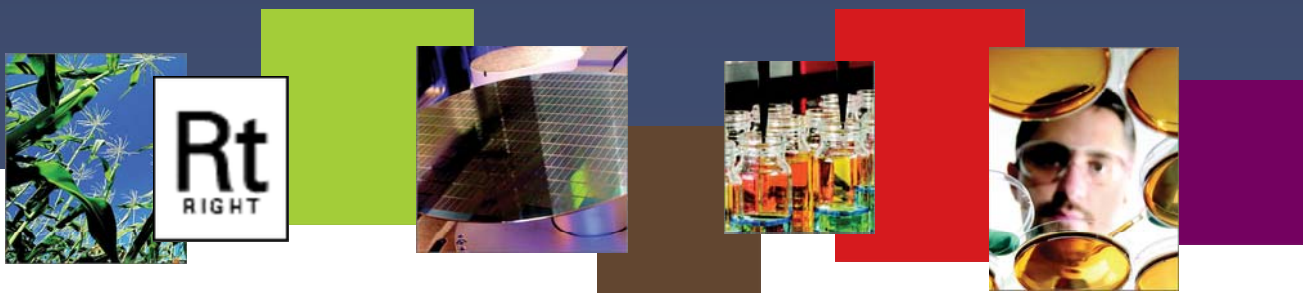


The Dow Chemical Company

Citigroup Basic Materials Conference 2010



Bill Weideman

Chief Financial Officer, The Dow Chemical Company

November 30, 2010

SEC Disclosure Rules

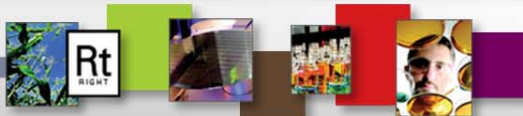
Some of our comments today may include statements about our expectations for the future. Those expectations involve risks and uncertainties. Dow cannot guarantee the accuracy of any forecasts or estimates, and we do not plan to update any forward-looking statements if our expectations change. If you would like more information on the risks involved in forward-looking statements, please see our annual report and our SEC filings.

In addition, some of our comments reference non-GAAP financial measures. Where available, a reconciliation to the most directly comparable GAAP financial measures and other associated disclosures are provided on the internet at www.dow.com in the Financial Reports page of the Investor Relations section.



Agenda

- **The Right Trajectory**
- **Three Pillars Driving Growth**
- **Outlook & Priorities**



2010 Priorities: On Track to Deliver

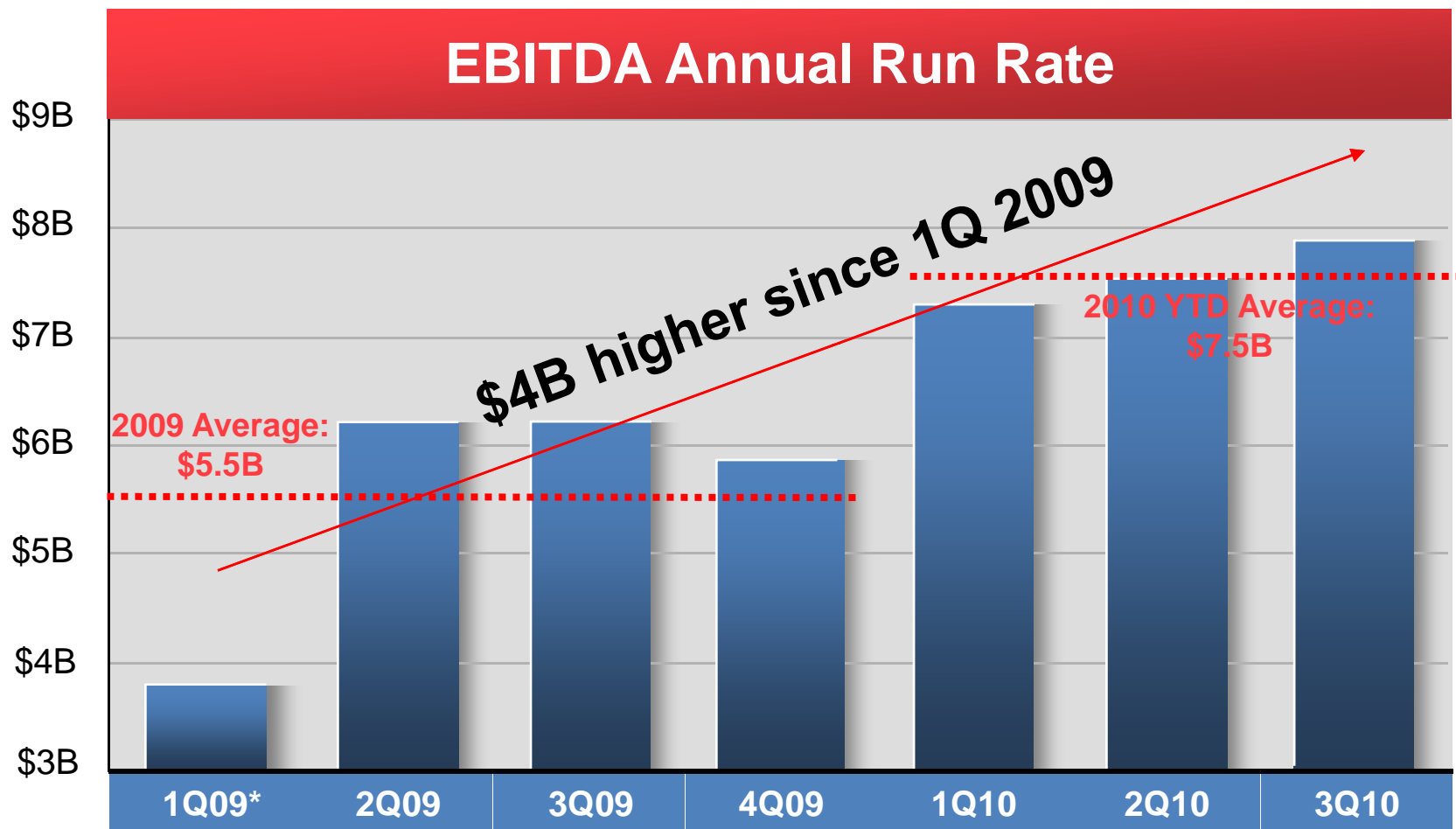
	GOAL	DELIVERED
STRATEGIC	>10% revenue growth	Achieved 28% YTD*
	Capture \$500 MM of growth synergies	Delivered \$983 MM YTD
	\$1.6 B of R&D investment in 2010	On track
	Sales from emerging geographies >32%	On track
	Continue portfolio management	Styron divestiture, Dow Kokam Battery JV, Mitsui chlor-alkali JV
OPERATIONAL	\$650 MM of additional cost savings in 2010	Exceeded \$2 B synergy and restructuring savings
	Working capital efficiency	On track
	\$2 B of capex in 2010	On track
FINANCIAL	45% net debt to capitalization	Achieved 44% in 3Q
	\$1.5 B of free cash flow	On track
	\$2 B of divestitures of non-strategic assets	Exceeded
	Committed to investment grade credit rating	On track

* Excluding divestitures



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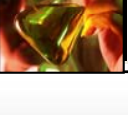
Dow is on the Right Trajectory



* Pro forma, reflecting the combination of historical information of Dow and Rohm and Haas Company



Revenue and EBITDA Margins Are Accelerating

SEGMENT	Revenue Growth (2009-2012)	3QYTD Revenue Growth	Normalized EBITDA Margin	3Q10 EBITDA Margin
 Electronic & Specialty Materials	10-15%	20%	~30%	30%
 Coatings & Infrastructure	5-8%	16%	~18-22%	17%
 Health & Agricultural Sciences <i>Ag Chem</i> <i>Seeds, Traits & Oils</i>	7-10%	4% 1% 21%	~25%	16%*
 Performance Systems	13-17%	23%	~15-18%	14%
 Performance Products	10-15%	34%	~15%	16%
 Plastics	GDP x 1.3	31%	~15%	28%
 Basic Chemicals	GDP	27%	~12-15%	24%

* YTD performance due to seasonality of the segment



The **Rt** RIGHT Formula

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Investments Driving Growth in Emerging Markets



Recent Announcements

Proposed Joint Venture with Saudi Aramco

- Significant investment to supply growth geographies of Middle East & Asia
- Accelerates strategy to achieve 80/20 portfolio of specialties/basics

Thailand Joint Venture with Siam Cement

- State-of-the-art technologies with close proximity to emerging markets
- Successful start-up of Solution PE train; Specialty Elastomers and HPPO plants under construction

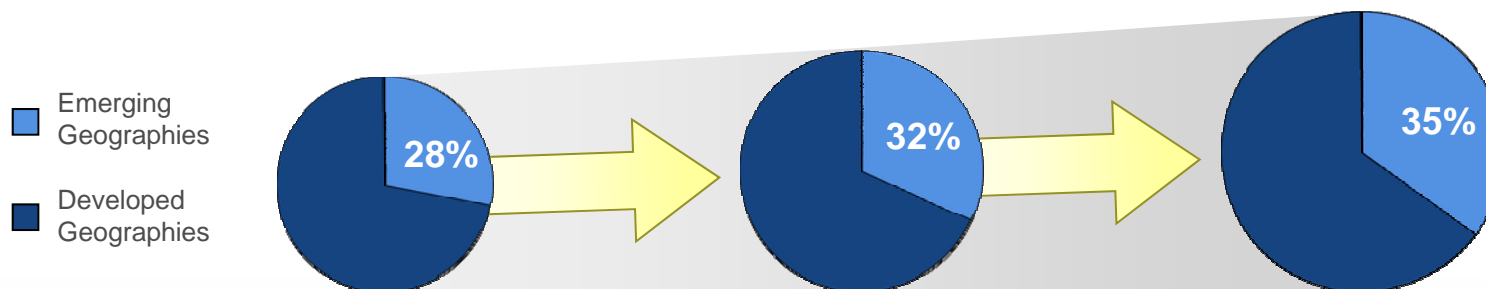
Proposed Joint Venture with The Shenhua Group – Yulin City, China

- Feasibility study and project approval process have commenced
- Project Application Report submitted to the Chinese Government October 2010

2008 Pro Forma Sales

2009 Pro Forma Sales

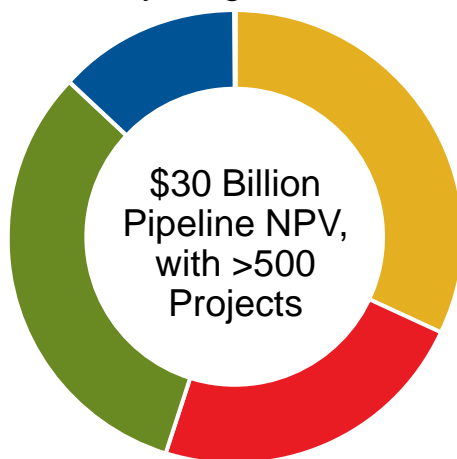
2012 Projected



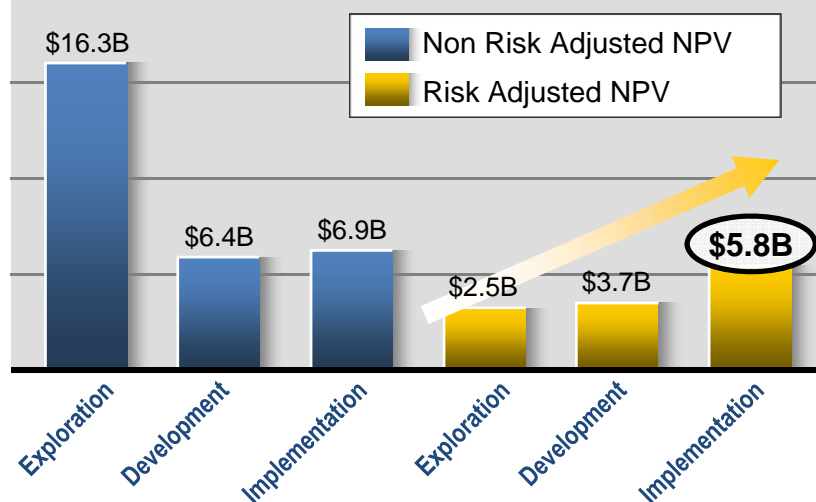
The Right Innovation Pipeline



R&D Spending by Megatrend



2010 Pipeline Value by Stage



Recent Innovation Announcements

- POWERHOUSE™ Solar Shingle gains UL certification
- New suite of products for Electronic Materials / printed circuit board market
- New Coatings technology platform brings hiding capability in paint to a new level
- Dow launches new Energy Storage business
- EcoSmooth™ Silk technology introduced by Dow Personal Care
- Dow Oil & Gas launches 3 new product lines
- Dow AgroSciences gains U.S. patent for DHT and announces strategic collaboration

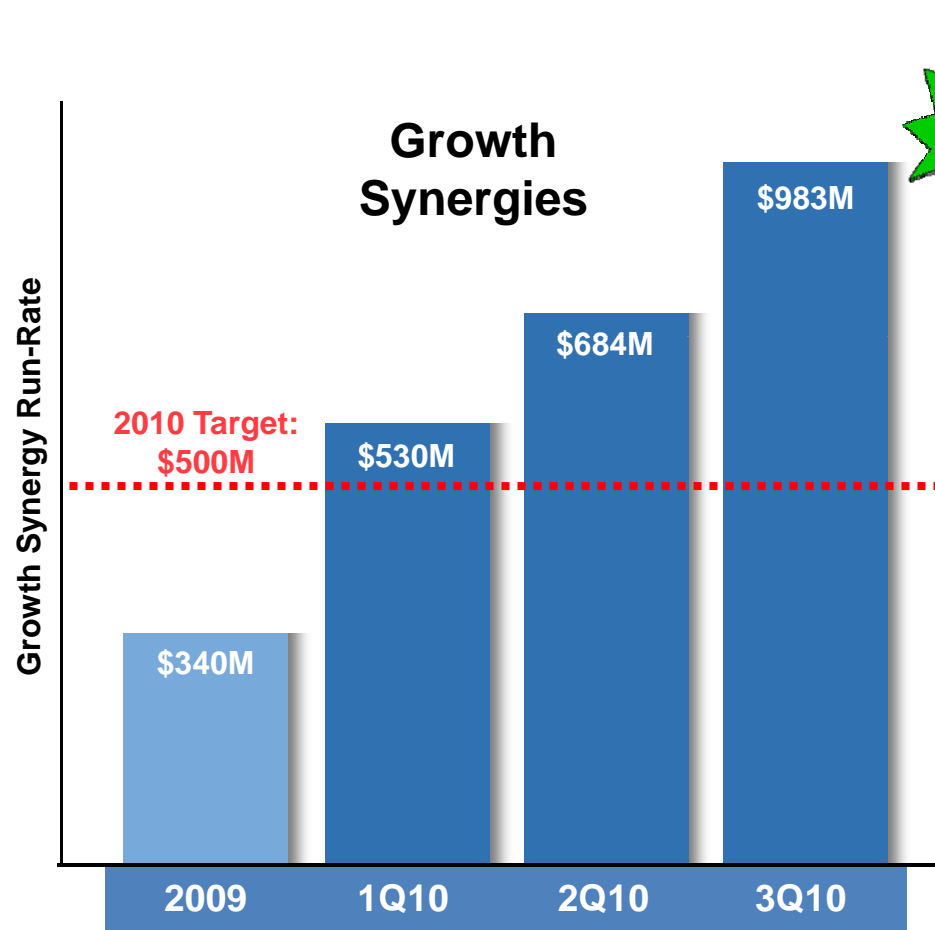


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Significant Growth Synergies



Already Exceeded Full-Year Target in 1Q10



Key projects in Building & Construction, Water, Coatings, Personal Care, and Adhesives

- New biocide sales for water treatment applications
- Ion exchange new sales projects for industrial water purification in Asia
- Coatings cross-selling opportunities in Asia and Europe through former ROH channels

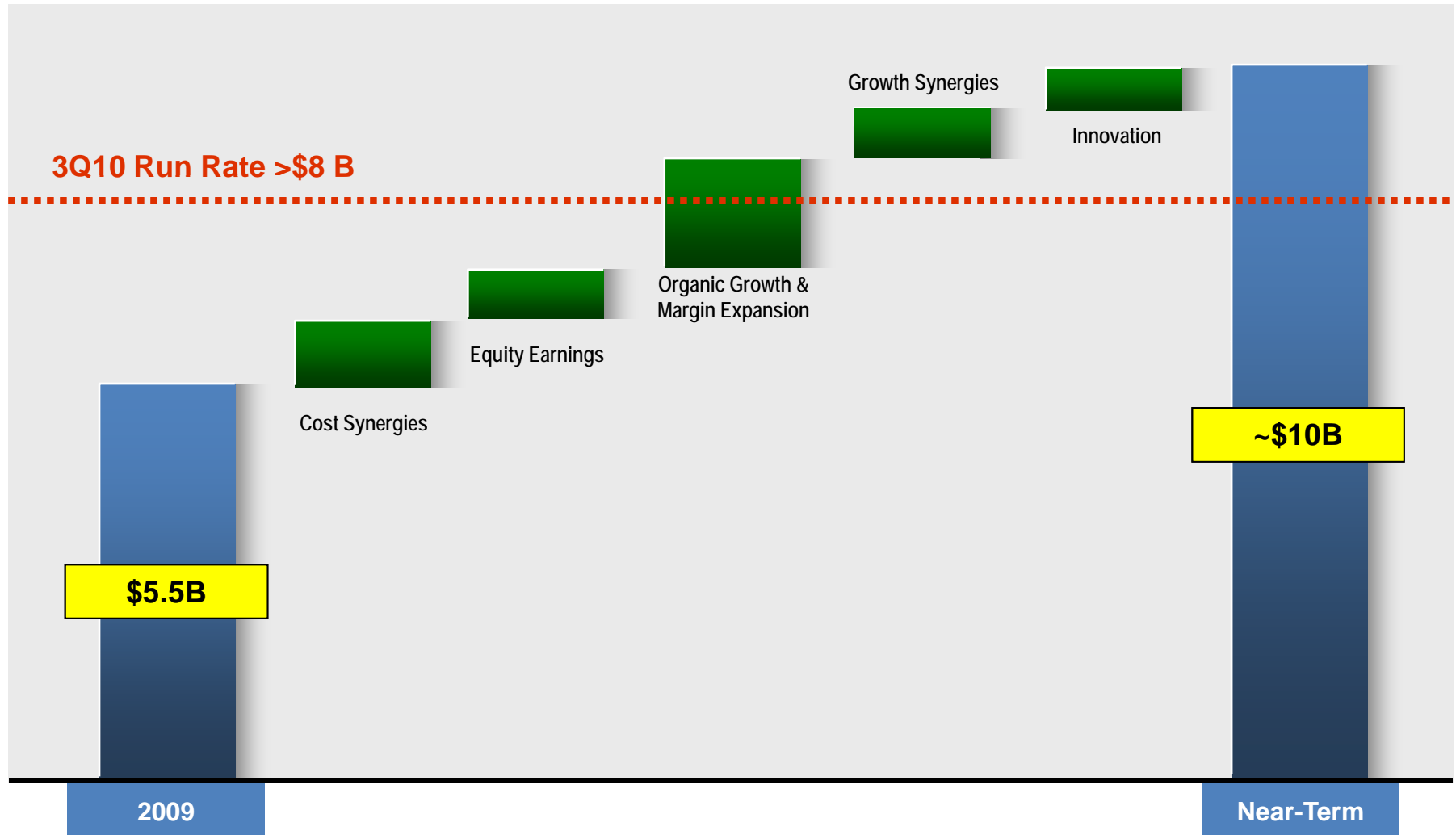
Winning new business in all geographies

Nearly 40% of growth synergies captured in emerging geographies



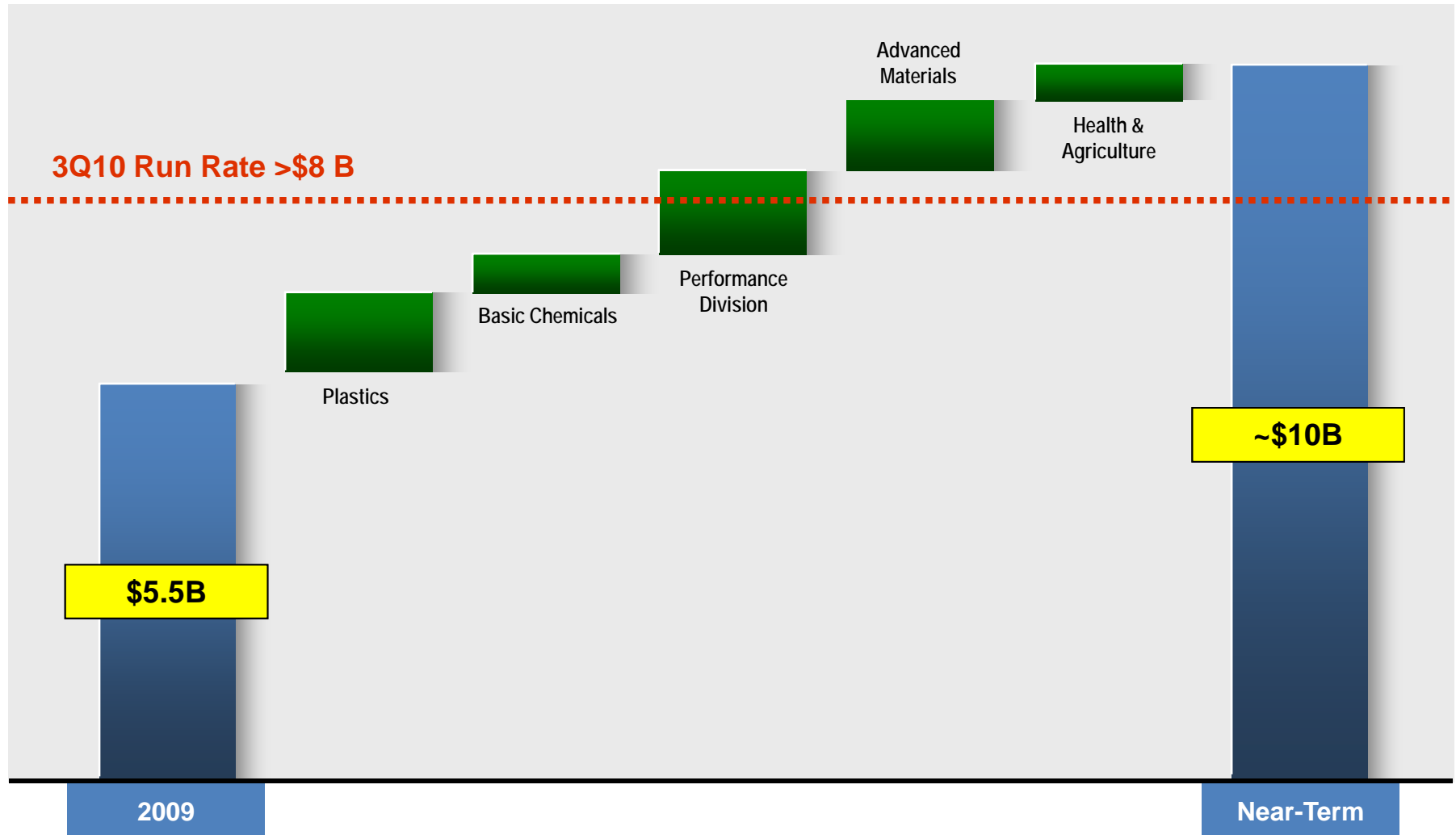
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EBITDA Roadmap: *Robust Plan for Delivering*



The **Rt** RIGHT Formula

EBITDA Roadmap: *Robust Plan for Delivering*



The **Rt** Formula

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Outlook

Strengths

- Positive, broad-based growth
- Improving demand in NAA and Europe
- Robust growth in fast-growing geographies – Asia, Brazil, Middle East, Eastern Europe
- End-markets tied to consumer spending seeing increase in demand – electronics and consumer staples
- USGC natural gas cost advantage

Challenges

- High unemployment continues to be a drag on recovery in developed regions
- Potential for inflationary pressures in emerging geographies
- Commercial construction in developed regions
- Government debt and deficit issues



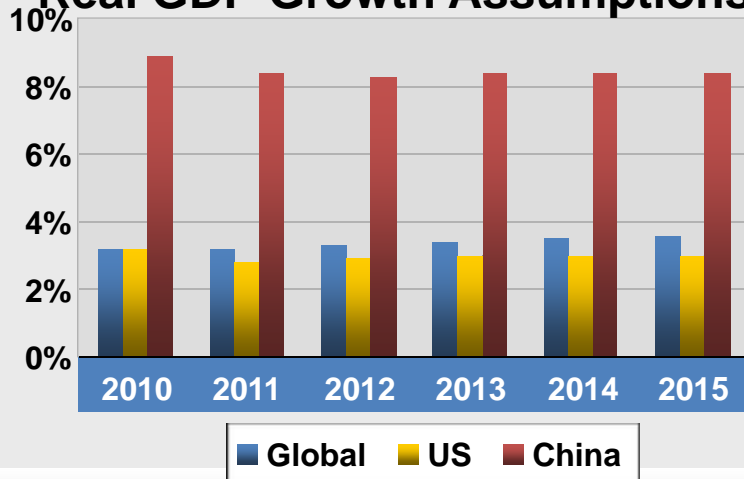
Macroeconomic Assumptions

Further stabilization in 2011, stronger growth in 2012

Stable global GDP growth

- Emerging geographies, 7%, led by China and India, ~8%
- Global and US ~3%
- Eurozone ~1.5%, although slower in Southern Europe

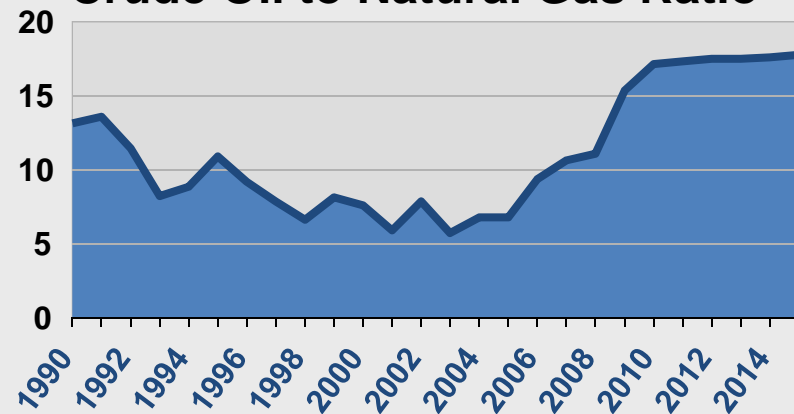
Real GDP Growth Assumptions



Rising hydrocarbons cost

- Crude oil at \$80 - \$85 with upward pressure
- Naphtha in \$700 - \$750 range
- Natural gas at \$4.00 - \$4.50 with downward pressure

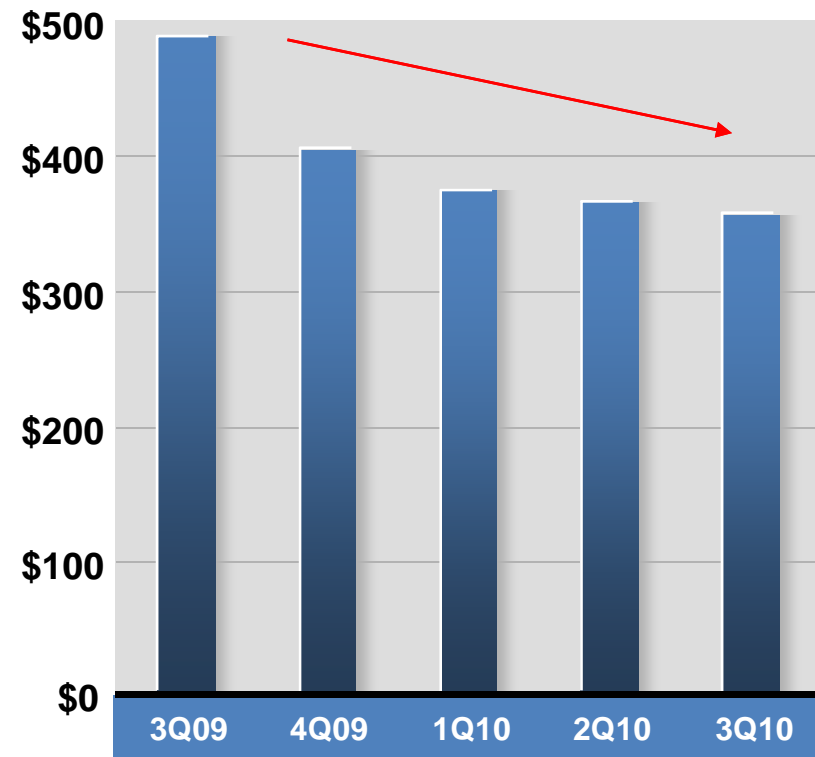
Crude Oil to Natural Gas Ratio



Near-Term Assumptions

- Moderate fluctuation in ethylene margins in next several quarters
- Capital Expenditures of \$2.4 billion
- R&D investment of \$1.7 billion
- Interest expense falls in line with debt reduction
- Effective tax rate: 18 - 23%
- Currency rates
 - Euro 1.30 - 1.35
 - Yen 95 - 100

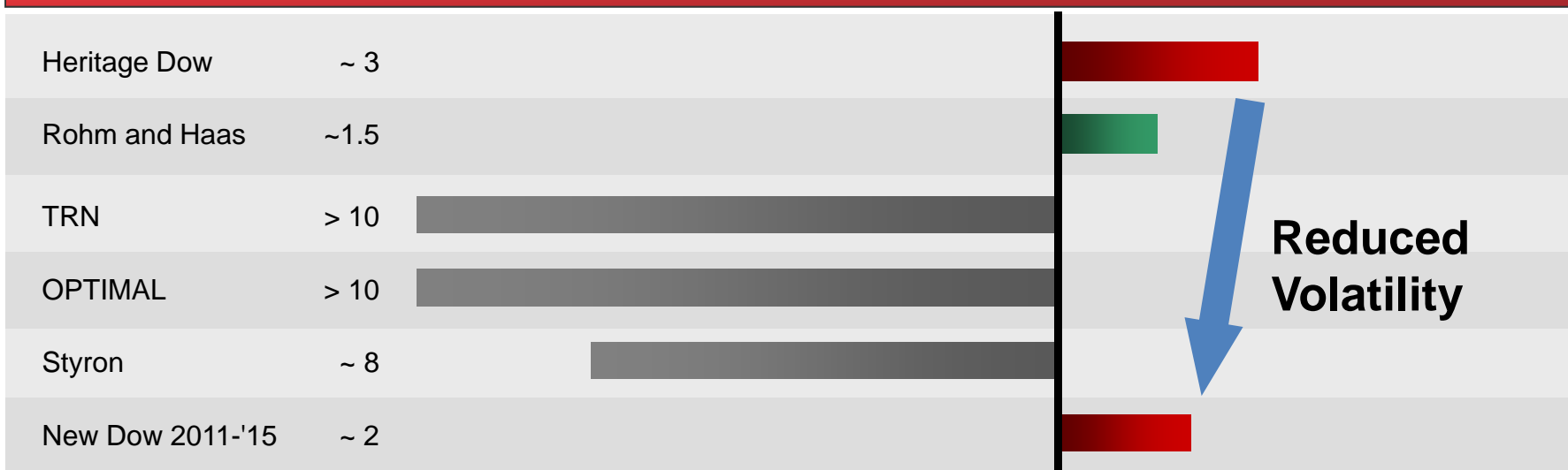
Net Interest Expense (\$ million)



Volatility Expected to Contract by One-Third During 2011-2015

- Concerted action to reduce volatility
 - Added ROH – lower volatility
 - Shed more volatile businesses – TRN, OPTIMAL and Styron

Historical Volatility in EBITDA*



* Volatility measured as ratio of maximum and minimum EBITDA during 2001-2008.

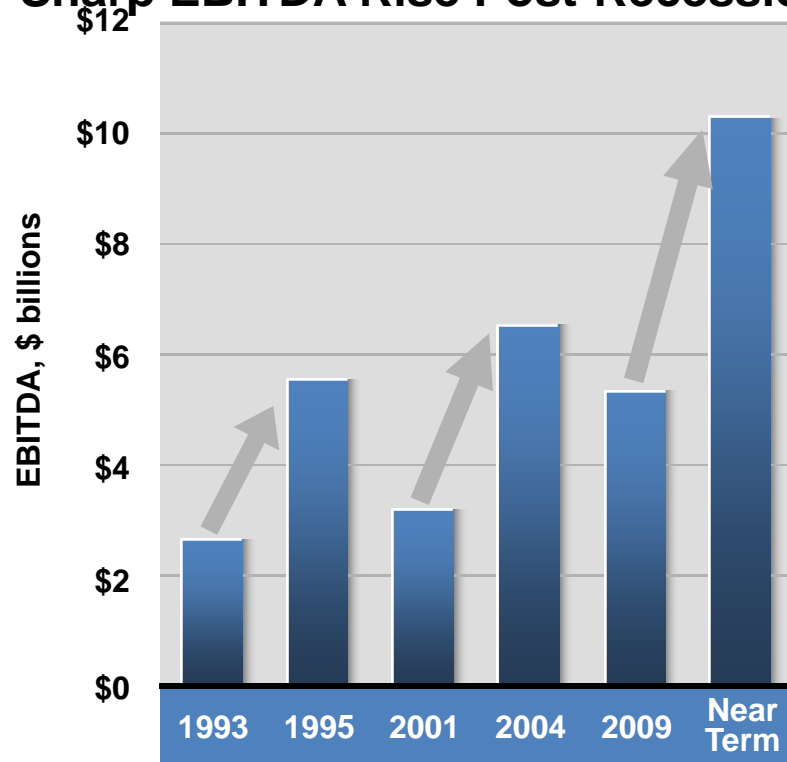


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Strong Cash Flow Generation

\$35 Billion in Cash Flow from Operations through 2015

Sharp EBITDA Rise Post-Recession

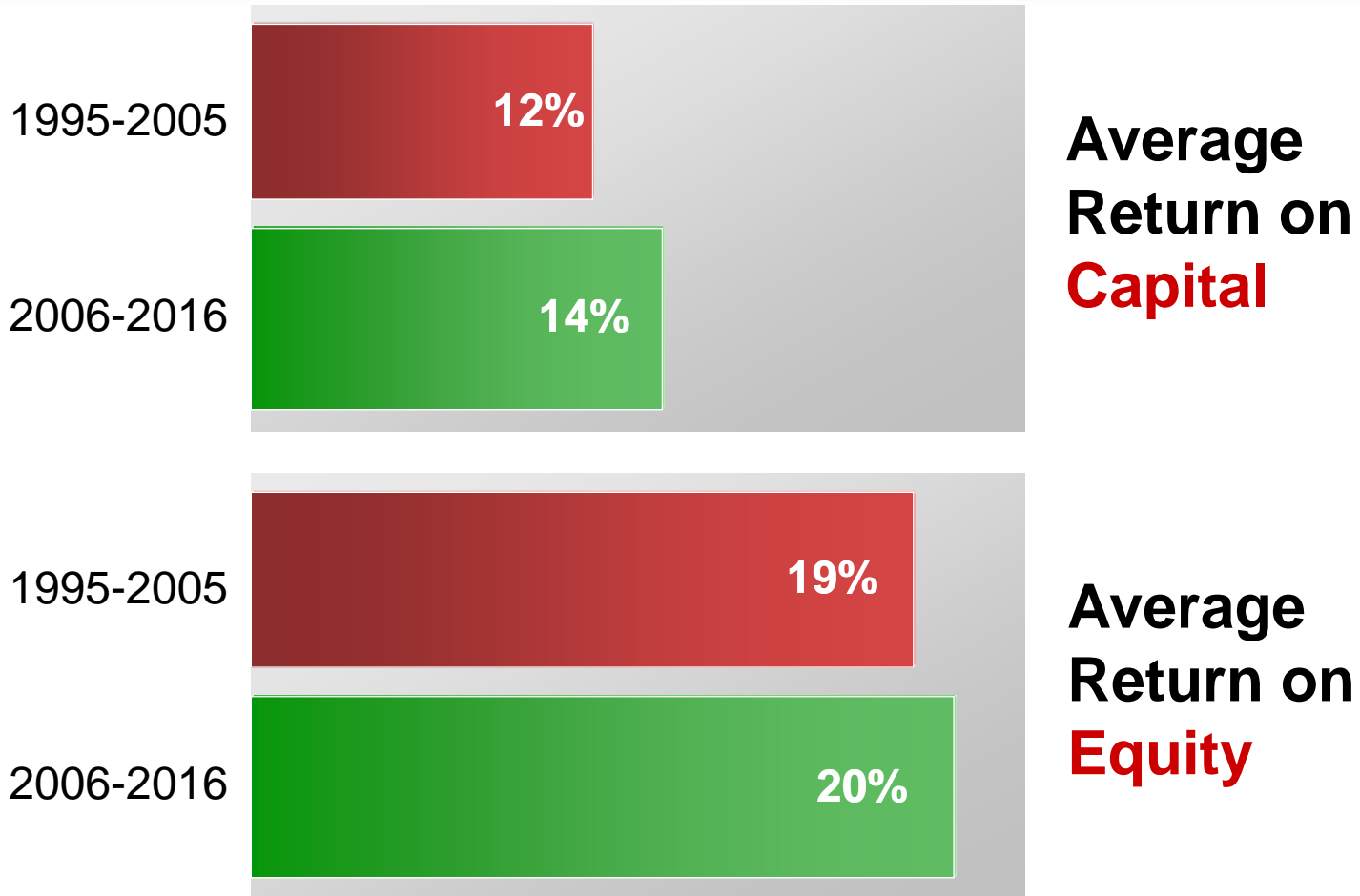


Use of Cash

- Debt reduction
- Stockholder remuneration
 - Board continues to affirm dividend policy
- Fund Growth
- Bolt-on M&A



Enhanced Financial Performance



Long-term EPS growth target of >10% per year



The **Rt** Formula

Near-Term Priorities

	GOALS
OPERATIONAL	<ul style="list-style-type: none"> • Sustain cost synergies – continued productivity • Cap Ex of \$2.4B, preferentially allocated to Performance Businesses • Start up new HPPO and Specialty Elastomers plants in Thailand • Maximize margins in price/volume sensitive businesses
FINANCIAL	<ul style="list-style-type: none"> • Generate >\$8B cash flow from operations through 2012 • <40% net debt to capital; <2.0x net debt to EBITDA by year-end 2012 • Maintain working capital discipline • Maintain investment grade rating • Consistent implementation of dividend policy
STRATEGIC	<ul style="list-style-type: none"> • Complete transformation of Plastics • Growth Project with Saudi Aramco: Final investment decision • Progress toward longer-term financial targets (ROC, ROE) • \$2B revenue run rate on acquisition growth synergies by 2012 • Reach resolution on K-Dow arbitration by mid-2011 • Achieve commercialization of innovation agenda <ul style="list-style-type: none"> • Launch key products like DHT, POWERHOUSE™ solar shingles





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