

Press Release

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DSM to acquire Fortitech to strengthen human nutrition business

- DSM (NYSE Euronext: DSM KON) to acquire Fortitech for total enterprise value of USD 634 million (about €495 million) in cash
- Fortitech expected 2013 net sales: about USD 270 million, with EBITDA of about USD 70 million, including synergies and excluding exceptional items
- Fortitech, headquartered in the USA, is a global leader in food ingredient blends for the food & beverage, infant nutrition and dietary supplements industries
- Acquisition will accelerate DSM's strategy to become a full solutions provider in food ingredient blends
- Acquisition will expand DSM's value chain presence
- Significant cost synergies estimated at 10% of net sales, fully realized by 2015
- One-time synergies estimated at USD 70 million, primarily capital expenditure avoidance
- Value creating acquisition; EPS accretive in first year after closing

Royal DSM, the global Life Sciences and Materials Sciences company, announced today that it has entered into a definitive agreement to acquire Fortitech, Inc. (Fortitech) in an all cash transaction for a total enterprise value of USD 634 million (about €495 million). Subject to customary conditions, the transaction is expected to close before the end of the year.

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.

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, resulting in an EV/EBITDA multiple of about 9. 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.

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

Demand for food ingredient blends has grown rapidly over the past 15 years as food & beverage, infant formula and dietary supplement companies transition from in-house production to external supply partners with a number of benefits, including lower quality risk, increased output and accelerated product development. Future global food ingredient blends industry growth is expected to continue in the high single digits on an annual basis driven by high growth economies and increased outsourcing of the blending.

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.

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. Again, this acquisition fully fits DSM's strategy as we continue to create value for all stakeholders by providing innovative, sustainable solutions to the world's greatest current and future challenges."*

Leendert Staal, President and CEO of DSM Nutritional Products, commented: *"The acquisition of Fortitech is another very important step towards the implementation of DSM's Nutrition strategy. It will help us to expand our value chain presence and to deliver more value to our customers. With Fortitech DSM will be able to deliver customized food ingredient premixes and blends to our customers while at the same time strengthening our international footprint. Fortitech will become an important part of the Human Nutrition and Health business within DSM Nutritional Products. I look forward to welcoming Fortitech's 520 employees to DSM."*

Walter S. Borisenok, President and CEO of Fortitech, said: *"Our combined global capabilities will deliver a deeper and more comprehensive resource for providing our customers with innovative customized products and services. Together we will boast a brighter and stronger scientific research database and unsurpassed technical excellence that will enable us to bring superior value to our products and services."*

Conference calls

Today DSM will hold a conference call for the media from 08.00 AM - 08.30 AM CET (+31 (0)10 29 44 228 or +44 (0) 203 365 3207) and a conference call for investors and analysts from 09.00 AM - 10.00 AM CET (+31 (0)10 29 44 271 or +44 (0) 203 365 3207). Also, more information can be found in the presentation that can be found on DSM's corporate website.

Fortitech

Founded in 1986, Fortitech is the world leader in the development of custom food ingredient premixes and blends for the food and beverage, infant nutrition and dietary supplements industries, integrating functional ingredients from a comprehensive selection of vitamins, minerals, nucleotides, amino acids, herb extracts, nutraceuticals, flavors, seasonings, colors, caffeine, proteins, sweeteners, carbohydrates and enzymes. Fortitech is FS 22000 certified, with a stringent Allergen Monitoring Program, and operates

to cGMP, GMO-free, HACCP, Organic, Kosher and Halal standards. Headquartered in Schenectady, N.Y., the company has a global network of manufacturing and distribution facilities, throughout Europe, Asia Pacific, South America, Mexico and the United States (New York and California). For more information, visit fortitech.com.

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

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. The English language version of the press release is leading.