

# Press Release

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**DSM**



**ORASCOM**  
CONSTRUCTION INDUSTRIES

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## **DSM to sell DSM Agro and DSM Melamine to Orascom Construction Industries**

**Royal DSM N.V., the global Life Sciences and Materials Sciences company headquartered in the Netherlands, and Orascom Construction Industries (OCI) today announce that they have reached an agreement for the sale of DSM Agro and DSM Melamine to OCI for EUR 310 million on a cash and debt-free basis with effect from 1 January 2010. The intended sale is expected to close in Q2 2010, subject to regulatory and other customary approvals and notifications.**

For DSM the intended sale of both business groups is an important step forward in the realization of its *Vision 2010* ambitions to focus on Life Sciences and Materials Sciences. The transformation of DSM's portfolio is an important prerequisite for achieving these ambitions. As announced in September 2007, DSM Agro and DSM Melamine do not fit with this focus.

With the acquisition of DSM Agro, the OCI Fertilizer Group expands its customer base in key European markets to which the group will be able to offer a wider range of products including urea, ammonia, calcium ammonium nitrate (CAN), urea ammonium nitrate (UAN), and ammonium sulphate (AS). OCI believes that healthy synergies exist through a wider product portfolio and distribution infrastructure in Europe.

OCI will assume responsibility for the business results of DSM Agro and DSM Melamine from 1 January 2010 onwards. OCI fully supports DSM's strategy and approach on the Chemelot site in Sittard-Geleen (Netherlands), where the main facilities of both business groups are located. Via DSM Agro and DSM Melamine, OCI will become an indirect shareholder in Sitech Services B.V. and will consequently make use of synergies in site and manufacturing services and participate in infrastructural site investments.

[Feike Sijbesma](#), CEO/Chairman of the DSM Managing Board, said: *"The intended sale of DSM Agro and DSM Melamine is a very important step in DSM's transformation towards a Life Sciences and Materials Sciences company. Reshaping our portfolio is a main building block of our Vision 2010 strategy."*

[Nico Gerardu](#), member of the DSM Managing Board and responsible for the Base Chemicals and Materials cluster, gave the following comment: *"In OCI DSM has found an excellent new owner for DSM Agro and DSM Melamine. The strategic fit of both business groups with OCI is strong, which will provide a sound basis for a prosperous future for these businesses. DSM welcomes OCI on the Chemelot site and is pleased to be able to continue its industrial park site concept. I would like to thank all DSM Agro and DSM Melamine employees for their ongoing support and substantial contribution to DSM."*

[Nassef Sawiris](#), Chairman and Chief Executive Officer of OCI, commented: *"The acquisition of DSM Agro and DSM Melamine fits perfectly in our strategy to become among the global leaders in fertilizer production and distribution. It provides us with a strong position in the fertilizer market"*

*in Northwest Europe, further product and geographic diversification as well as a leading position in the melamine market worldwide, which as a downstream activity to urea provides a new area of growth for our company. I look forward to welcoming the employees of both business groups to the OCI group. Together we will continue to deliver exceptional value for our customers and shareholders.”*

DSM Agro and DSM Melamine together employ 779 people. DSM Agro is a producer of ammonia and high-nitrogen fertilizers for grasslands and agricultural crops and the market leader in the Netherlands. It also ranks among the market leaders in Germany, France and Belgium. DSM Agro, which operates a production site in Sittard-Geleen, produces about 1.6 million tons of fertilizers per year. DSM Agro realized net sales of EUR 338 million in 2009.

DSM Melamine is the world's largest producer of melamine. The main application of melamine is in wood-based panels and laminates used for furniture and flooring. DSM Melamine has a plant in the Netherlands and also produces melamine in joint ventures in China (DSM 49%) and Indonesia (DSM 60%). In 2009 DSM Melamine realized net sales of EUR 151 million.

The OCI Fertilizer Group now ranks among the top 10 nitrogen-based fertilizer producers worldwide in terms of production capacity. It has 2 million tons of nitrogen fertilizer capacity in Egypt. In 2010/2011 the fertilizer complex in Algeria in partnership with state-owned Sonatrach expects to commission its state-of-the-art fertilizer complex which boasts an annual production capacity of 2 million tons. With production from Algeria, the upgrade of the urea production facilities in Egypt and new investments in derivatives such as ammonium sulphate and UAN the OCI Fertilizer Group will achieve an annual production capacity of approximately 5 million tons of nitrogen-based fertilizers.

Since 2008, DSM Agro and DSM Melamine have been grouped in the Base Chemicals and Materials cluster together with a number of other activities that do not fit in with DSM's strategic focus. The selling process for most of the remaining businesses in this cluster is underway.

For reporting purposes, DSM Agro and DSM Melamine will be reclassified from the Base Chemicals and Materials cluster to assets held for sale at the end of Q1 2010. The businesses will be valued at fair value less costs to sell upon reclassification which is expected to result in a small loss which will be reported as an exceptional item in Q1 2010. DSM is providing the investment community with comparative quarterly figures for 2009 in a separate press release today.

The intended sale is dependent on regulatory and other customary approvals and notifications and will be submitted to the works councils according to the usual procedures in the Netherlands. One day before the closing, all employees in DSM Agro and DSM Melamine will be transferred to DSM Agro B.V. and DSM Melamine B.V., the companies to be acquired by OCI, in accordance with Dutch regulations.

### **Investors and analysts call**

DSM will hold a conference call for investors and analysts from 09.30 AM - 10.00 AM CET. Dial-in numbers are +31 10 294 4271 (Continental Europe) and +44 203 365 3207 (United Kingdom). A replay will be available.

### **Orascom Construction Industries**

Over the last 50 years, OCI has grown into one of Egypt's largest corporations with projects and investments across Europe, the Middle East and North Africa. The company directly employs

more than 86,000 people. OCI is the largest company listed on the Egyptian Stock Exchange with a secondary listing on the London Stock Exchange with a market capitalization of approximately US\$ 10 billion as at 29 March 2010. OCI currently has two core business activities. The OCI Construction Group is a leading construction contractor active in emerging markets with a backlog of US\$ 6.6 billion as at 31 December 2009. It primarily focuses on infrastructure projects in Europe, the Middle East and Africa in addition to industrial and high-end commercial projects. The OCI Fertilizer Group is a strategic owner and operator of nitrogen fertilizer plants in Egypt and Algeria with an international distribution platform spanning Latin America, the United States, Europe and Africa. More information: [www.orascomci.com](http://www.orascomci.com)

## **DSM – the Life Sciences and Materials Sciences Company**

Royal DSM N.V. creates solutions that nourish, protect and improve performance. Its end markets include human and animal nutrition and health, personal care, pharmaceuticals, automotive, coatings and paint, electrical and electronics, life protection and housing. DSM manages its business with a focus on the triple bottom line of economic prosperity, environmental quality and social equity, which it pursues simultaneously and in parallel. DSM has annual net sales of about €8 billion and employs some 22,700 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](http://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.