

Press Release

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DSM completes acquisition of Fortitech and strengthens its human nutrition business

Royal DSM, the global Life Sciences and Materials Sciences company, announced today that it has completed the acquisition of Fortitech, Inc. (Fortitech). The transaction, for a total enterprise value of USD 634 million (about €495 million) strengthens DSM's Human Nutrition and Health business, by expanding the company's value chain presence and adding additional capabilities. As a result of the acquisition, announced on 8 November 2012, approximately 520 employees are joining DSM.

Feike Sijbesma, CEO and Chairman of the DSM Managing Board, said: *"The acquisition of Fortitech is the ninth acquisition in the Nutrition cluster since we announced our corporate strategy DSM in motion: driving focused growth in September 2010. These acquisitions will contribute to the current and future growth of our attractive portfolio in health, nutrition and materials, resulting in stronger and more stable growth and profitability for DSM overall."*

Leendert Staal, President and CEO of DSM Nutritional Products, commented: *"Completing the acquisition of Fortitech is another milestone in the implementation of DSM's Nutrition strategy. We are expanding our value chain presence and will be able to deliver more value to our customers. Fortitech will be an important part of the Human Nutrition and Health business within DSM Nutritional Products. Our attention is now fully focused on ensuring a smooth integration of the Fortitech business in a timely and efficient manner, with business continuity and customer satisfaction as key priorities for us while we welcome Fortitech's 520 employees to DSM."*

Strategic rationale

Customers especially in the food and beverage industry are increasingly looking for solutions providers offering a broad range of food ingredient blends that cover a more comprehensive portfolio of ingredients, sometimes even requesting the complete formula, for a given product. DSM's Human Nutrition and Health (HNH) premix business is a channel to market primarily for its own nutritional ingredients. Fortitech offers customized solutions in blends with a highly responsive and flexible customer service model. Fortitech works with a broad range of externally sourced nutrients and food ingredients including vitamins, minerals, nucleotides, amino acids, herb extracts, nutraceuticals, flavors, seasonings, colors, caffeine, proteins, sweeteners, carbohydrates and enzymes.

The acquisition of Fortitech accelerates DSM's strategy to become a full solutions provider in food ingredient blends. For DSM the acquisition of Fortitech expands its value chain presence, while adding additional capabilities to its business.

With the acquisition of Fortitech DSM now has announced over €2.8 billion worth of growth enhancing acquisitions in just over two years, of which €2.4 billion in its Nutrition cluster. After completion of the announced acquisitions DSM's Nutrition cluster will on a pro forma basis realize €4.6 billion in net sales with an EBITDA-margin target in the range of 20-23% on an annual basis, resulting in stronger and more stable growth and profitability for DSM overall. These acquisitions form an integral part of DSM's strategy for its Nutrition cluster and will contribute to the current and future growth of DSM's attractive portfolio in health, nutrition and materials.

Integration

Full scale integration of the two businesses will now begin. A dedicated integration team consisting of both DSM and Fortitech representatives will work diligently to assess the best way to combine the two organizations while focusing on future synergy generation between both businesses.

Fortitech

Fortitech, a privately held company based in Schenectady (New York, USA), is a leader in customized, value added food ingredient blends for food & beverage, infant nutrition and dietary supplements industries. The company has approximately 520 employees. Fortitech has six production sites located in New York (USA), California (USA), Campinas (Brazil), Kuala Lumpur (Malaysia), Gastrup (Denmark) and Poznan (Poland), with sales offices in China and Mexico.

Financial highlights

Net sales for 2013 are expected to be about USD 270 million with an EBITDA of about USD 70 million, including synergies and excluding exceptional items. DSM has identified attractive cost synergies at about 10% of net sales, which will be fully realized by 2015. In addition, one-time synergies - primarily capital expenditure avoidance- are estimated at USD 70 million. DSM expects the transaction to be EPS accretive in the first year after closing.

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 22,000 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

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