.44	1.10
1.67			- core earnings per share	1.62		
		170.2	average number of ordinary shares (x million)			164.2
		172.9	number of ordinary shares, end of period (x million)			166.0
264		264	depreciation and amortization	228	25	253
		321	capital expenditure			280
		459	acquisitions			300
		24,326	workforce (headcount) at end of period			23,498 *
		5,804	of which in the Netherlands			6,007 *

* Year-end 2012

This report has not been audited.

Consolidated balance sheet: assets

in € million	30 June 2013		year-end 2012	
intangible assets	3,102		2,793	
property, plant and equipment	3,987		3,811	
deferred tax assets	359		340	
associates	76		40	
other financial assets	135		141	
non-current assets		**7,659**		**7,125**
inventories	1,914		1,803	
trade receivables	1,849		1,569	
other receivables	206		230	
financial derivatives	40		62	
current investments	29		12	
cash and cash equivalents	600		1,121	
		4,638		4,797
assets held for sale				44
current assets		**4,638**		**4,841**
total assets		**12,297**		**11,966**

Consolidated balance sheet: equity and liabilities

in € million	30 June 2013		year-end 2012	
shareholders' equity	5,980		5,874	
non-controlling interest	170		168	
equity		**6,150**		**6,042**
deferred tax liability	335		236	
employee benefits liabilities	391		388	
provisions	110		125	
borrowings	1,452		1,922	
other non-current liabilities	98		94	
non-current liabilities		**2,386**		**2,765**
employee benefits liabilities	29		42	
provisions	110		81	
borrowings	1,201		642	
financial derivatives	282		299	
trade payables	1,472		1,453	
other current liabilities	667		628	
		3,761		3,145
liabilities held for sale				14
current liabilities		**3,761**		**3,159**
total equity and liabilities		**12,297**		**11,966**
capital employed*		8,853		8,084
equity / total assets*		50%		50%
net debt*		2,266		1,668
gearing (net debt / equity plus net debt)*		27%		22%
operating working capital, continuing operations		2,291		1,936
OWC / net sales, continuing operations		23.2%		20.7%

***** Before reclassification to held for sale

Condensed consolidated cash flow statement

			first half	
in € million		2013		2012
cash, cash equivalents and current investments				
at beginning of period		**1,133**		**2,147**
current investments at beginning of period		12		89
cash and cash equivalents at beginning of period		**1,121**		**2,058**
operating activities:				
- earnings before interest, tax, depreciation and amortization	604		529	
- change in working capital	-360		-199	
- interest and income tax	-65		-69	
- other	-26		33	
cash provided by operating activities		**153**		**294**
investing activities:				
- capital expenditure	-332		-288	
- acquisitions	-453		-236	
- disposal of subsidiaries and businesses	75		4	
- disposal of other non-current assets	4		4	
- change in fixed-term deposits	5		76	
- other	16		3	
cash used in investing activities		**-685**		**-437**
- dividend	-114		-93	
- repurchase of shares				
- proceeds from re-issued shares	91		32	
- other cash from/used in financing activities	42		-14	
cash used in financing activities		**19**		**-75**
changes exchange differences		-8		11
cash and cash equivalents end of period		**600**		**1,851**
current investments end of period		29		13
cash, cash equivalents and current investments end of period		**629**		**1,864**

Condensed consolidated statement of comprehensive income

in € million	first half	
	2013	2012
items that will not be reclassified to profit or loss		
remeasurements of defined benefit pension plans	0	0
items that may susbsequently be reclassified to profit or loss		
exchange differences on translation of foreign operations	-27	100
change in fair value reserve	2	-2
change in hedging reserve	6	-40
other comprehensive income, before tax	-19	58
income tax expense	-8	16
other comprehensive income, net of tax	-27	74
profit for the period	231	198
total comprehensive income	**204**	**272**

Condensed consolidated statement of changes in equity

in € million	first half	
	2013	2012
Total equity at beginning of period	6,042	5,974
changes:		
total comprehensive income	204	272
dividend	-274	-254
repurchase of shares	0	0
proceeds from reissue of ordinary shares	166	94
other changes	12	20
total equity end of period	**6,150**	**6,106**

Geographical information

first half 2013	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	1,555	1,323	55	994	252	461	39	47	101	17	4,844
in %	32	27	1	21	5	10	1	1	2		100
net sales by destination											
in € million	348	1,377	271	1,046	438	630	81	127	415	111	4,844
in %	6	28	6	22	9	13	2	3	9	2	100
total assets in € million	3,158	2,548	103	3,713	818	1,297	97	124	332	107	12,297
workforce (headcount) at end of period	5,804	6,302	354	4,732	2,028	3,314	579	152	878	183	24,326

first half 2012	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	1,518	1,388	54	795	126	462	46	59	87	23	4,558
in %	33	30	1	17	3	10	1	2	2	1	100
net sales by destination											
in € million	284	1,377	265	874	327	683	79	162	395	112	4,558
in %	6	30	6	19	7	15	2	4	9	2	100
total assets in € million*	3,613	2,556	109	3,554	347	1,187	90	134	310	66	11,966
workforce (headcount) at end of period*	6,007	6,305	438	4,724	978	3,449	541	146	746	164	23,498

*year-end 2012

Notes to the financial statements

- Accounting policies and presentation

The consolidated financial statements of DSM for the year ended 31 December 2012 were prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of the balance sheet date. These accounting policies are applied in the current interim financial statements except for the implementation of IAS 19R 'Employee Benefits' that came into effect from 1 January 2013 and is explained below. Furthermore, the presentation of the Condensed Consolidated Statement of Comprehensive Income has been updated to reflect relevant changes in IAS 1 'Presentation of Financial Statements'.

These interim statements are in compliance with IAS 34 'Interim Financial Reporting' and need to be read in conjunction with the Integrated Annual Report 2012 and the discussion by the Managing Board earlier in this interim report. Neither pensions and similar obligations nor plan assets are subject to interim revaluation.

- Audit

These interim financial statements have not been audited.

- Scope of the consolidation

On 5 April 2013 DSM completed the acquisition of Tortuga, a privately held Brazilian company. Tortuga is a leading company in nutritional supplements with a focus on pasture raised beef and dairy cattle. The company is headquartered in São Paulo, Brazil with approximately 1,200 employees. From the acquisition date onwards, the financial statements of Tortuga have been consolidated by DSM and reported in the segment Nutrition. In accordance with IFRS 3 the purchase price of Tortuga needs to be allocated to identifiable assets and liabilities acquired. This so-called purchase price allocation is currently ongoing. The results of the purchase price allocation are not yet available and therefore the original book values of assets and liabilities of Tortuga have been used in consolidation with the remainder of the purchase price being allocated to goodwill.

The impact of the acquisition of Tortuga 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.

Acquisition of Tortuga *in € million*	Book value
intangible assets	1
property, plant and equipment	80
other non-current assets	8
inventories	33
receivables	91
cash and cash equivalents	2
total assets	**215**
non-current liabilities	28
current liabilities	48
total liabilities	**76**
net assets at book value	**139**
total consideration	411
preliminary goodwill	**272**

The acquisition of Tortuga contributed €98 million to net sales and €18 million to EBITDA in the second quarter.

On 18 December 2012 DSM obtained control of Fortitech, Inc. From that date onwards the financial statements of Fortitech have been consolidated by DSM and reported in the segment Nutrition. In accordance with IFRS 3 the purchase price of Fortitech needs to be allocated to identifiable assets and liabilities acquired. This so-called purchase price allocation is currently ongoing and the information provided below is based on preliminary outcomes.

The impact of the acquisition of Fortitech on DSM's consolidated balance sheet, at the date of acquisition, is shown in the following table. This information may change when the purchase price allocation is finalized.

Fortitech *in € million*	Book value	Fair value
intangible assets	1	202
property, plant and equipment	53	59
other non-current assets	4	0
inventories	38	41
receivables	29	29
cash and cash equivalents	8	8
total assets	**133**	**339**
non-current liabilities	5	78
current liabilities	46	34
total liabilities	**51**	**112**
net assets	**82**	**227**
total consideration		486
preliminary goodwill		**259**

The acquisition of Fortitech contributed €101 million to net sales and €20 million to EBITDA in the first half of 2013.

In the first quarter of 2013 DSM completed the sale of its participation in DEX Plastomers V.o.F. and of certain parts of Euroresins, classified as Assets and liabilities held for sale at 31 December 2012.

- Employee benefits (pensions)

From 1 January 2013 onwards DSM applies the revised IAS 19 ‘Employee Benefits’. This has resulted in a changed presentation for pension costs and in a different approach to measurement. The expected return on pension assets is no longer used for the determination of annual pension costs. Instead, interest costs or benefits are calculated on the net balance of pension assets and liabilities. Furthermore, return on plan assets and interest costs on defined benefit obligations, which used to be reported in EBITDA, are reported in financial income and expense from 1 January 2013 onwards. The impact of these changes is not sufficiently material to warrant restatement of prior year financial statements.

- Related party transactions

Transactions with related parties are conducted at arm's length conditions. In the first half of 2013 these transactions were not material to DSM as a whole.

- Risks

DSM has a risk management system in place. A description of the system and an overview of potentially important risks for DSM are provided in the Integrated Annual Report 2012 and in the governance section on www.dsm.com. DSM has reviewed the developments and incidents in the first half of 2013 and assessed the risks for the year. On this basis DSM has concluded that the most important risks and responses as reported in the Integrated Annual Report 2012 are still applicable.

- 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.

- Dividends and equity

On 29 May the final dividend of €1.02 per share for the year 2012 was paid to holders of ordinary shares and a dividend of €0.15 per share was paid to holders of cumulative preference shares A. The total distribution to shareholders, amounting to €181 million of which €72 million was paid as stock dividend, was recorded against retained earnings. In addition to the final dividend for 2012, the interim dividend for 2013 of €0.50 per ordinary share and €0.077 per cumulative preference share was recognized in the second quarter of 2013. This distribution to shareholders amounts to €90 million.

In the first half of 2013 4.2 million shares were issued in connection with stock dividend, the exercise of options and delivery of performance shares.

Statement of the Managing Board

The half-yearly financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of DSM and its consolidated companies, and the half-yearly report gives a true and fair view of DSM's position as at the balance sheet date, the development during the period of DSM and its group companies included in the half-yearly financial statements, together with the expected developments.

Heerlen, 6 August 2013

The Managing Board

Feike Sijbesma, CEO/Chairman
Rolf-Dieter Schwalb, CFO
Stefan Doboczky
Nico Gerardu
Stephan Tanda

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. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM's 23,500 employees deliver annual net sales of around €9 billion. The company is listed on NYSE Euronext. More information can be found at www.dsm.com.

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Forward-looking statements
This press release 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 press release, unless required by law.