

# DSM Press Release

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## **DSM achieves record sales and operating profit in 2006, ahead of Vision 2010 objectives**

- Operating profit for 2006 EUR 835 million, 6% higher than in 2005.
- Net profit EUR 547 million, up 4% from 2005.
- Solid volume growth (5%), especially in Performance Materials (9%).
- Proposed dividend EUR 1.00 per ordinary share.
- Outlook: Operating profit in 2007 expected to be lower than in 2006, but on track with Vision 2010.

fourth quarter		in EUR million		full year		
2006	2005	+/-		2006	2005	+/-
<b>Continuing operations:</b>						
2,067	2,057	0%	<u>Net sales</u>	8,352	7,816	7%
300	312	-4%	Operating profit plus depreciation and amortization (EBITDA)	1,275	1,278	-0%
186	180	3%	<u>Operating profit (EBIT)</u>	835	787	6%
66	72	-8%	- Nutrition	314	329	-5%
24	16	50%	- Pharma	65	41	59%
71	73	-3%	- Performance Materials	329	305	8%
49	30	63%	- Industrial Chemicals	196	165	19%
-24	-11		- Other activities	-69	-53	
<b>Discontinued/discontinuing operations:</b>						
9	36		Net sales	28	379	
0	4		Operating profit plus depreciation and amortization (EBITDA)	-1	33	
0	3		Operating profit (EBIT)	-1	21	
<b>Total DSM:</b>						
2,076	2,093	-1%	<u>Net sales</u>	8,380	8,195	2%
186	183	2%	<u>Operating profit (EBIT)</u>	834	808	3%
119	138	-14%	<u>Net profit before exceptional items</u>	551	563	-2%
-30	-26		Net result from exceptional items	-4	-36	
89	112	-21%	<u>Net profit</u>	547	527	4%
<b>Per ordinary share in EUR:</b>						
0.62	0.70	-11%	- basic earnings before exceptional items	2.85	2.87	-1%
0.46	0.57	-19%	- basic earnings	2.83	2.68	6%
186.5	191.0	-2%	Average number of ordinary shares outstanding (x million)	189.6	190.8	-1%

In this report:

- 'operating profit' (plus depreciation and amortization) is understood to be operating profit (plus depreciation and amortization) before exceptional items;
- 'net profit' is the net profit attributable to equity holders of Royal DSM N.V.;
- 'continuing operations' refers to the DSM operations excluding DSM Bakery Ingredients, the SBR business, DSM Minera and Holland Sweetener Company.

This report is based on the new clustering of activities introduced with effect from 2006. For the 2005 quarterly figures according to the new clustering of activities, see the Annex to the Report for the first quarter of 2006.

### **DSM achieves record sales and operating profit in 2006, ahead of Vision 2010 objectives**

#### **General**

The *Operating profit from continuing operations* for the **full year 2006** was EUR 835 million, up EUR 48 million (6%) from 2005. *Net profit* was EUR 547 million, up EUR 20 million (4%). The net profit included a negative contribution of EUR 4 million from exceptional items (EUR 36 million negative in 2005).

At EUR 186 million, the *Operating profit from continuing operations* for the **fourth quarter of 2006** was EUR 6 million (3%) higher than in Q4 2005. *Net profit* amounted to EUR 89 million, down 21% from the fourth quarter of 2005 (EUR 112 million).

Commenting on DSM's results, Peter Elverding, Chairman of the DSM Managing Board, said: *"In 2006 we made a flying start in implementing our strategy Vision 2010 – Building on Strengths. We have greatly increased our innovation efforts and have supported these efforts with selected acquisitions, which will put us in a good position for future growth. In 2006 we launched more than 25 new products and applications. We also started several investment projects, especially in performance materials, which will contribute to sales growth in the near future. We increased our presence in emerging economies; our sales, investments and workforces in these regions grew strongly, especially in China. We made important additional steps towards operational excellence and fixed costs increased only slightly. All this happened in a business context that was not unambiguously positive. Economic growth developed very satisfactorily, but raw-material and energy prices reached unprecedented levels and were highly volatile, while the US dollar remained weak. Nevertheless, we succeeded in posting a record operating profit for the second year in a row. This was mainly due to solid volume growth (5%) and the ongoing efforts to optimize our operations.*

*"As, in 2006 we were ahead of the targets that we had set ourselves in Vision 2010, the benchmark for 2007 will be quite challenging. In 2007 I expect continued good volume growth, but some attractive contracts related to the acquisition in 2003 of Roche's Vitamins division (now DSM Nutritional Products) will come to an end. Since the second part of 2006 we have faced intensified competition in some of the more mature parts of DSM Nutritional Products' portfolio. DSM as the market leader has deliberately chosen to defend and further strengthen its market position even at the expense of margins. It is most likely that this will temporarily have a stronger effect than the positive impact of the introduction of new innovative products. Last but not least, we have started the year 2007 with a US dollar exchange rate that is clearly below last year's average and with high natural gas prices. However, DSM remains committed to further increasing its innovation efforts and the associated expenditure. I expect that in 2007 we will stay on track in achieving our Vision 2010 targets, although, for the reasons I have just mentioned, I expect that the operating profit this year will be lower than in the record year 2006."*

## Vision 2010

DSM's new strategy program *Vision 2010 – Building on Strengths* focuses on accelerating the profitable and innovative growth of the company's specialties portfolio. The overall objective is strong value creation, to be accomplished via *three main levers*.

In *market-driven growth and innovation* DSM devoted significant additional resources to innovation. The additional spend in 2006 amounted to more than EUR 25 million. A considerable number of new products and new applications of existing products were introduced in the market. As part of its open innovation policy DSM acquired CRINA, a pioneering company in plant extracts used as feed additives, and acquired full ownership of LTP, a company with a technology platform based on formulated lipids. In venturing DSM stepped up its activities by making a total of five investments. In performance materials DSM invested in several projects, such as a second Stanyl<sup>®</sup> line, a tenth Dyneema<sup>®</sup> line, a second Stamylan<sup>®</sup> UH plant, a new waterborne coating resins line and a polyamide film grade plant in China.

DSM's *increased presence in emerging economies* is best illustrated by the 23% increase in DSM's sales in these countries. In China and India, a considerable number of investments were made in new production facilities, expansion or de-bottlenecking of existing plants, and cooperation with industrial or scientific partners.

In *Operational Excellence* the main focus is on Manufacturing Excellence (continuous improvement of the overall efficiency of DSM's production base), purchasing (EUR 100 million in purchasing savings in 2006) and restructuring measures in response to business circumstances (in 2006 at DSM Pharmaceutical Products, DSM Anti-Infectives and DSM Nutritional Products).

In parallel with *Vision 2010* DSM decided to start a share buy-back program amounting to EUR 750 million. This represents approximately 10% of the shares outstanding. In 2006, the first phase of this program was executed as planned for an amount of EUR 242 million. Through this program DSM is creating direct shareholder value.

## Net sales

fourth quarter		in EUR million	year	
2006	2005		2006	2005
584	608	Nutrition	2,407	2,399
230	273	Pharma	916	924
689	642	Performance Materials	2,753	2,447
476	444	Industrial Chemicals	1,872	1,687
88	90	Other activities	404	359
2,067	2,057	Total, continuing operations	8,352	7,816
9	36	Discontinued/discontinuing operations	28	379
2,076	2,093	<b>Total</b>	8,380	8,195

For the **full year** 2006, sales from continuing operations increased by 7%. Organic sales-volume growth amounted to 5% and selling prices were on average 2% higher. Exchange rates on balance had a negligible effect. The volume increase was particularly strong in the Performance Materials cluster with almost double-digit growth, while the Industrial Chemicals cluster succeeded in achieving good volume growth while at the same time passing on the increased feedstock and energy costs in selling prices.

Net sales from continuing operations in **the fourth quarter** of 2006 were slightly above Q4 2005. Organic volume growth was 2% and selling prices increased by 1%. Exchange-rate developments had a negative effect of 2% on DSM's net sales.

### Operating profit

The operating profit from continuing operations for **the full year** amounted to EUR 835 million, an increase of 6% (EUR 48 million) compared with the previous year. Higher sales volumes and higher selling prices more than compensated for the increased energy and raw-material costs and the increased innovation costs (more than EUR 25 million).

The operating profit from continuing operations for **the fourth quarter** amounted to EUR 186 million, up 3% from Q4 2005. The increase in sales volumes and margins was largely offset by higher fixed costs (mainly for innovation). Margins improved thanks to higher selling prices and lower raw-material costs. In Performance Materials, volume growth temporarily slowed down somewhat because of de-stocking by customers.

### Business review

#### Nutrition

fourth quarter		<i>in EUR million</i>	year	
2006	2005		2006	2005
589	627	Net sales including intra-group supplies	2,463	2,458
105	111	Operating profit plus depreciation and amortization	464	487
66	72	Operating profit	314	329

**Full-year** sales in this cluster were at the same level as last year. Higher organic sales volumes were offset by the negative effects of lower selling prices and exchange rates and the contractual phasing-out of the phytase tolling activities. All businesses in this cluster faced higher costs for energy and raw materials. Compared to 2005, both Animal Nutrition & Health and Human Nutrition & Health in DSM Nutritional Products achieved solid volume growth at lower prices. DSM Nutritional Products' operating profit decreased slightly because higher volumes did not fully compensate for higher innovation expenditure and negative price effects. DSM Food Specialties' sales and operating profit decreased due to the contractual phasing-out of the phytase tolling business. The losses at DSM Special Products were caused by lower margins due to the high toluene price.

**Fourth-quarter** sales were 6% lower than in Q4 2005. Higher sales volumes were offset by the full effect of the phytase phase-out, slightly lower selling prices and the negative effects of the USD exchange rate. The operating profit was lower than in Q4 2005 for the same reasons.

## Pharma

fourth quarter		<i>in EUR million</i>	year	
2006	2005		2006	2005
243	289	Net sales including intra-group supplies	967	988
44	50	Operating profit plus depreciation and amortization	146	143
24	16	Operating profit	65	41

**Full-year** sales were down 2%, due to the divestment by DSM Pharmaceutical Products of the South Haven site (USA) in September and other restructuring measures. Despite the slight decrease in sales, the operating profit for the cluster increased due to the effects of the ongoing restructuring and the related improvement of the product mix. At DSM Pharmaceutical Products, the DSM Pharma Chemicals business unit in particular showed a higher activity level. DSM Anti-Infectives' result improved compared to 2005 but remained negative, with selling prices on average slightly improving compared with 2005 and fixed costs being lower. Raw-material costs strongly increased. In the Pharma cluster DSM increased its innovation effort, specifically in the development of a platform for white biotech.

**Fourth-quarter** sales were 16% lower due to lower sales volumes, the effect of divestments and unfavorable exchange rates. However, the operating profit was higher as good production rates and lower fixed costs were only partly offset by lower sales volumes.

## Performance Materials

fourth quarter		<i>in EUR million</i>	year	
2006	2005		2006	2005
689	642	Net sales including intra-group supplies	2,759	2,459
97	101	Operating profit plus depreciation and amortization	429	410
71	73	Operating profit	329	305

**Full-year** sales were up 12% compared with 2005 due to clearly increased volumes and higher selling prices. The operating profit for the cluster increased. Higher volumes at all business groups were offset by higher fixed costs (higher activity level and increased innovation efforts) and lower margins at DSM Elastomers. The operating profits of DSM Engineering Plastics and DSM Dyneema were higher due to higher volumes and margins. DSM Resins' operating profit was higher due to higher sales volumes. DSM Elastomers' operating profit was clearly lower than in 2005 because of the margin squeeze resulting from strongly increased raw-material prices.

In the **fourth quarter** almost all business groups posted satisfactory sales, but the operating profit of the cluster decreased slightly compared with the fourth quarter of 2005. Some influence was being felt from de-stocking by customers. The operating profit of DSM Dyneema strongly increased due to higher sales volumes. DSM Engineering Plastics and DSM Elastomers showed lower results, because of unfavorable exchange rates and lower margins due to higher raw-material costs. DSM Resins' operating profit remained stable.

## Industrial Chemicals

fourth quarter		<i>In EUR million</i>	year	
2006	2005		2006	2005
544	503	Net sales including intra-group supplies	2,135	1,899
70	47	Operating profit plus depreciation and amortization	269	246
49	30	Operating profit	196	165

**Full-year** sales in this cluster were up 12% from 2005, due mainly to clearly increased sales volumes and higher selling prices. The strong increases in energy and raw-material prices could on balance be fully passed on to the market. DSM Fibre Intermediates' result increased thanks to substantially higher sales volumes. The positive effect of DSM Melamine's withdrawal from the AMEL joint venture was already visible, but due to the continuing price pressure and high raw-material costs the business group's operating profit was unsatisfactory. The operating profit recorded by DSM Agro was slightly below the 2005 level. DSM Energy's profit was higher because of higher prices for oil and gas.

**Fourth-quarter** sales were 8% higher than in the corresponding period of the previous year. Higher margins, because of lower raw-material costs compared with Q4 2005, led to a higher operating profit especially at DSM Fibre Intermediates. DSM Melamine posted a positive result.

## Other activities

fourth quarter		<i>In EUR million</i>	year	
2006	2005		2006	2005
93	93	Net sales including intra-group supplies	422	376
-16	3	Operating profit plus depreciation and amortization	-33	-8
-24	-11	Operating profit	-69	-53

**Full-year** operating profit was lower than in 2005. The structural increase in innovation efforts in the Emerging Business Areas is becoming visible in the operating result of Other activities. The captive insurance company posted a lower result due to higher damages.

The decrease in the operating result compared to the **fourth quarter** of 2005 was due mainly to a strong increase in innovation costs.

### **Net profit**

*Net profit* increased compared to 2005, from EUR 527 million to EUR 547 million (4%).

*Net finance costs* amounted to EUR 81 million, which represents an increase of EUR 11 million compared to the previous year. This increase was the net effect of a number of factors, the most important being a higher average interest rate and impairments of other securities. Average net debt was lower, however.

At 26%, the effective tax rate in 2006 was higher than in 2005 (23%). The increase of three percentage points was due to a decrease in the proportion of income elements taxed at a low rate. In addition, all outstanding Dutch corporate income tax returns (covering the years from 1999 until 2005) were settled in 2006.

### **Exceptional items**

The net result from exceptional items for the full year was a loss of EUR 4 million. Exceptional items in the first nine months (EUR 26 million) were gains on the disposal of DSM Minera (Chile), the disposal of the South Haven (USA) site and the disposal of the display coatings business, and the cost of the termination of the aspartame business, costs related to the closing of the production facilities in Landskrona (Sweden) and the cost of terminating the AMEL melamine production joint venture in the United States.

In the fourth quarter, the net result from exceptional items was a loss of EUR 30 million. In this quarter DSM recorded a provision of EUR 27 million after tax in relation to the settlement of the unfavorable conditions of the contract with Cargill on natural vitamin E; in this way DSM will prevent penalty payments in the years 2007- 2013 but will continue to distribute Cargill's natural vitamin E. The exceptional items further included provisions for restructuring activities at the agrochemical intermediates activities of the former DSM Fine Chemicals business group (EUR 20 million after tax), the gain on the disposal of Methanor (EUR 10 million after tax) and a deferred pension settlement related to the disposal of DSM Bakery Ingredients in 2005.

### **Cash flow, capital expenditure and financing**

The cash flow before exceptional items (net profit plus depreciation and amortization) for the full year 2006 amounted to EUR 991 million (2005: EUR 1,066 million). At EUR 457 million, capital expenditure (excluding acquisitions) was almost at the same level as depreciation and amortization (EUR 440 million).

At the end of 2006 the operating working capital was EUR 86 million lower than at year-end 2005.

Compared to 2005, net debt increased by EUR 89 million in 2006 and stood at EUR 921 million at year-end. The increase was mainly due to the share buy-back program aimed at increasing the company's gearing.

### **Dividend**

The dividend on ordinary shares proposed for the year 2006 amounts to EUR 1.00 per ordinary share. An interim dividend of EUR 0.33 per ordinary share having been paid in August 2006, the final dividend would amount to EUR 0.67 per ordinary share. DSM aims to provide a stable and, preferably, rising dividend. The dividend is based on a percentage of the cash flow. Barring unforeseen circumstances this percentage lies

within a range of 16 to 20% of the net profit plus depreciation and amortization, both before exceptional items, minus the dividend payable to holders of cumulative preference shares.

### **Sustainability**

In 2006 DSM was named the chemical industry sector leader in the Dow Jones Sustainability World Index for the third consecutive year. Solid progress was made across the entire spectrum of People, Planet and Profit. In the field of safety, the frequency index for recordable incidents improved by 6%. DSM is well on track to achieving its environmental targets for 2010. The full Triple P Report 2006 will be published on 12 March 2007.

### **Workforce**

The workforce increased overall by 336, from 21,820 at year-end 2005 to 22,156 at year-end 2006. This was the net effect of acquisitions (+256), consolidations (+354), divestments (-396) and capacity expansions and attrition (+122).

### **Outlook**

Economic growth in Europe and North America is expected to slow down somewhat in 2007. For the emerging economies growth expectations remain buoyant, especially for Asia. The US dollar started the year at a clearly lower exchange rate versus the euro than the 2006 average, while raw-material and energy prices eased somewhat although they are still at a very high level and are expected to stay volatile. Especially the natural-gas price in the Netherlands is a reason for concern.

This year DSM will be facing some specific business issues: some attractive contracts related to the acquisition of Roche Vitamins (now DSM Nutritional Products) will come to an end, we are seeing intensified competition in some of the more mature parts of the Nutrition business and, since we want to defend and further strengthen our market position, margins may erode more quickly than the pace at which new products and formulations make their positive impact felt. However, DSM remains committed to further increasing its innovation efforts and the associated expenditure.

DSM expects that 2007 will be another year of solid sales-volume growth. However, because of the exchange-rate sensitivities, the high natural-gas price in the Netherlands and the specific business issues referred to above, DSM expects that the operating profit in 2007 will be lower than in the record year 2006, although it will be on track with the *Vision 2010* objectives.

Heerlen, 14 February 2007

The Managing Board of Directors



## **Important dates**

Annual General Meeting of shareholders:	Wednesday, 28 March 2007
Ex dividend quotation:	Friday, 30 March 2007
Report for the first quarter:	Friday, 27 April 2007
Report for the second quarter:	Thursday, 26 July 2007
Report for the third quarter:	Thursday, 25 October 2007
Annual Report 2007:	Wednesday, 13 February 2008
Annual General Meeting of shareholders:	Wednesday, 26 March 2008

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## **Forward-looking statements**

This press release contains forward-looking statements. These statements are based on current expectations, estimates and projections of DSM management and information currently available to the company. The statements involve certain risks and uncertainties that are difficult to predict and therefore DSM does not guarantee that its expectations will be realized. Furthermore, DSM has no obligation to update the statements contained in this press release.

## Condensed consolidated statement of income for the fourth quarter

fourth quarter 2006			in EUR million	fourth quarter 2005		
before exception- al items	excep- tional Items	total		before exception- al items	excep- tional items	total
2,076	-	2,076	net sales	2,093	-	2,093
300	-54	246	operating profit plus depreciation and amortization (EBITDA)	316	13	329
186	-63	123	operating profit (EBIT)	183	-32	151
-	-	-	operating profit from discontinued operations	-3	-	-3
186	-63	123	operating profit from continuing operations	180	-32	148
-20	-	-20	net finance costs	-21	-1	-22
0	12	12	share of the profit of associates	-1	-13	-14
166	-51	115	profit before income taxation expense	158	-46	112
-45	21	-24	income tax expense	-23	20	-3
121	-30	91	net profit from continuing operations	135	-26	109
-	-	-	net profit from discontinued / discontinuing operations	2	-	2
121	-30	91	profit for the period	137	-26	111
-2	-	-2	minority interests	1	-	1
119	-30	89	net profit	138	-26	112
119	-30	89	net profit	138	-26	112
-3	-	-3	dividend on cumulative preference shares	-4	-	-4
116	-30	86	net profit used for calculating earnings per share	134	-26	108
114	8	122	depreciation and amortization	133	45	178
230	-22	208	cash flow	267	19	286
		202	capital expenditure			114
		17	acquisitions			28
			per ordinary share in EUR:			
0.62	-0.16	0.46	- basic earnings	0.70	-0.13	0.57
1.23	-0.11	1.12	- cash flow	1.40	0.10	1.50
		186.5	average number of ordinary shares (x million)			191.0
		184.8	number of ordinary shares, end of period (x million)			190.9
		22,156	workforce at end of period			21,820
		7,061	of which in the Netherlands			7,258

## Condensed consolidated statement of income for the year

year 2006			in EUR million	year 2005		
before exception- al items	excep- tional Items	total		before exception- al items	excep- tional items	total
8,380	-	8,380	net sales	8,195	-	8,195
1,274	-15	1,259	operating profit plus depreciation and amortization (EBITDA)	1,311	28	1,339
834	-26	808	operating profit (EBIT)	808	-36	772
1	-	1	operating profit from discontinued operations	-21	-	-21
835	-26	809	operating profit from continuing operations	787	-36	751
-81	-	-81	net finance costs	-70	-8	-78
1	4	5	share of the profit of associates	-2	-21	-23
755	-22	733	profit before income taxation expense	715	-65	650
-199	18	-181	income tax expense	-168	29	-139
556	-4	552	net profit from continuing operations	547	-36	511
0	-	0	net profit from discontinued / discontinuing operations	9	-	9
556	-4	552	profit for the year	556	-36	520
-5	-	-5	minority interests	7	-	7
551	-4	547	net profit	563	-36	527
551	-4	547	net profit	563	-36	527
-10	-	-10	dividend on cumulative preference shares	-16	-	-16
541	-4	537	net profit used for calculating earnings per share	547	-36	511
440	11	451	depreciation and amortization	503	64	567
981	7	988	cash flow	1,050	28	1,078
		457	capital expenditure			401
		44	acquisitions			573
			per ordinary share in EUR:			
2.85	-0.02	2.83	- basic earnings	2.87	-0.19	2.68
5.17	0.04	5.21	- cash flow	5.50	0.15	5.65
		189.6	average number of ordinary shares (x million)			190.8
		184.8	number of ordinary shares, end of period (x million)			190.9
		22,156	workforce at end of period			21,820
		7,061	of which in the Netherlands			7,258

## Consolidated balance sheet

<i>in EUR million</i>	<b>31 December 2006</b>	<b>*31 December 2005</b>
intangible assets	1,008	1,003
property, plant and equipment	3,655	3,750
deferred tax assets	496	533
prepaid pension costs	918	478
associates	26	43
other financial assets	100	189
	-----	-----
<b>non-current assets</b>	<b>6,203</b>	<b>5,996</b>
inventories	1,515	1,535
trade receivables	1,377	1,337
other receivables	362	260
financial derivatives	79	36
current investments	3	5
cash and cash equivalents	552	902
	-----	-----
<b>current assets</b>	<b>3,888</b>	<b>4,075</b>
assets held for sale	-	43
	-----	-----
<b>total assets</b>	<b>10,091</b>	<b>10,114</b>

<i>in EUR million</i>	<b>31 December 2006</b>	<b>*31 December 2005</b>
shareholders' equity	5,784	5,501
minority interests	71	67
	-----	-----
<b>equity</b>	<b>5,855</b>	<b>5,568</b>
deferred tax liabilities	383	219
employee benefits liabilities	304	383
provisions	188	166
borrowings	907	1,381
other non-current liabilities	44	53
	-----	-----
<b>non-current liabilities</b>	<b>1,826</b>	<b>2,202</b>
employee benefits liabilities	21	23
provisions	127	220
borrowings	607	329
financial derivatives	41	65
trade liabilities	1,091	985
other current liabilities	523	714
	-----	-----
<b>current liabilities</b>	<b>2,410</b>	<b>2,336</b>
liabilities held for sale	-	8
	-----	-----
<b>total equity and liabilities</b>	<b>10,091</b>	<b>10,114</b>
capital employed	6,303	6,221
equity / total assets	58%	55%
net debt	921	832
gearing (net debt / equity plus net debt)	14%	13%

\* DSM adopted the new alternative in *IAS 19 Employee Benefits* that permits the immediate recognition outside profit or loss of actuarial gains and losses arising in defined benefit plans. The adoption of this new alternative has increased the net asset for employee benefits by EUR 31 million while equity increased by EUR 27 million (net of income tax) at year-end 2005.

## Condensed consolidated cash flow statement

<i>in EUR million</i>	year	
	2006	2005
<b><i>Cash and cash equivalents at beginning of period</i></b>	902	1,261
<i>Operating activities:</i>		
- net profit plus depreciation and amortization	998	1,094
- change in operating working capital	-4	-119
- other changes	-364	-282
	-----	-----
cash flow from operating activities	630	693
<i>Investing activities:</i>		
- capital expenditure	-458	-393
- acquisitions	-44	-559
- sale of subsidiaries	135	192
- divestments	30	30
- other changes	-8	-115
	-----	-----
net cash from investing activities	-345	-845
dividend	-213	-183
net cash from financing activities	-407	-37
effects of changes in consolidation and exchange differences	-15	13
	-----	-----
<b><i>Cash and cash equivalents at end of period</i></b>	552	902

## Condensed statement of changes in shareholders' equity

<i>in EUR million</i>	year	
	2006	2005
<b><i>Shareholders' equity at beginning of period</i></b>	5,501	4,668
<i>Changes:</i>		
- net profit	547	527
- exchange differences, net of income tax expenses	-128	128
- net actuarial gains (losses) on defined benefit obligations, after asset ceiling	283	194
- reclassification of cumulative preference shares A	-	233
- dividend paid	-213	-183
- repurchase of ordinary shares	-318	-170
- proceeds from reissue of ordinary shares	55	102
- other changes	57	2
	-----	-----
<b><i>Shareholders' equity at end of period</i></b>	5,784	5,501