

Consolidated statements

Consolidated income statement for the year ended 31 December 2013

x € million	Notes	Continuing operations		Discontinued operations		Total
		Before exceptional items	Exceptional items (note 6)	Total		
Net sales	4	9,051	-	9,051	567	9,618
Cost of sales	4	(6,565)	(12)	(6,577)	(505)	(7,082)
Gross margin		2,486	(12)	2,474	62	2,536
Marketing and sales		(987)		(987)	(24)	(1,011)
Research and development		(351)	(18)	(369)	(162)	(531)
General and administrative		(458)	(74)	(532)	(25)	(557)
Other operating income		93	39	132	12	144
Other operating expense		(34)	(39)	(73)	(15)	(88)
	4	(1,737)	(92)	(1,829)	(214)	(2,043)
Operating profit		749	(104)	645	(152)	493
Interest costs	5	(126)	(4)	(130)	-	(130)
Other financial income and expense	5	(16)	-	(16)	-	(16)
Share of the profit of associates		(2)	-	(2)	-	(2)
Profit before income tax expense		605	(108)	497	(152)	345
Income tax expense	7	(108)	31	(77)	1	(76)
Profit for the year		497	(77)	420	(151)	269
Reclassification of the net result from activities disposed of		-	(160)	(160)	160	-
Total		497	(237)	260	9	269
Of which:						
- Profit attributable to non-controlling interests		(2)	-	(2)	-	(2)
- Net profit attributable to equity holders of Koninklijke DSM N.V.		499	(237)	262	9	271
Net profit attributable to equity holders of Koninklijke DSM N.V.		499	(237)	262	9	271
Dividend on cumulative preference shares		(10)	-	(10)	-	(10)
Net profit available to holders of ordinary shares		489	(237)	252	9	261
Earnings per share (in €) (see note 16 Earnings per ordinary share):						
- Basic				2.39		1.52
- Diluted				2.38		1.51

Consolidated income statement for the year ended 31 December 2012¹

x € million	Notes	Continuing operations		Discontinued operations	Total
		Before exceptional items	Exceptional items (note 6)		
Net sales	4	8,588	-	8,588	9,131
Cost of sales	4	(6,220)	(21)	(6,241)	(6,748)
Gross margin		2,368	(21)	2,347	2,383
Marketing and sales		(924)	-	(924)	(952)
Research and development		(372)	(2)	(374)	(383)
General and administrative		(457)	(57)	(514)	(552)
Other operating income		68	3	71	83
Other operating expense		(32)	(94)	(126)	(138)
	4	(1,717)	(150)	(1,867)	(1,942)
Operating profit		651	(171)	480	441
Interest costs	5	(117)	-	(117)	(117)
Other financial income and expense	5	8	-	8	8
Share of the profit of associates		2	-	2	2
Profit before income tax expense		544	(171)	373	334
Income tax expense	7	(95)	38	(57)	(46)
Profit for the year		449	(133)	316	288
Reclassification of the net result from activities disposed of		-	(16)	(16)	-
Total		449	(149)	300	288
Of which:					
- Profit attributable to non-controlling interests		10	-	10	10
- Net profit attributable to equity holders of Koninklijke DSM N.V.		439	(149)	290	278
Net profit attributable to equity holders of Koninklijke DSM N.V.		439	(149)	290	278
Dividend on cumulative preference shares		(10)	-	(10)	(10)
Net profit available to holders of ordinary shares		429	(149)	280	268
Earnings per share (in €) (see note 16 Earnings per ordinary share):					
- Basic				1.79	1.62
- Diluted				1.77	1.61

¹ Restated due to retrospective application of amendments to IAS 19: 'Employee Benefits' which are explained in note 23: Post-employment benefits. This restatement also impacts the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in equity and the Consolidated cash flow statement for 2012 as well as the Parent company income statement for that year.

Consolidated statement of comprehensive income

in € million

	2013	2012
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans	21	(123)
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
- Change for the year	(248)	(27)
- Reclassification adjustment to the income statement related to discontinued operations	16	-
Fair value reserve		
- Change for the year	9	(8)
- Reclassification adjustment to the income statement	-	-
Hedging reserve		
- Change for the year	69	(45)
- Reclassification adjustment to the income statement	(28)	23
- Reclassification adjustment to the shares in subsidiaries	(10)	-
Other comprehensive income, before tax	(171)	(180)
Income tax expense	(14)	47
Other comprehensive income, net of tax	(185)	(133)
Profit for the year	269	288
Total comprehensive income	84	155

Consolidated balance sheet as at 31 December

x € million	Notes	2013	2012
Assets			
Non-current assets			
Intangible assets	8	2,705	2,793
Property, plant and equipment	9	3,822	3,811
Deferred tax assets	7	369	340
Associates	10	67	40
Other financial assets	10	179	141
		7,142	7,125
Current assets			
Inventories	11	1,675	1,803
Trade receivables	12	1,526	1,569
Other current receivables	12	116	230
Financial derivatives	22	126	62
Current investments	13	19	12
Cash and cash equivalents	14	776	1,121
		4,238	4,797
Assets held for sale	2	637	44
		4,875	4,841
Total		12,017	11,966
Equity and liabilities			
Equity	15		
Shareholders' equity		5,908	5,874
Non-controlling interests		190	168
		6,098	6,042
Non-current liabilities			
Deferred tax liabilities	7	376	236
Employee benefits liabilities	23	326	388
Provisions	17	97	125
Borrowings	18	1,750	1,922
Other non-current liabilities	19	78	94
		2,627	2,765
Current liabilities			
Employee benefits liabilities	23	34	42
Provisions	17	66	81
Borrowings	18	843	642
Financial derivatives	22	190	299
Trade payables	20	1,328	1,453
Other current liabilities	20	601	628
		3,062	3,145
Liabilities held for sale	2	230	14
		3,292	3,159
Total		12,017	11,966

Consolidated statement of changes in equity (note 15)

x € million

	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings		Total	Non- controlling interests	Total equity
					Actuarial gains and losses	Other			
Balance at 1 January 2012	338	489	(686)	274	88	5,281	5,784	190	5,974
Dividend	-	-	-	-	-	(254)	(254)	(48)	(302)
Options / performance shares granted	-	-	-	18	-	-	18	-	18
Options / performance shares exercised / cancelled and SARs cancelled	-	-	-	(13)	-	13	-	-	-
Proceeds from reissued shares	-	-	207	-	-	(25)	182	-	182
Change in DSM's share in subsidiaries	-	-	-	-	-	-	-	15	15
Total comprehensive income	-	-	-	(44)	(90)	278	144	11	155
Balance at 31 December 2012	338	489	(479)	235	(2)	5,293	5,874	168	6,042
Dividend	-	-	-	-	-	(271)	(271)	(5)	(276)
Options / performance shares granted	-	-	-	20	-	-	20	-	20
Options / performance shares exercised / cancelled and SARs cancelled	-	-	-	(24)	-	24	-	-	-
Proceeds from reissued shares	-	-	258	-	-	10	268	-	268
Change in DSM's share in subsidiaries	-	-	-	-	-	-	-	33	33
Repurchase of shares	-	-	(73)	-	-	-	(73)	-	(73)
Total comprehensive income	-	-	-	(196)	15	271	90	(6)	84
Balance at 31 December 2013	338	489	(294)	35	13	5,327	5,908	190	6,098

Consolidated cash flow statement (note 25)¹

x € million	2013	2012
<i>Operating activities</i>		
Profit for the year	269	288
Income tax	76	46
Profit before income tax expense	345	334
Share of the profit of associates	2	(2)
Net finance costs	142	109
Exceptional items	270	194
Operating profit	759 ²	635
Depreciation, amortization and impairments	555	474
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,314	1,109
Adjustments for:		
- (Gain) or loss from disposals	(18)	(13)
- Restructuring and other costs	(45)	(56)
- Change in provisions	(75)	(68)
- Defined benefit plans	(21)	(28)
	(159)	(165)
Interest received	93	103
Interest paid	(203)	(196)
Income tax received	24	9
Income tax paid	(89)	(79)
Other	(4)	(34)
Changes, excluding working capital	(338)	(362)
Operating cash flow before changes in working capital	976	747
Changes in operating working capital:		
- Inventories	(95)	(140)
- Trade receivables	(13)	41
- Trade payables	34	83
	(74)	(16)
Changes in other working capital	(13)	(1)
Changes in working capital	(87)	(17)
Cash provided by operating activities	889	730

¹ The presentation of the cash flow statement has been amended to better reflect the cash flow consequences of EBITDA and exceptional items reported in operating activities. This does not change the total cash provided by operating activities but the allocation of changes to individual line items. The presentation for the year 2012 has been aligned.

² This consists of the operating profit from continuing operations before exceptional items (€ 749 million) and discontinued operations (€ 10 million; see also Assets and liabilities held for sale in note 2 Change in the scope of the consolidation).

Consolidated cash flow statement (note 25) continued

x € million	2013	2012
Cash provided by operating activities	889	730
<i>Investing activities</i>		
Capital expenditure for: ¹		
- Intangible assets	(85)	(82)
- Property, plant and equipment	(650)	(604)
Proceeds from disposal of property, plant and equipment	4	36
Acquisition of subsidiaries and associates	(509)	(1,262)
Cash from net investment hedge	(30)	-
Proceeds from disposal of subsidiaries and businesses	72	7
Change in fixed-term deposits	18	77
Other financial assets:		
- Capital payments and acquisitions	(9)	(12)
- Change in loans granted	17	(19)
- Proceeds from disposals	2	3
Cash used in investing activities	(1,170)	(1,856)
<i>Financing activities</i>		
Capital payments from/to non-controlling interests	36	15
Loans taken up	381	30
Repayment of loans	(152)	(114)
Change in debt to credit institutions	(89)	60
Repayment / issue of commercial paper	(150)	300
Dividend paid	(160)	(210)
Proceeds from reissued shares	145	90
Repurchase of shares	(73)	-
Cash used in / from financing activities	(62)	171
Change in cash and cash equivalents	(343)	(955)
Cash and cash equivalents at 1 January	1,121	2,058
Exchange differences relating to cash held	(2)	18
Cash and cash equivalents at 31 December	776	1,121

¹ An amount of €37 million included in capital expenditure was funded by customers