Dow Strategy Update

The Dow Chemical Company

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Chairman and Chief Executive Officer

March 19, 2014

SEC Disclosure Rules

Some of our comments today 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. A presentation of and reconciliation to the most directly comparable GAAP financial measures and other associated disclosures are provided on the Internet at www.dow.com/financial.

"EBITDA" is defined as earnings (i.e., "Net Income") before interest, income taxes, depreciation and amortization.

"Adjusted EBITDA" is defined as EBITDA excluding the impact of Certain items. "Adjusted EBITDA margin" is defined as "Adjusted EBITDA" as a percentage of reported net sales. Reconciliation of historical Adjusted EBITDA to net income is available on the Internet as specified above. Our estimates of future adjusted EBITDA and Adjusted EBITDA margin assume the exclusion of items similar to those described in historical reconciliations.

Declared dividends equals "Common stock dividends declared per share of common stock" times "Share count – diluted, excluding preferred stock conversion to common shares" as of December 31, 2013. Share repurchases equals 2013 change in "Treasury stock at cost."

"Adjusted Earnings Per Share" is defined as earnings per share, excluding the impact of "Certain Items." See supplemental information on dow.com/investors for a description of these items, as well as a reconciliation of adjusted earnings per share to "Adjusted Earnings Per Common Share – diluted."

"Adjusted Return on Assets" is Adjusted Net Income excluding Interest divided by Average Total Assets

*"Adjusted Net Income" is Adjusted EBIT * (1-Tax).*

"Adjusted EBIT" is Earnings before interest and taxes, excluding the impact of certain items.

Agenda

- **Strategy Update**
- Key Strategic Value Drivers
- Near-Term Strategic Priorities

Significant Portfolio Change Drives Higher Earnings

2006

$49B

Electronics, Coatings

Acquisitions & Organic Growth: ~$18B

Water, Ag, Food, Pharma

2013

$53B*

~$14-15B Divestments
(Actual and Announced)
e.g. Styron, Polypropylene, TRN Refinery, Chlorine carve-out

2006-2013 Select Accomplishments

- Acquired and integrated Rohm and Haas
- Recrafted Plastics to high-value, attractive end-markets
- Invested $1.7B/yr in R&D
- Announced carve-out of chlorine and Epoxy businesses

Industry Evolution

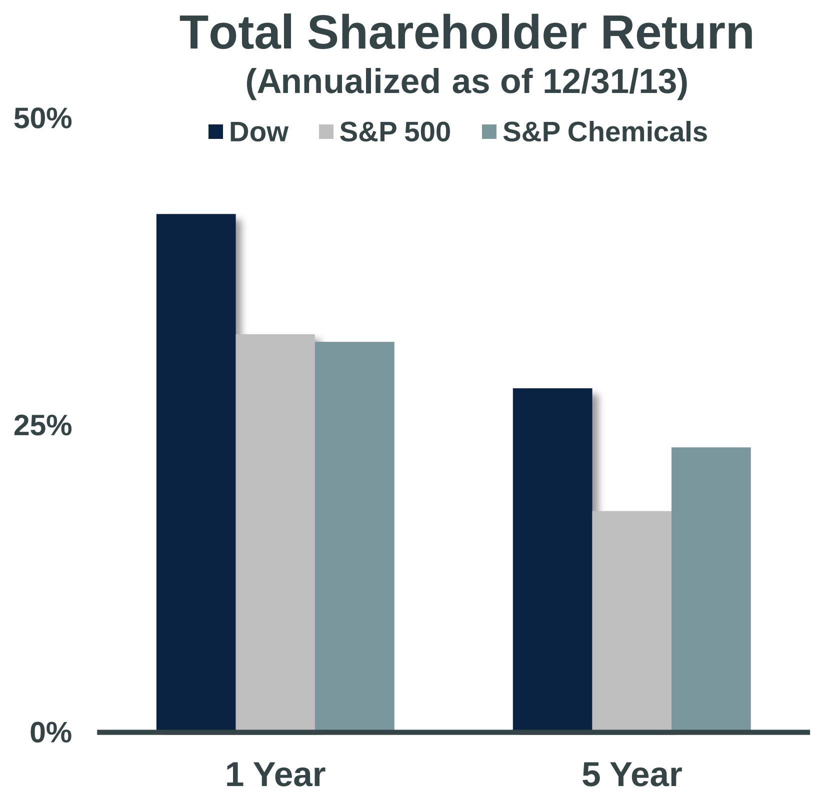
Maturing of chemicals/plastics led to significant consolidation, exits and entrances of SOEs

All figures represent Net Sales
SOE is defined as State Owned Enterprises
**2013 excludes businesses announced in the announced chlorine carve-out*

Focused Path to Drive Higher Results

2013 Key Achievements

- Delivered record cash flow from operations
- Grew adjusted FY13 EPS by 31%
- Exceeded cost savings target of $500MM
- Announced planned carve-out of chlorine and Epoxy businesses
- Increased financial flexibility with $3B of debt reduction
- Declared dividends per share and share repurchases increased nearly 30%



Dow's Strategy Accelerates

Focus on key markets and value chains

- Narrower and deeper focus on attractive, growth markets

Shed non-strategic businesses

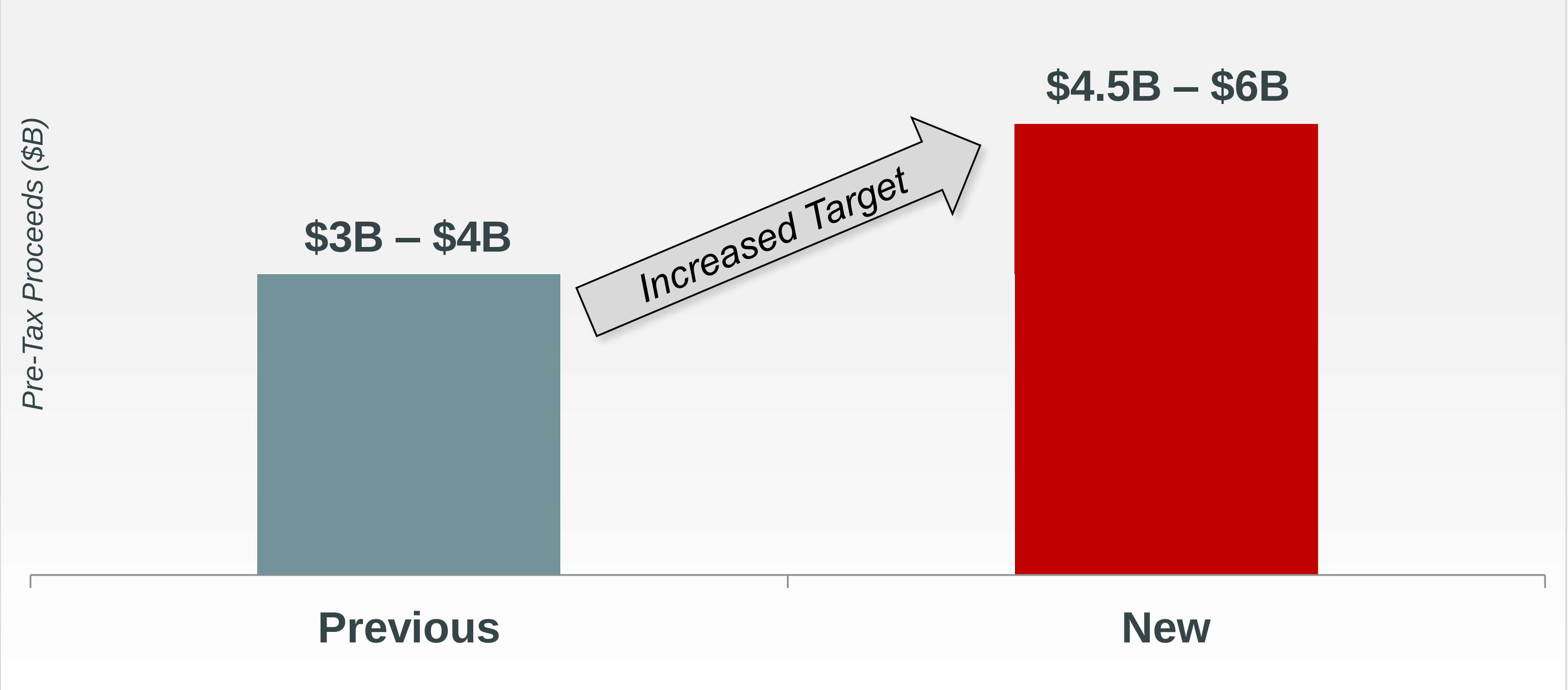
- ***Early 2013:*** Divesture target of ~$1.5B of non-strategic businesses
- ***Dec. 2, 2013:*** Increased divestiture target to $3-4B with planned carve-out of chlorine and Epoxy businesses

Remunerate shareholders

- Expanded share repurchase program to $4.5B by YE2014 and raised dividend 15%

Strategic Choices to Narrow Focus

NEW – Increasing divestiture target by $1.5-$2B
Total divestiture target raised to $4.5-$6B



Further actions will occur

Strategic Path Driven By Market Selection

Chemicals
(part of the Feedstocks & Energy reporting segment)

Perf. Mat.

$4-5B Revenue
15% of Dow's NBV
40 plants
11 sites
2,000 employees

Perf. Materials	Coatings & Infrastructure Solutions	Performance Plastics	Electronic & Functional Materials	Agricultural Sciences
				

Competitive Cost Position | Attractive Market Alignment | Science Driven Differentiation

Reposition & Exit ⟷ **Invest to Grow**

Strategic choices to strengthen position in attractive markets through low cost and/or differentiation

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- Strategy Update
- **Key Strategic Value Drivers**
- Near-Term Strategic Priorities

Dow’s Core Value Chains

Physical Integration → Technology Integration

Value Chain	Ethylene	Polyethylene	Specialty Plastics	Packaging
Value Chain	Propylene	Intermediates	Performance Materials	Coatings
Value Chain	Chlorine	Ag Chemicals	Ag Biology	Food & Nutrition
Technology Platform	Ethylene, Propylene, Chlorine, Materials and Polymers	Packaging and Perf. Materials	Electronic and Functional Mats	Water, Pharma and Personal Care

Low Cost and Technology Differentiated

Execution of Key Strategic Value Drivers Accelerates Earnings Growth and Shareholder Returns

Strategic Value Drivers — *Stronger Operational Results* — *Higher Returns*

OPERATIONAL

Innovation
Launch new products to deliver higher margins

Investments
Invest in key integrated, attractive value chains

Productivity
Drive productivity and manage cost and cash

Divestitures
Transact non-strategic businesses and assets (e.g. chlorine, Epoxy, etc.)

Higher Margins
Drive margin expansion in all segments

Enhance ROC
And increase financial flexibility

Reward Shareholders

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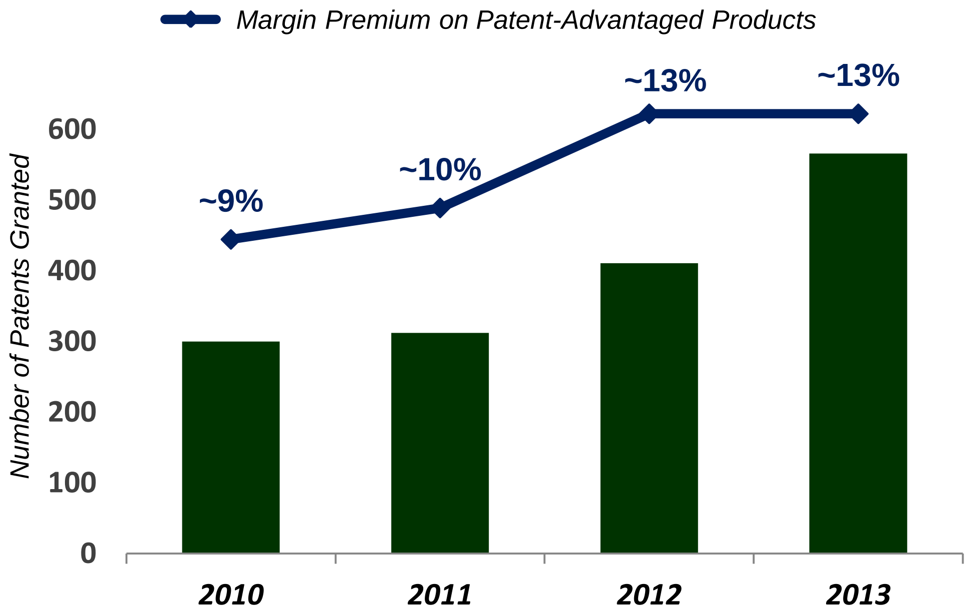
Ongoing Investment In Leading Technologies

Developing Innovative Solutions Aligned to Attractive Markets

Patent-Advantaged Products Deliver Higher Margins



Dow Gains Innovation Momentum

- >560 patents granted in 2013, the highest number in our history
  - 24% CAGR since 2010
- More than 20% of 2013 revenue is from patent-advantaged products
- Market-driven and customer-focused differentiated products strengthen Dow's competitive advantage and deliver higher margins

Innovation to Double EBITDA in Agricultural Sciences

Product Launches Propel Earnings

Crop Protection chemicals: ~$300-400MM accretive EBITDA

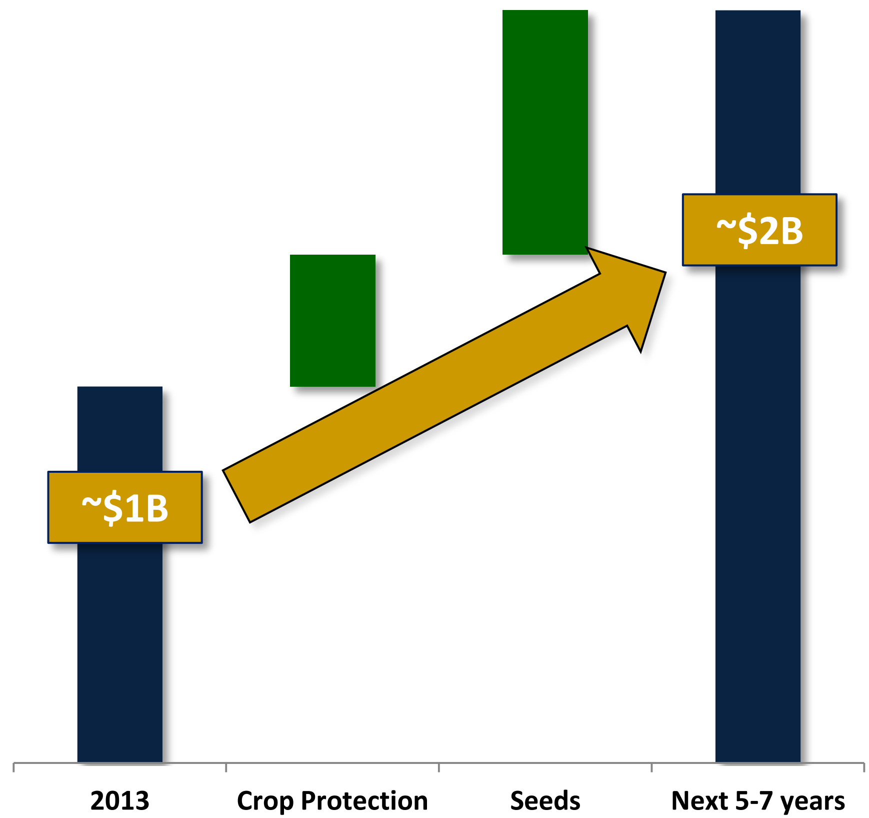
- Estimated maturity sales of new molecules to launch
  - Isoclast™ insecticide: >$400MM
  - Arylex™ herbicide: >$400MM
  - New broad spectrum herbicide: >$200MM
  - New cereal fungicide: >$200MM

Seeds: ~$600-$700MM accretive EBITDA

- SmartStax®, Refuge Advanced® and PowerCore™
- Enlist™ Weed Control System*

Margin Expansion & Organic Growth

- Commercialization of best pipeline in Dow AgroSciences' history
- Achievement of scale benefits in Seeds
- Agriculture fundamentals drive long-term growth



** Subject to regulatory approval*
Chart includes EBITDA values

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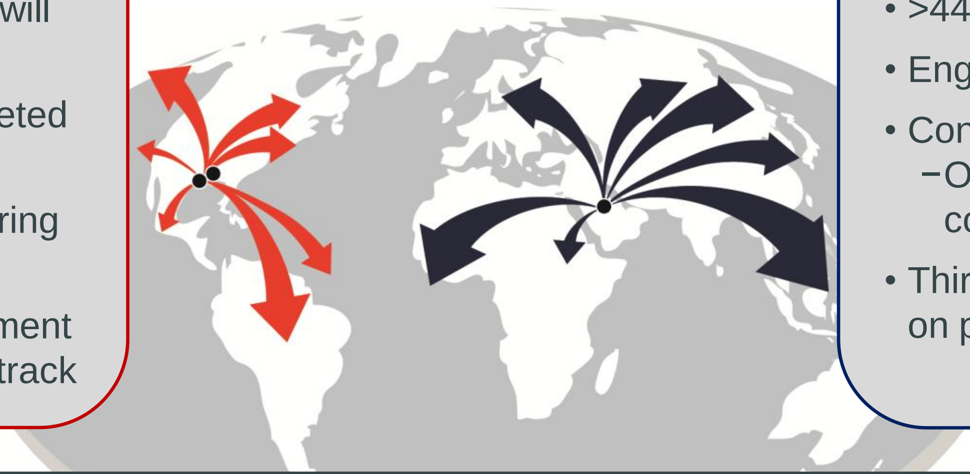
All Projects On Track for Planned Start-Up

USGC Investments

- ~1,700 workers on-site, will double by 4Q14
- PDH engineering completed
  - Construction is ~20%
- Texas Ethylene engineering ~40% complete
- All long lead-time equipment ordered and permits on track



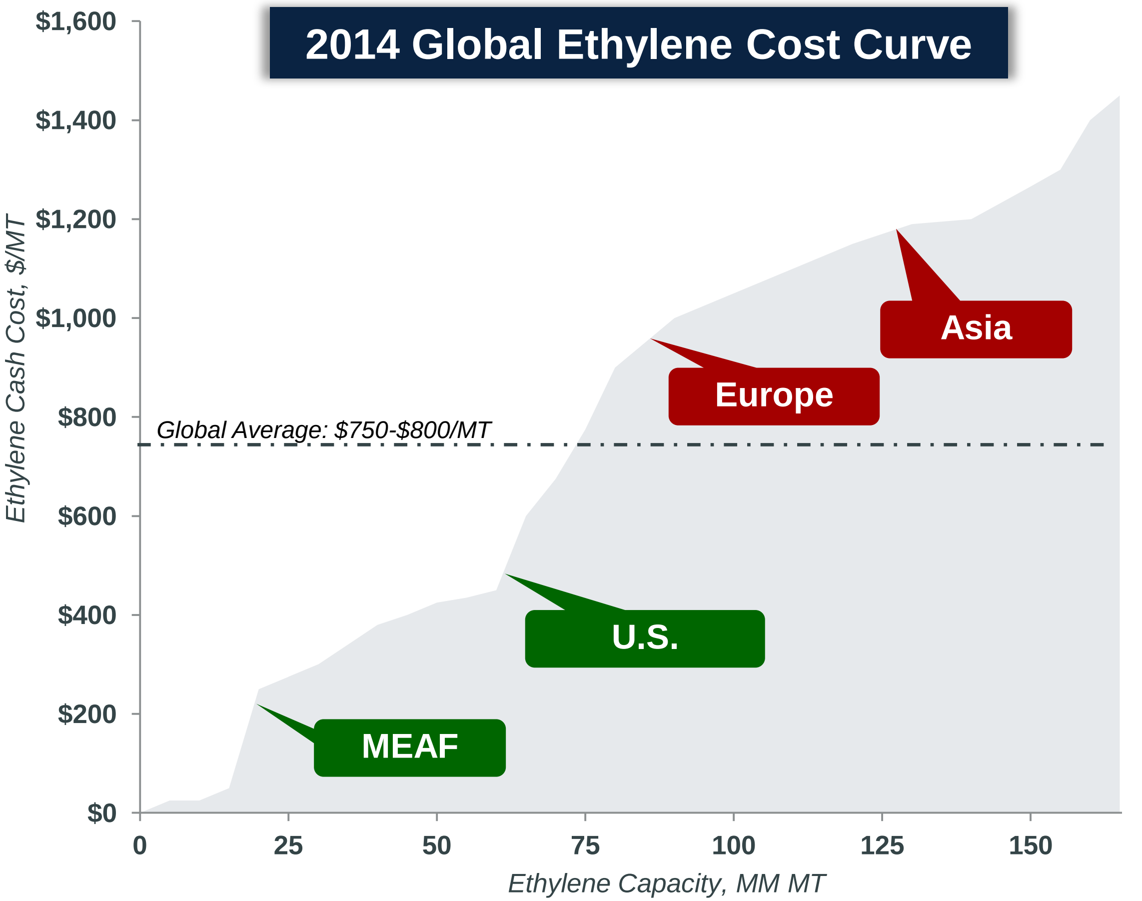
Sadara

- >44,000 workers mobilized
- Engineering ~98% complete
- Construction ~45% complete
  - Olefins units >65% complete
- Third party contracts remain on planned timeline

Investment	Start-Up	Run-Rate EBITDA
St. Charles Ethylene Restart	2012	~$250MM
Freeport PDH Propylene	2015	~$450MM
Louisiana Ethane Flexibility	2015	~$250MM
USGC Ethylene & Performance Plastics Units	2017	~$1.5B
Sadara	2015-2016	~$500MM

Growth investments achieve run-rate of ~$3B in accretive EBITDA

Dow is Well-Positioned on the Global Cost Curve



Regional Strategy to Strengthen Advantage

Dow Americas

- Louisiana Ethane Flexibility
- New USGC ethylene facility and Performance Plastics units

Dow Middle East and Asia Pacific

- Sadara proximity to growth markets and competitive cost position

Dow Europe

- Feedstock flexibility
- Manage operating rates to meet demand
- Uplift from tightening global fundamentals

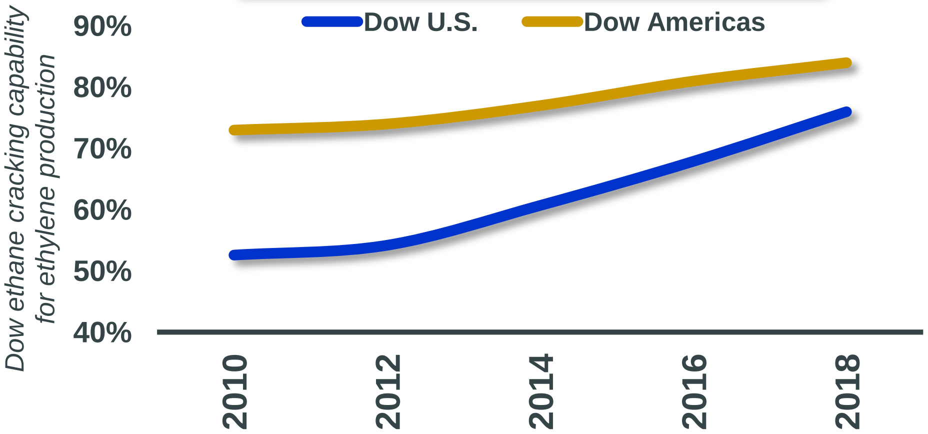
Increasing our advantaged position on a steep global cost curve

"Dow Americas" is defined as North America and Latin America

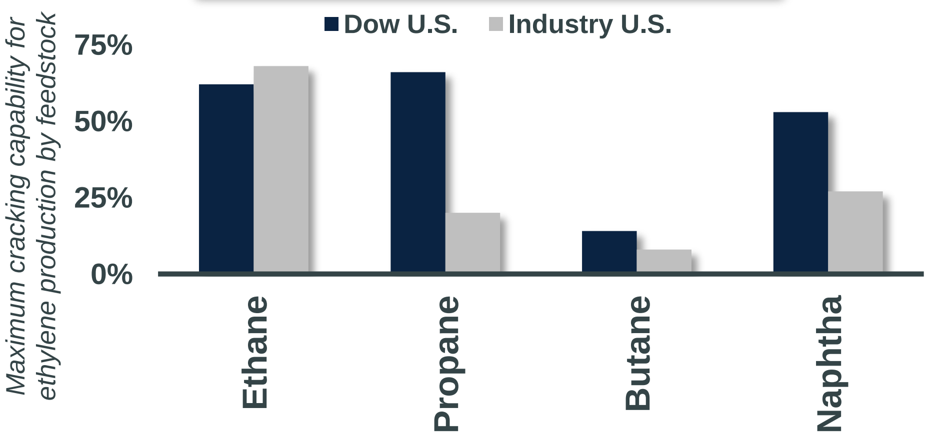
Source: Dow, IHS

Investments in Operations Aligned to Advantaged Cost Positions

Increasing Ethane Capability



Industry Leading Flexibility



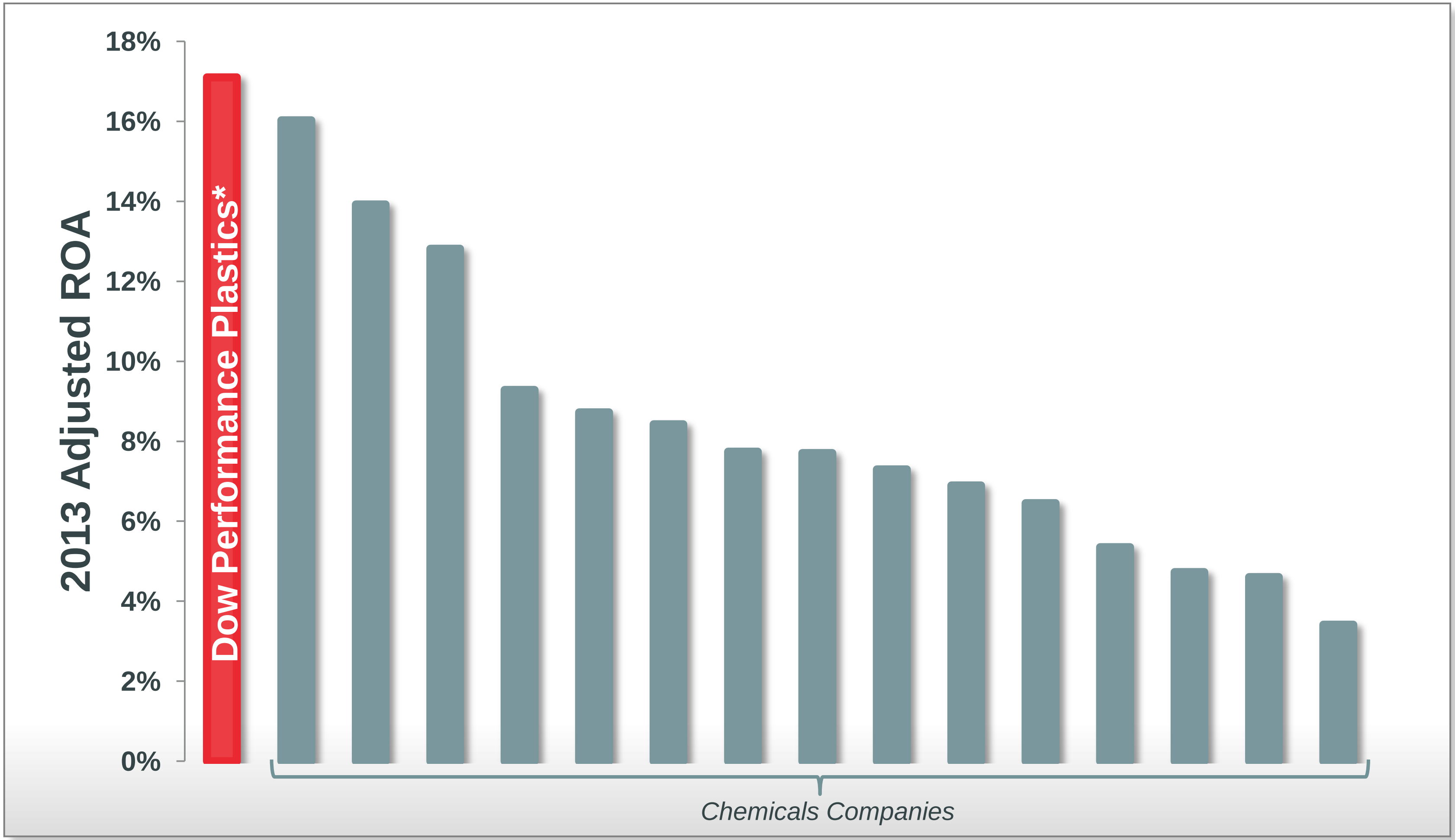
Operational Strategy

- Feedslate decisions minimize cost of ethylene and **maximize profit**
- **Propylene derivatives do not impact feedslate decisions**
- **Feedstock flexibility** inclusive of propane remains a key strategic differentiator
- USGC and Sadara growth projects further strengthen Dow's use of **cost-advantaged feedstocks**

Expand margins through increased use of low-cost feedstocks

Source: Dow, IHS

Investments Enhance High-Return Franchise



Low cost and focus on attractive markets drive consistent and higher earnings

Peer List: AXLL, BASF, BMS, CE, CF, DD, EMN, FMC, HUN, LYB, MOS, POT, PPG, SEE, WLK

**For comparison purposes only, the ROA for Dow Performance Plastics shown above includes ~20% allocation of Corporate segment. Corporate segment allocation based on Dow Performance Plastics' % of total assets. Excluding this allocation, Dow Performance Plastics has a ROA of ~22%, see Reconciliation of non-GAAP measures*

Source: Dow, Capital IQ

Adjusted ROA = Adj. Net Income excluding interest = EBIT(1-Effective Tax Rate)*

On the Path to $10B+ EBITDA Near Term

Near-Term Controllable Growth Catalysts

2014		2015-16				2017
$50-$100MM over 2013	>$350MM in 2014-15	>$450MM/yr run-rate	>$250MM/yr run-rate	NPV>$1B	~$500MM annually	>$1.5B/yr run-rate
St. Charles Ethylene Restart	Cost Savings Ramp-up	Freeport PDH	Louisiana Ethane Flexibility	U.S. Enlist Launch	Sadara	TX Ethylene and USGC Derivatives

$4.5 - $6.0B in transactions

Potential Sources of Additional EBITDA Upside

Lower Pension Expense

- 100 bps increase in the discount rate translates to >$250MM lower pension expense

Operating Leverage

- 100 bps increase in annual operating rate translates to >$200MM

Tightening Global Ethylene

- $0.01/lb margin improvement translates to >$200MM

Productivity

- Additional actions to drive earnings growth

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Productivity Improvements

Operating Segment	2014-2015 Cost Reductions	Value Drivers
 Electronic & Functional Materials	~$50MM	*Grow*
 Coatings & Infrastructure Solutions	~$50MM	*Improve*
 Agricultural Sciences	~$20MM	*Grow*
 Performance Materials	~$100MM	*Improve*
 Performance Plastics	~$40MM	*Grow*
 Feedstocks & Energy	~$40MM	*Leverage*
Corporate	~$50MM	
TOTAL	**~$350MM**	

Cost savings continue to ramp in 2014-2015

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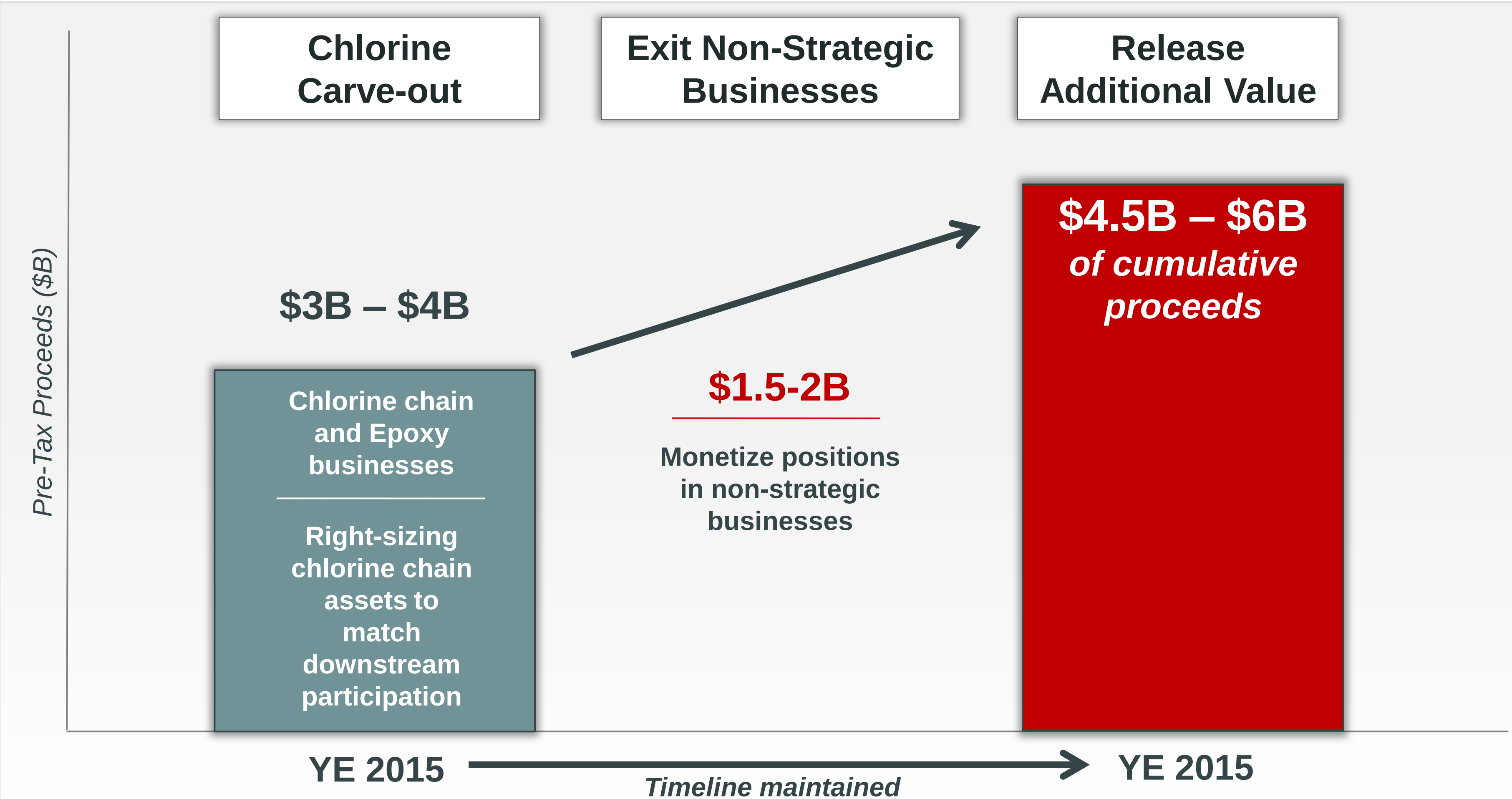
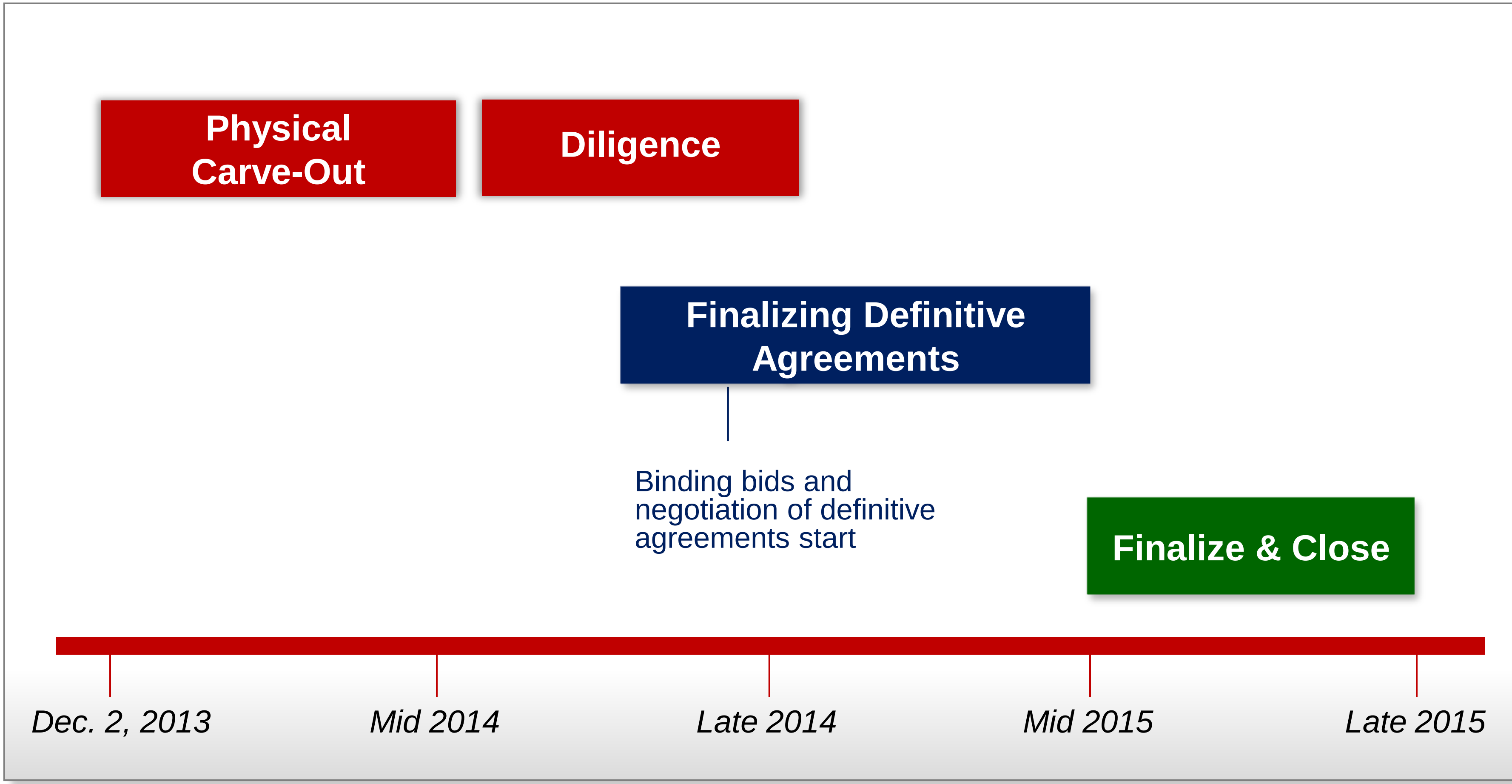
DOW

Strategic Choices to Continually Narrow Our Portfolio



Prioritize resources toward strategic markets

Chlorine Carve-Out Next Steps and Timelines



Dedicated deal team focused on execution of transaction(s)

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Driving Near-Term Growth and Margin Expansion

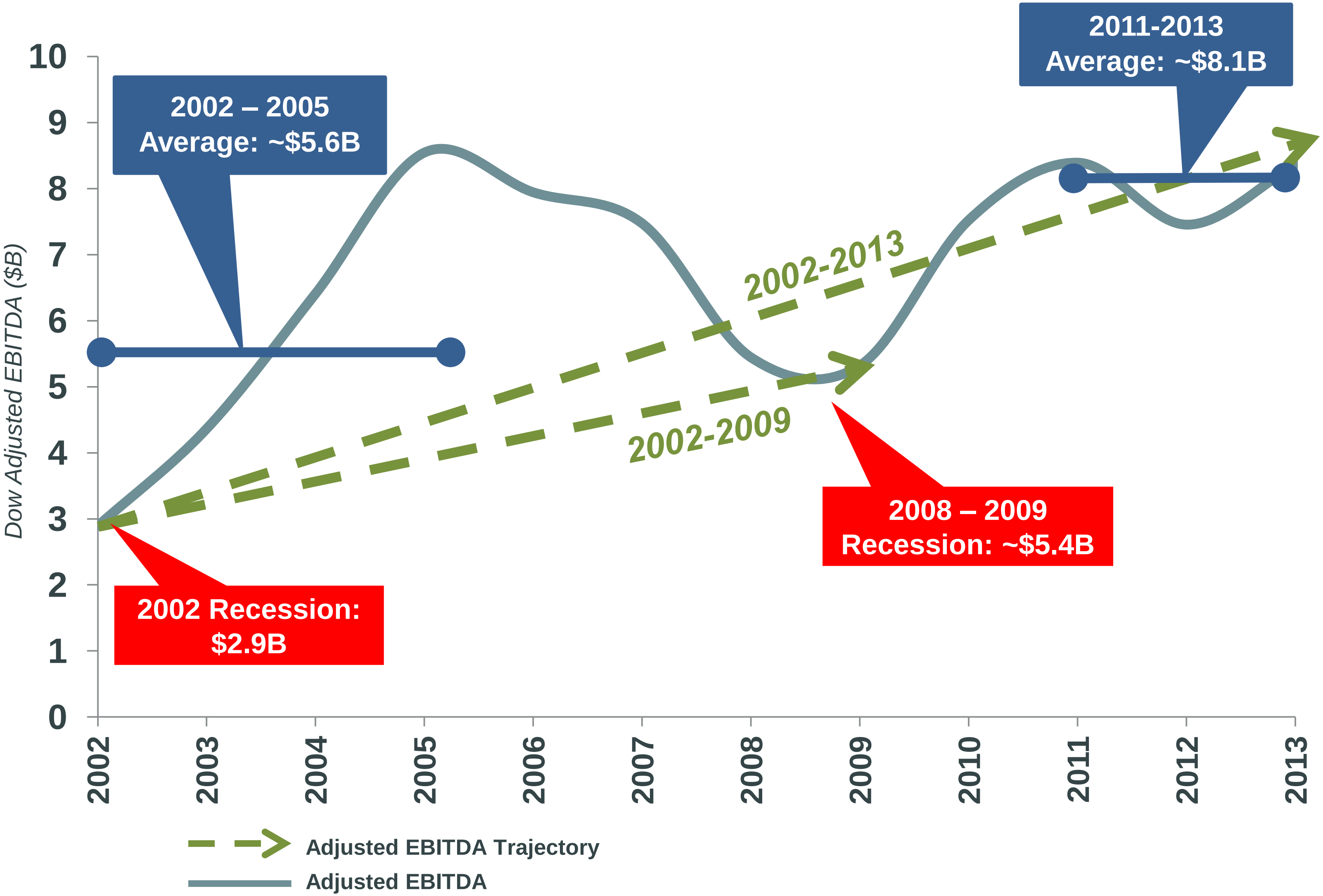
Operating Segment	2013 Adjusted EBITDA Margin[1]	Near-Term Margin Expansion Target	Normalized EBITDA Margin Target	Value Drivers
Electronic & Functional Materials	23%	100-150 bps	~25%	*Grow* through new technology platforms, customer-focused solutions
Coatings & Infrastructure Solutions	13%	300 bps	20-25%	Implement cost actions, upgrade product mix, and utilization rate improvement as market recovers
Agricultural Sciences	14%	300-400 bps	~25%	*Grow* through commercialization of powerful R&D pipeline
Performance Materials	11%	400 bps	15-18%	Productivity, cost cutting, and lower cost sourcing
Performance Plastics	28%	200-400 bps	20-25%	*Grow* in attractive end markets through new capacity with low-cost feedstocks
Feedstocks & Energy	8%	N/A	8-12%	Provide advantaged cost position to downstream businesses

(1) Adjusted EBITDA margin is defined as EBITDA excluding the impact of Certain Items as a percentage of reported sales

Focused execution to deliver shareholder value

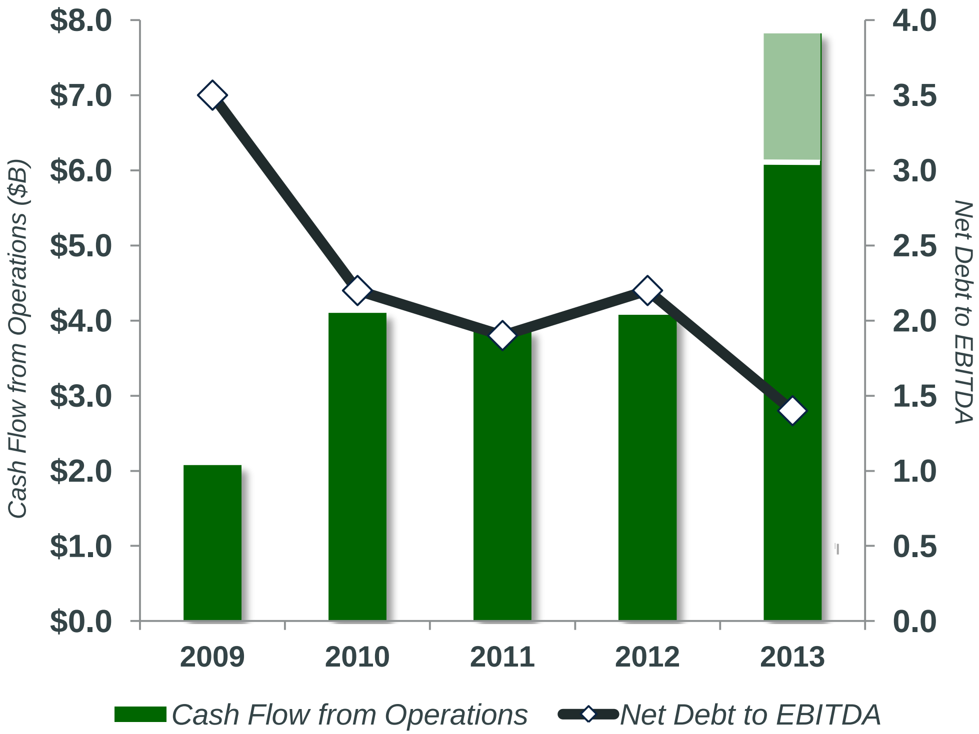
DOW

EBITDA Performance – Last 10+ Years

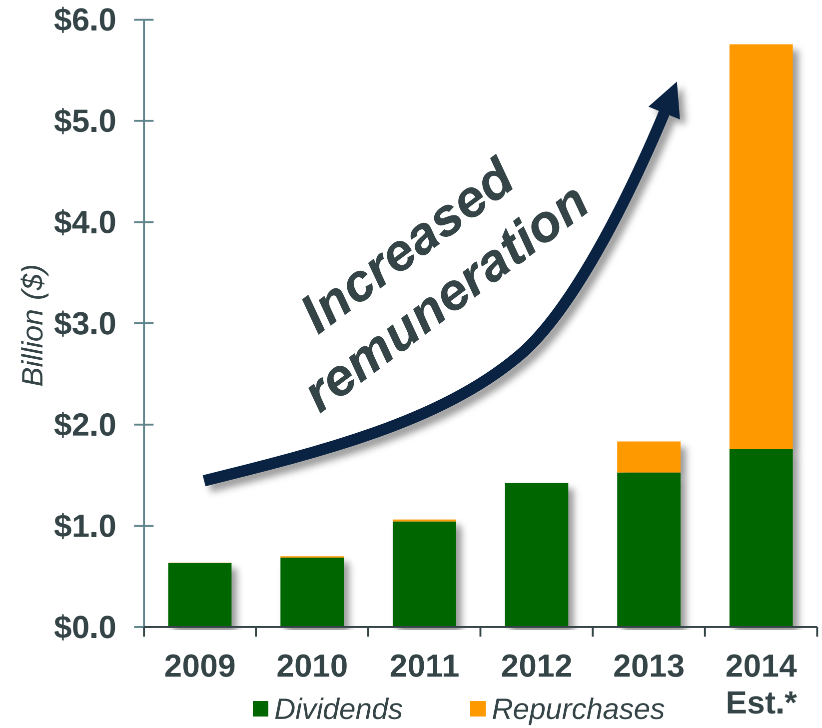


Increasing Shareholder Remuneration

Increasing Financial Flexibility



Dividends and Share Repurchases



On pace to exceed $1B in share repurchases in 1Q14

2013 cash flow from operations includes after-tax impact of K-Dow award
**2014 dividend estimate assumes 1Q14 amount for all four quarters, subject to Board approval*
Declared Dividends Per Share & Share repurchases based on ending diluted share count for each year
"Net Debt to EBITDA" is defined as net debt divided by "Adjusted EBITDA." Net debt equals total debt ("Notes Payable" plus "Long-term debt due within one year" plus "Long-Term Debt") minus "Cash and cash equivalents."

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- **Near-Term Strategic Priorities**

Near-Term Strategic Priorities

- Invest in key integrated and feedstock driven value chains and successfully start up these projects in 2015 (USGC and Sadara)
- Launch new products in Performance Packaging, Dow AgroSciences, Dow Electronic Materials and Dow Coatings Materials, and deliver new margins in these businesses in 2014/2015
- Drive productivity and reduce costs – manage cash and capital tightly
- Divest or JV chlorine chain and Epoxy business in 2014/2015
- Release hidden value businesses and ventures, drive better transparency on ROC and value creation in each segment
- Drive returns that exceed the cost of capital, increase financial flexibility with cash generated and reward shareholders

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