

DSM Press Release

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DSM announces closure of DSM Specialty Intermediates

DSM Specialty Intermediates B.V. (DSI) in Sittard (Netherlands) has today announced the intention to discontinue its operational activities by 31 December 2010 at the latest. As a consequence, DSI's production activities at the Chemelot industrial site in Sittard-Geleen will be stopped with effect from 1 July 2010. The closure will result in the loss of 37 jobs at DSI. DSM strives to avoid forced redundancies as much as possible. DSM has asked the local Works Council for advice on the intended closure.

DSI produces and sells intermediates for the automotive, food and pharmaceutical industries. Due in particular to increasing competition from China and India, among other countries, prices and margins for these products have been under heavy pressure for a number of years.

For this reason, a number of DSI production plants had already been closed in 2007 and the remaining facilities had been integrated with other DSM plants in order to make the business unit financially healthy. Despite the strong efforts of DSI's management and workforce, it proved impossible to make DSI structurally profitable, even after these measures.

Given this situation, the only option left is to close DSI. Therefore, the intention is to discontinue all operational activities by 31 December 2010 at the latest. In connection with this, the production activities will be stopped earlier, with effect from 1 July 2010, after which the product stocks will be used to meet the remaining supply obligations.

DSI employs 37 people, who will lose their jobs as a result of the closure. The aim is to offer these employees an alternative within DSM. Employees for whom no alternative job can be found will be declared redundant at the moment when their job ceases to exist. The DSM LBV Supervision of Employment Plan as agreed with the trade unions at DSM Limburg BV will apply to all employees who will become redundant as a result of the closure.

DSM – the Life Sciences and Materials Sciences Company

Royal DSM N.V. creates innovative products and services in Life Sciences and Materials Sciences that contribute to the quality of life. DSM's products and services are used globally in a wide range of markets and applications, supporting a healthier, more sustainable and more enjoyable way of life. End markets include human and animal nutrition and health, personal care, pharmaceuticals, automotive, coatings and paint, electrical and electronics, life protection and housing. DSM has annual net sales of EUR 9.3 billion and employs some 23,500 people worldwide. The company is headquartered in the Netherlands, with [locations](#) on five continents. DSM is listed on Euronext Amsterdam. More information: www.dsm.com

For more information:

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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 Dutch language version of the press release is leading.