

Press Release

Heerlen (NL), 3 November 2015.

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DSM reports Q3 2015 results

- Sales up 8%, driven by 7% organic growth in Nutrition and foreign exchange
- Solid volume growth in Human Nutrition; very strong volume growth in Animal Nutrition
- Nutrition EBITDA: negative impact of vitamin E and Swiss franc largely offset
- Performance Materials EBITDA: improved on lower input costs and cost savings despite soft sales
- Strong operating cash flow of €300 million
- 2015 outlook maintained

third quarter			in €m	volume	price / mix	exch. rates	other
2015	2014	yoy					
Group							
1,945	1,794	8%	Sales	2%	-1%	6%	1%
287	281	2%	EBITDA				
Nutrition							
1,253	1,091	15%	Sales	6%	1%	6%	2%
213	225	-5%	EBITDA				
PM							
631	638	-1%	Sales	-3%	-5%	7%	0%
102	87	17%	EBITDA				

Commenting on the results, Feike Sijbesma, CEO/Chairman of the DSM Managing Board, said:
“DSM continued to make good progress in Q3 in both EBITDA and cash generation. These results demonstrate the benefits of our focus on improving our operational performance. We are starting to implement the previously announced €125-150 million cost reduction program for the DSM-wide support functions. Tomorrow at our Capital Markets Day, we will announce our strategy and targets for the coming years, as well as an additional efficiency and cost reduction program in Nutrition.”

It is increasingly difficult to predict macro-economic developments. Assuming no major changes in current market conditions for the remainder of this year, we maintain our full year outlook to deliver an EBITDA in 2015 ahead of 2014, the increase mainly driven by positive foreign exchange effects.”

Sales, EBITDA, operating working capital and cash flow refer to continuing operations.

Key figures

third quarter			in € million	exch.			
2015	2014	+/-		volume	price/mix	rates	other
			Net sales				
1,253	1,091	15%	Nutrition	6%	1%	6%	2%
631	638	-1%	Performance Materials	-3%	-5%	7%	
42	40	5%	Innovation Center	-5%	-1%	11%	
19	25		Corporate Activities				
1,945	1,794	8%	Total continuing operations	2%	-1%	6%	1%
157	529		Discontinued operations				
third quarter			in € million	January - September			
2015	2014	+/-		2015	2014	+/-	
			EBITDA				
213	225	-5%	Nutrition	616	650	-5%	
102	87	17%	Performance Materials	294	243	21%	
0	-4		Innovation Center	-8	-15		
-28	-27		Corporate Activities	-88	-94		
287	281	2%	Total continuing operations	814	784	4%	
3	34		Discontinued operations	94	94		
123	132	-7%	Core net profit (continuing operations)	340	360	-6%	
106	113	-6%	Net profit before exceptional items, continuing operations	285	312	-9%	
36	93	-61%	Net profit after exceptional items, total DSM	65	252	-74%	
0.70	0.76	-8%	Core EPS (€/share)	1.95	2.08	-6%	
0.59	0.64	-8%	Net EPS before exceptional items, continuing operations (€/share)	1.61	1.78	-10%	
0.19	0.51	-63%	Net EPS after exceptional items, total DSM (€/share)	0.33	1.41	-77%	
300	252		Cash flow from continuing operations	487	387		
113	87		Capital expenditures continuing operations (cash, net of customer funding)	321	269		
			Net debt	2,395	2,420 *		
			* year-end 2014				

In this report:

- 'Organic sales growth' is the total impact of volume and price/mix;
- 'Discontinued operations' comprises net sales and operating profit (before depreciation and amortization) of DSM Pharmaceutical Products up to and including 10 March 2014 as well as DSM Fibre Intermediates and DSM Composite Resins up to and including 31 July 2015;
- 'Core net profit' is the net profit from continuing operations before exceptional items and before acquisition related (intangible) asset amortization.

Review by cluster

Nutrition

third quarter			January - September		
2015	2014	yoy	2015	2014	yoy
1,253	1,091	15%	3,699	3,211	15%
		Net sales			
		of which:			
		6% - volume growth			5%
		1% - price/mix effect			0%
		6% - fx impact			9%
		2% - other			1%
213	225	-5%	616	650	-5%
17.0%	20.6%	EBITDA	16.7%	20.2%	
146	163	-10%	412	471	-13%
		EBIT			
		Capital employed	5,247	5,034 *	

*year-end 2014

Q3 sales increased 15%, driven by very strong volume growth in Animal Nutrition & Health and solid volume developments in Human Nutrition & Health. As a result of higher prices for some vitamins and other, partly in-sourced, ingredients, the price/mix-effect was slightly positive despite lower vitamin E prices.

Q3 EBITDA was 5% lower at €213 million versus Q3 2014. Good volume growth and overall positive foreign exchange rates largely offset the negative impact of lower vitamin E prices (of more than €30 million). Positive foreign exchange rates effects mainly associated with the US dollar were partly offset by the negative impact of the Swiss franc, the Brazilian real and the Chinese renminbi. The weakening of the Brazilian real, to which DSM is exposed mainly via its Tortuga business, had a negative EBITDA impact of ~€5 million.

Animal Nutrition & Health

third quarter			Sales in € million	price /		exch.	
2015	2014	yoy		volume	mix	rates	other
593	527	13%		10%	2%	1%	

Volume: Q3 showed very strong volume growth driven by the premix activities and specialty products in Europe and Latin America. Although underlying business conditions in the global animal feed markets are expected to remain favorable, going forward DSM will face tougher comparative figures for organic growth as from Q4 2014.

Price: As in the first half of this year, the price development compared to Q3 2014 was a combination of significantly lower vitamin E prices and higher prices for a range of other products. Since a substantial part of these other products are in-sourced, these increased prices only have limited benefit at EBITDA level.

Human Nutrition & Health

third quarter			Sales in € million	price /		exch.	
2015	2014	yoy		volume	mix	rates	other
464	406	14%		3%	-1%	12%	

Volume: DSM delivered solid volume growth in spite of the continued soft environment in several key market segments. The dietary supplements businesses continued to show good growth in Europe and Asia and an ongoing mixed picture in the US where sales of fish oil and (multi) vitamin based supplements declined in Q3. I-Health, DSM's B2C business, continued to deliver double-digit growth. Conditions in the Food & beverage segment are unchanged with good sales development in Europe and Asia and ongoing weak sales in North and South America. Markets for Infant Nutrition are stable, although DSM's sales were relatively weak in Q3 due to timing of orders.

Price: Prices were slightly lower versus Q3 2014 mainly as a result of lower vitamin E prices and some mix effects.

Food Specialties

Q3 showed good volume growth in Enzymes and Cultures. Also the yeast extract-based savory business is performing increasingly well.

Performance Materials

third quarter			January - September		
2015	2014	yoy <i>In € million</i>	2015	2014	yoy
631	638	-1% Net sales	1,927	1,842	5%
		of which:			
		-3% - volume growth			1%
		-5% - price/mix effect			-4%
		7% - fx impact			8%
		0% - other			0%
102	87	17% EBITDA	294	243	21%
16.2%	13.6%	EBITDA margin	15.3%	13.2%	
69	55	25% EBIT	196	153	28%
		Capital employed	1,833	1,744 *	

*year-end 2014

Sales in Q3 decreased by 1% compared to Q3 2014 as a result of overall soft volumes, although strong in specialties, and lower prices reflecting lower input costs.

In DSM Engineering Plastics volumes were slightly down. PA6 polymers sales were weak, amplified by restricted product availability due to temporary production issues. Compounds and specialty products showed good volume growth.

In DSM Resins and Functional Materials volumes declined due to weak demand. Lower prices reflected lower input costs and a less favorable mix. The market environment for the UV curable coating resins business of DSM AGI in Asia remained difficult.

DSM Dyneema delivered modest organic growth versus Q3 2014 mainly due to timing of orders in comparison with Q3 2014.

EBITDA in Performance Materials for the quarter increased by 17% versus Q3 2014. On a structural base, good margin management and efficiency & cost savings programs over recent years contributed positively. The increase in EBITDA was, however, also enhanced by positive foreign exchange effects as well as temporarily strong margin improvements due to low input costs.

EBITDA of DSM Engineering Plastics was substantially up due to higher margins and lower costs.

EBITDA of DSM Resins and Functional Materials was materially up due to continued good margins and lower costs.

DSM Dyneema showed solid EBITDA growth.

Innovation Center

third quarter			January - September		
2015	2014	yoy In € million	2015	2014	yoy
42	40	5% Net sales	115	112	3%
		of which:			
		-5% - volume growth			-9%
		-1% - price/mix effect			-1%
		11% - fx impact			13%
		0% - other			0%
0	-4	EBITDA	-8	-15	
-7	-10	EBIT	-29	-36	
		Capital employed	563	523 *	

*year-end 2014

Sales: DSM Biomedical continues to operate in a challenging US market.

EBITDA in Q3 improved compared to Q3 2014 driven by a stronger focus in the innovation activities, cost savings and positive currency developments.

Corporate Activities

third quarter		January - September	
2015	2014 In € million	2015	2014
19	25	55	75
-28	-27	-88	-94
-38	-39	-121	-129

EBITDA in Q3 2015 was in line with the average quarterly run-rate as well as Q3 2014.

Key joint ventures and associates

third quarter			Sales in €m	January - September		
2015	2014	yoy	based on 100%	2015	2014	yoy
103	99	4%	<u>DSM Sinochem</u>	332	305	9%
			EBITDA margin approx.	13%		
455	384	18%	<u>DPx Holdings*</u>	1,335	601	n.a.
			EBITDA margin approx.	20%		
365	n.a.	n.a.	<u>ChemicalInvest**</u>	365	n.a.	n.a.
			EBITDA margin approx.	3%		

* DPx respective periods are: for the third quarter from 1 May - 31 July, for year-to-date 2015 from 1 Nov 2014 - 31 July 2015 and for year-to-date 2014 from 11 March 2014 - 31 July 2014.

** ChemicalInvest figures refer to the period from 1 August - 30 September.

DSM Sinochem Pharmaceuticals (50% DSM) showed a solid financial performance in Q3 supported by favorable exchange rate effects.

DPx holdings (49% DSM): DPx showed a solid performance. Margin was in line with previous quarters. On 8 June 2015 DPx, to be renamed Patheon, has filed a registration statement on Form S-1 with the United States Securities and Exchange Commission relating to the proposed initial public offering of its common stock. The timing of the offering as well as the number of shares to be offered and the price range for the offering have not yet been determined.

ChemicalInvest (35% DSM): Sales in Q3 were lower than last year, with lower caprolactam sales coming from a loss in production following an outage in China and low feedstock costs.

Discontinued operations

third quarter		January - September	
2015	2014 <i>In € million</i>	2015	2014
157	529	1,213	1,669
3	34	94	94
3	14	76	33

Polymer Intermediates and Composite Resins

Discontinued operations comprises net sales and operating profit of DSM Fibre Intermediates and DSM Composite Resins up to and including 31 July 2015. From that date onwards their activities have been transferred to ChemicalInvest.

Financial overview

Exceptional items

Exceptional items in the third quarter included non-cash impairment charges of €25 million related to the obsolescence of certain IT assets as a consequence of outsourcing and equipment no longer being used. A charge of €15 million was recognized for the devaluation of financial assets in Venezuela. Restructuring costs and related expenses amounted to €36 million, whilst acquisition related costs and other items were €12 million. Due to these charges a tax benefit of €23 million could be recognized resulting in a total after tax impact of €65 million. Associates reported exceptional items of €6 million after tax.

Net profit

Financial income and expense in Q3 2015 amounted to -€28 million compared to -€26 million in Q3 2014.

The effective tax rate in Q3 2015 remained 18%, equal to the full year 2014.

Net profit from continuing operations, before exceptional items in Q3 2015 amounted to €106 million compared to €113 million in Q3 2014.

Net earnings per ordinary share (continuing operations, before exceptional items) amounted to €0.59 in Q3 2015 compared to €0.64 in Q3 2014.

Cash flow, capital expenditure and financing

Cash provided by operating activities from continuing operations in Q3 2015 was €300 million (Q3 2014: €252 million).

Operating working capital (continuing operations) expressed as a percentage of annualized sales amounted to 24.9% compared to 26.3% at year-end 2014, in line with DSM's ambition to further reduce operating working capital. In Nutrition, operating working capital as a percentage of annualized sales declined from 34% at year-end 2014 to 32%. The operating working capital in absolute terms increased by €32 million from €1,903 million at year-end of 2014 to €1,935 million at the end of Q3 2015.

Cash used for *capital expenditure net of customer funding (continuing operations)* amounted to €113 million in Q3 2015 compared to €87 million in Q3 2014.

Net debt decreased by €468 million compared to Q2 2015, reflecting the good operating cash flow and a positive development in mark-to-market value of financial derivatives held as well as the proceeds from the sale of the Polymer Intermediates and Composite Resins activities of €282 million.

Outlook 2015

The volatility in currencies, including the strengthening of the Swiss franc and the US dollar against the Euro, and the recent weakening of the Brazilian real will have a mixed effect on DSM's 2015 results compared to 2014. Based on current exchange rates and the 2015 hedge effects, an overall annual positive impact on 2015 EBITDA is estimated at approximately €35 million.

The negative price impact of vitamin E on DSM's 2015 EBITDA is estimated to be approximately €100 million compared to 2014.

It is increasingly difficult to predict the macro-economic developments. Assuming current market conditions will continue for the remainder of the year, DSM maintains its full year outlook: DSM aims to deliver an EBITDA in 2015 ahead of 2014, the increase mainly driven by positive foreign exchange effects.

Additional information

Today DSM will hold a conference call for investors and analysts from 09.00 to 9.45 CET. Details on how to access this call can be found on the DSM website, www.dsm.com.

Tomorrow, 4 November 2015, DSM will issue a press release at 7.15 CET on the information to be discussed at tomorrow's Capital Markets Day, where DSM will update the markets on DSM's strategy and targets. DSM will organize a conference call for the media tomorrow on both the Q3 results and the highlights of the Capital Markets Day from 09.00 AM to 09.30 AM CET. Details on how to access this call can be found on the DSM website, www.dsm.com. The DSM Capital Markets Day can be followed live via Video webcast from 13.30-19.00 hrs (CET). The presentations can be found on www.dsm.com as from 13.30 hrs (CET).

Important dates

Capital Markets Day	Wednesday, 4 November 2015
Full year results 2015	Wednesday, 17 February 2016
Report for the first quarter of 2016	Tuesday, 26 April 2016
Annual General Meeting of Shareholders 2016	Friday, 29 April 2016
Report for the second quarter of 2016	Tuesday, 2 August 2016
Report for the third quarter of 2016	Thursday, 3 November 2016

Condensed consolidated statement of income for the third quarter

third quarter 2015			<i>in € million</i>			third quarter 2014		
before excep- tional items	excep- tional items	total		before excep- tional items	excep- tional items	total		
2,102	0	2,102	net sales	2,323	0	2,323		
287	-41	246	EBITDA from continuing operations	281	-8	273		
3	-6	-3	EBITDA from discontinued operations	34	1	35		
290	-47	243	EBITDA	315	-7	308		
173	-73	100	operating profit (EBIT)	183	-7	176		
3	-7	-4	operating profit from discontinued operations	14	1	15		
170	-66	104	operating profit from continuing operations	169	-8	161		
-28	-15	-43	net finance costs	-26	0	-26		
142	-81	61	profit before income tax	143	-8	135		
-25	16	-9	income tax	-26	1	-25		
-11	-6	-17	share of the profit of associates / Joint Control entities	-4	-24	-28		
106	-71	35	net profit from continuing operations	113	-31	82		
-2	0	-2	net profit from discontinued operations	8	1	9		
104	-71	33	profit for the period	121	-30	91		
0	0	0	non-controlling interests continuing operations	1	0	1		
3	0	3	non-controlling interests discontinued operations	1	0	1		
107	-71	36	net profit attributable to equity holders of DSM	123	-30	93		
-3	0	-3	dividend on cumulative preference shares	-3	0	-3		
104	-71	33	net profit used for calculating earnings per share	120	-30	90		
			net earnings per ordinary share in €:					
0.60	-0.41	0.19	- net earnings, total DSM	0.69	-0.18	0.51		
0.59	-0.40	0.19	- net earnings, continuing operations	0.64	-0.18	0.46		
0.70			- core earnings per share	0.76				
			174.5 average number of ordinary shares (x million)			172.8		
			174.9 number of ordinary shares, end of period (x million)			173.4		
117	26	143	depreciation and amortization	132	0	132		
		119	capital expenditure			155		
		-34	acquisitions			0		
		20,902	workforce (headcount) at end of period, continuing operations			19,027 *		
		4,232	of which in the Netherlands			4,372 *		

* Year-end 2014

This quarterly report has not been audited.

Condensed consolidated statement of income January - September

January - September 2015 <i>in € million</i>			January - September 2014		
before excep- tional items	excep- tional items	total	before excep- tional items	excep- tional items	total
7,009	0	7,009	6,909	0	6,909
		net sales			
814	-88	726	784	-58	726
94	-10	84	94	22	116
908	-98	810	878	-36	842
		EBITDA			
534	-280	254	492	-36	456
76	-148	-72	33	22	55
		operating profit (EBIT)			
458	-132	326	459	-58	401
-115	-15	-130	-77	-7	-84
		operating profit from discontinued operations			
		net finance costs			
343	-147	196	382	-65	317
-62	34	-28	-69	9	-60
		profit before income tax			
		income tax			
4	-22	-18	-1	-49	-50
		share of the profit of associates / Joint Control entities			
285	-135	150	312	-105	207
41	-128	-87	16	23	39
		net profit from continuing operations			
		net profit from discontinued operations			
326	-263	63	328	-82	246
		profit for the period			
3	0	3	3	0	3
		non-controlling interests continuing operations			
-1	0	-1	3	0	3
		non-controlling interests discontinued operations			
328	-263	65	334	-82	252
		net profit attributable to equity holders of DSM			
-8	0	-8	-8	0	-8
		dividend on cumulative preference shares			
320	-263	57	326	-82	244
		net profit used for calculating earnings per share			
		net earnings per ordinary share in €:			
1.84	-1.51	0.33	1.89	-0.48	1.41
		- net earnings, total DSM			
1.61	-0.77	0.84	1.78	-0.61	1.17
		- net earnings, continuing operations			
1.95			2.08		
		- core earnings per share			
		174.2 average number of ordinary shares (x million)			172.3
		174.9 number of ordinary shares, end of period (x million)			173.4
374	182	556	386	0	386
		depreciation and amortization			
		383			378
		capital expenditure			
		106			0
		acquisitions			
		20,902			19,027 *
		workforce (headcount) at end of period, continuing operations			
		4,232			4,372 *
		of which in the Netherlands			

* Year-end 2014

This quarterly report has not been audited.

Consolidated balance sheet: assets

<i>in € million</i>	30 September 2015	year-end 2014
intangible assets	3,228	2,867
property, plant and equipment	3,094	3,673
deferred tax assets	410	427
associates and joint ventures	771	762
other financial assets	213	130
non-current assets	7,716	7,859
inventories	1,631	1,739
trade receivables	1,418	1,570
other receivables	215	199
financial derivatives	57	47
current investments	8	6
cash and cash equivalents	1,314	669
	4,643	4,230
assets held for sale	-	37
current assets	4,643	4,267
total assets	12,359	12,126

Consolidated balance sheet: equity and liabilities

<i>in € million</i>	30 September 2015	year-end 2014
shareholders' equity	5,462	5,723
non-controlling interest	91	213
equity	5,553	5,936
deferred tax liabilities	351	365
employee benefits liabilities	431	479
provisions	118	105
borrowings	2,556	1,637
other non-current liabilities	239	81
non-current liabilities	3,695	2,667
employee benefits liabilities	46	45
provisions	26	42
borrowings	869	1,143
financial derivatives	349	362
trade payables	1,114	1,361
other current liabilities	707	554
	3,111	3,507
liabilities held for sale	-	16
current liabilities	3,111	3,523
total equity and liabilities	12,359	12,126
capital employed*	7,558	8,105
equity / total assets*	45%	49%
net debt*	2,395	2,420
operating working capital, continuing operations*	1,935	1,903
OWC / net sales, continuing operations	24.9%	26.3%

* Before reclassification to held for sale

Condensed consolidated cash flow statement

<i>in € million</i>	January - September	
	2015	2014
cash, cash equivalents and current investments at beginning of period	675	789
current investments at beginning of period	6	19
cash and cash equivalents at beginning of period	669	770
<i>operating activities:</i>		
- earnings before interest, tax, depreciation and amortization	908	878
- change in working capital	-149	-366
- income tax	-63	-55
- other	-314	-67
cash provided by operating activities	382	390
- of which provided by continuing operations	487	387
<i>investing activities:</i>		
- capital expenditure	-396	-406
- acquisitions	-84	-3
- disposal of subsidiaries and businesses	283	81
- disposal of other non-current assets	9	8
- change in fixed-term deposits	-2	4
- interest received	23	17
- other	130	-61
cash used in investing activities	-37	-360
- dividend	-173	-175
- interest paid	-184 *	-139 *
- repurchase of shares	-122	-189
- proceeds from re-issued shares	38	21
- change in commercial paper	-280	250
- other cash from/used in financing activities	1,017	-31
cash used in financing activities	296	-263
changes exchange differences	4	20
cash and cash equivalents end of period	1,314	557
current investments end of period	8	15
cash, cash equivalents and current investments end of period	1,322	572

*Impacted by -€129 million (in 2015) and -€77 million (in 2014) due to the settlement of the interest rate pre-hedge of the €500 million bond.

Condensed consolidated statement of comprehensive income

<i>in € million</i>	January-September	
	2015	2014
items that will not be reclassified to profit or loss		
remeasurements of defined benefit pension plans	3	5
exchange differences on translation of foreign operations related to the non-controlling interest	17	13
items that may subsequently be reclassified to profit or loss		
exchange differences on translation of foreign operations	-96	209
change in fair value reserve	4	5
change in hedging reserve	-7	-66
other comprehensive income, before tax	-79	166
income tax expense	-5	14
other comprehensive income, net of tax	-84	180
profit for the period	63	246
total comprehensive income	-21	426

Condensed consolidated statement of changes in equity

<i>in € million</i>	January-September	
	2015	2014
Total equity at beginning of period	5,936	6,096
changes:		
total comprehensive income	-21	426
dividend	-309	-307
repurchase of shares	-122	-189
proceeds from reissue of ordinary shares	175	155
other changes	-106	41
total equity end of period	5,553	6,222

Geographical information (continuing operations)

	The Netherlands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the world	Total
January - September 2015											
net sales by origin											
in € million	1,478	1,586	110	1,120	524	612	58	53	202	53	5,796
in %	26	27	2	19	9	11	1	1	3	1	100
net sales by destination											
in € million	211	1,404	342	1,345	786	687	121	158	553	189	5,796
in %	4	24	6	23	14	12	2	3	9	3	100
total assets (total DSM) in € million	4,489	2,115	117	3,389	732	871	83	95	381	87	12,359
workforce (headcount)											
at end of period	4,232	4,714	422	3,172	2,024	4,552	518	148	862	258	20,902
January - September 2014											
net sales by origin											
in € million	1,506	1,549	93	861	458	451	39	51	173	59	5,240
in %	29	29	2	16	9	9	1	1	3	1	100
net sales by destination											
in € million	231	1,384	322	1,145	702	599	97	151	452	157	5,240
in %	4	27	6	22	13	11	2	3	9	3	100
total assets (total DSM) in € million*	3,709	2,110	113	3,323	820	1,458	70	88	359	76	12,126
workforce (headcount)											
at end of period*	4,372	4,697	404	3,299	1,891	2,639	478	141	866	240	19,027

*year-end 2014

Notes to the interim financial statements

- Accounting policies and presentation

The consolidated financial statements of DSM for the year ended 31 December 2014 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 that are in compliance with IAS 34 'Interim Financial Reporting' and need to be read in conjunction with the Integrated Annual Report 2014 and the discussion by the Managing Board earlier in this interim report.

- Audit

These interim financial statements have not been audited.

- Related party transactions

Transactions with related parties are conducted at arm's length conditions.

- Risks

DSM has a risk management system in place. A description of the system and an overview of potentially important risks for DSM is provided in the Integrated Annual Report 2014 and in the governance section on www.dsm.com. DSM has reviewed the developments and incidents in the first half of 2015 and assessed the risks for the year. On that basis DSM has concluded that the most important risks and responses reported in the Integrated Annual Report 2014 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.

- Scope of the consolidation

In the first quarter of 2015 the acquisition of Aland was finalized. The acquisition of the Hong-Kong based company producing Vitamin-C in mainland China was already announced on 11 July 2014 and closed on 31 March 2015. Aland was founded in 1990 and is one of the leading Vitamin C manufacturers in China. It has a production facility in Jingjiang, Jiangsu Province in China. In 2014 the company realized net sales of about USD 110 million in vitamin C with around 1,800 employees. The transaction excludes Aland's consumer health activities. From 31 March onwards the financial statements of Aland are consolidated by DSM and reported in the segment Nutrition. In accordance with IFRS 3 the purchase price of Aland needs to be allocated to identifiable assets and liabilities acquired. The provisional results of the purchase price allocation have been processed and therefore the fair values of assets and liabilities of Aland at the acquisition date were used in consolidation with the remainder of the purchase price being allocated to goodwill.

The impact of the acquisition of Aland 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. Aland contributed €42 million to net sales and €6 million to EBITDA from the acquisition date onwards.

Acquisition of Aland	fair value
<i>in € million</i>	
intangible assets	16
property, plant & equipment	64
inventories	16
receivables	10
cash and cash equivalents	4
total assets	110
non-current liabilities	7
current liabilities	24
total liabilities	31
net assets at book value	79
total consideration	91
preliminary goodwill	12

On 13 May 2015 DSM Dyneema finalized the acquisition of Cubic Tech Corporation. This privately owned company based in Mesa (Arizona, USA) is focused on high-end solutions in applications as diverse as racing yacht sails, equipment and apparel for sportswear, outdoor and future soldier programs as well as emergency medical equipment. From the acquisition date onwards the financial statements of Cubic Tech have been consolidated by DSM and reported in the segment Performance Materials. The acquisition is not sufficiently material to warrant the individual disclosure requirements of IFRS 3.

On 31 July 2015 DSM and CVC Capital Partners (CVC) completed the formation of the partnership for DSM's activities in Polymer Intermediates (caprolactam and acrylonitrile) and Composite Resins (those remaining after the disposal of Euroresins and DSM Synres), called ChemicalInvest. The DSM activities were transferred to the new privately held company in which DSM holds a 35% share. CVC owns 65% of ChemicalInvest and has control. From March onwards the activities were classified as held for sale and presented as discontinued operations. After 31 July 2015 DSM's 35% investment in ChemicalInvest is reported as an associate and accounted for in accordance with the equity method. The result on the transfer of these activities to ChemicalInvest amounted to a book loss of €130 million after tax. The expected book loss was recognized in Q1 when the activities were classified as held for sale and the final result on the transaction is recognized in Q3.

Result on contribution of Polymer Intermediates and Composite Resins to ChemicalInvest:

<i>in € million</i>	after impairment	
intangible assets	15	
property, plant & equipment	681	
other non-current assets	114	
inventories	200	
receivables	472	
total assets		1,482
provisions	33	
non-current liabilities	907	
current liabilities	353	
total liabilities		1,293
net assets		189
non-controlling interest		-126
net assets DSM shareholders		63
fair value less cost to sell		-10
		-73
release hedging reserve		0
release translation reserve		59
impairment per Q1 2015		-14
income tax		14
net impact on profit/loss for the year		0

Prior to disposal and held for sale classification, DSM Polymer Intermediates was a separate reporting segment (which ceased to exist), while the Composite Resins business was reported in the Performance Materials segment. ChemicalInvest also became 65% shareholder in Sitech Services, the on-site service provider at the Chemelot site in Sittard-Geleen (Netherlands), as a result of the transfer of DSM's caprolactam and acrylonitrile activities to ChemicalInvest. Sitech Services was previously reported in the Segment Corporate Activities. Pro-forma third-party sales of ChemicalInvest in 2014 amounted to €2.1 billion with EBITDA of €106 million, excluding non-controlling interests. ChemicalInvest will continue to supply at least 80% of DSM Engineering Plastics' caprolactam needs in Europe and North America for the coming 15 years via a drawing rights contract. In China, DSM Engineering Plastics will continue to be supplied by ChemicalInvest as today.

- Dividends and equity

On 27 May the final dividend of €1.10 per share for the year 2014 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 €198 million, of which €94 million was paid as stock dividend, was recorded against retained earnings. In addition to the final dividend for 2014, on 25 August 2015 the interim dividend of €0.55 per ordinary share for 2015 was paid to holders of ordinary shares and a dividend of €0.08 per share was paid to holders of cumulative preference shares A. This distribution to shareholders amounts to €99 million (€42 million was paid as stock dividend and the remainder in cash).

In the first nine months of 2015 3.7 million shares were issued in connection with stock dividend, the exercise of options and delivery of performance shares. 2.3 million shares were repurchased in the same period.

Heerlen, 3 November 2015

The Managing Board

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

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Royal DSM is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders simultaneously. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM and its associated companies deliver annual net sales of about €10 billion with approximately 25,000 employees. The company is listed on Euronext Amsterdam. More information can be found at www.dsm.com.

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Forward-looking statements

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