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Chief Technology Officer
The Dow Chemical Company



Jefferies 3rd Global Clean Technology Conference
May 2, 2007

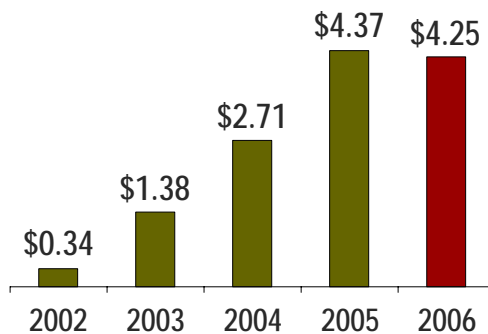
Diversified, Strong and Getting Stronger



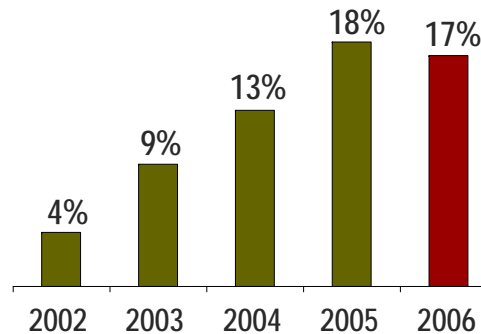
2006 Results

In millions, except per share amounts	2005	2006
Net Sales	\$ 46,307	\$ 49,124
Net Income	\$ 4,515	\$ 3,724
Dividends per share	\$ 1.34	\$ 1.50
Equity Earnings	\$ 964	\$ 959

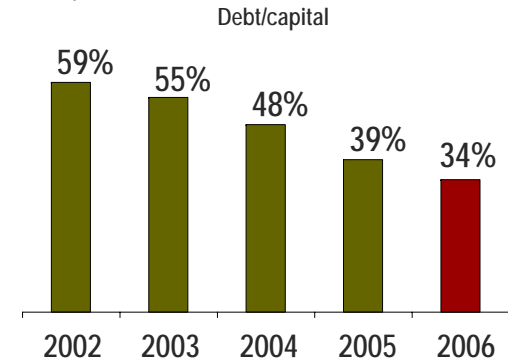
Continued Strong EPS*



Solid ROC* Continues



\$1.2 B Debt Reduction



*Non-GAAP data, excludes unusual items

Dow Today: Sustainable Products



- **Biodiesel fuel** produced by Dow Haltermann reduces vehicle CO₂ emissions by almost 80 percent when compared to petroleum diesel.
- **Insulation sold by Dow** saves 0.3 quadrillion BTUs of energy per year – more than the 0.25 quadrillion BTUs total that Dow uses!
- Dow is the world's largest manufacturer of reverse osmosis water purification membranes, with installed capacity to treat more than 22 million cubic meters of water per year.
- Dow AgroSciences will double production capacity for its **next-generation healthy oils**, supporting its growth strategy for the Healthy Oils business.
- Dow structural foams, structural adhesives, and resins **help automakers reduce vehicle weight**. For every 10% reduction in weight, fuel economy improves by 7%*.



Measuring Innovation



Alternative Feedstocks



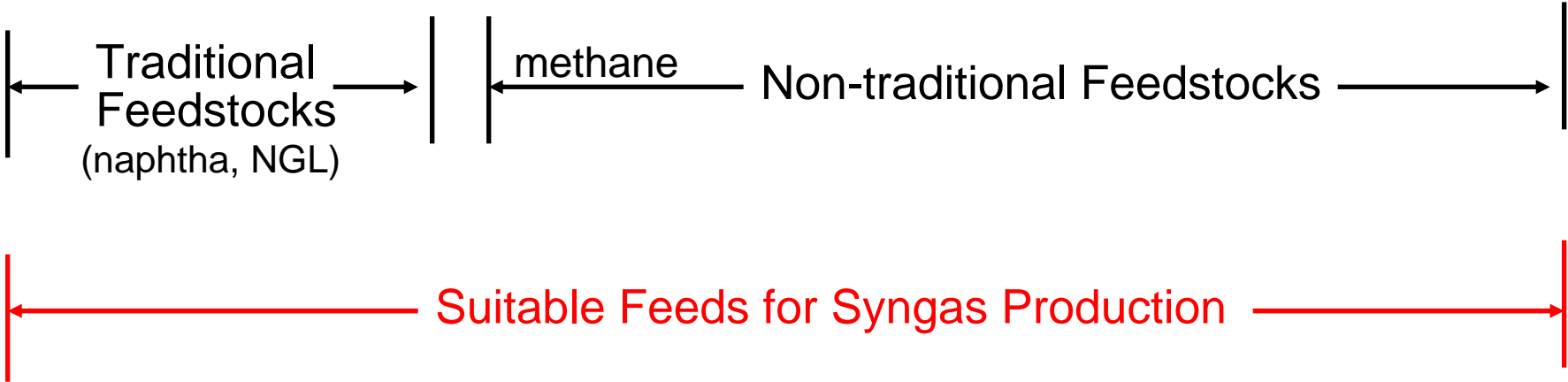
Need alternatives, need flexibility



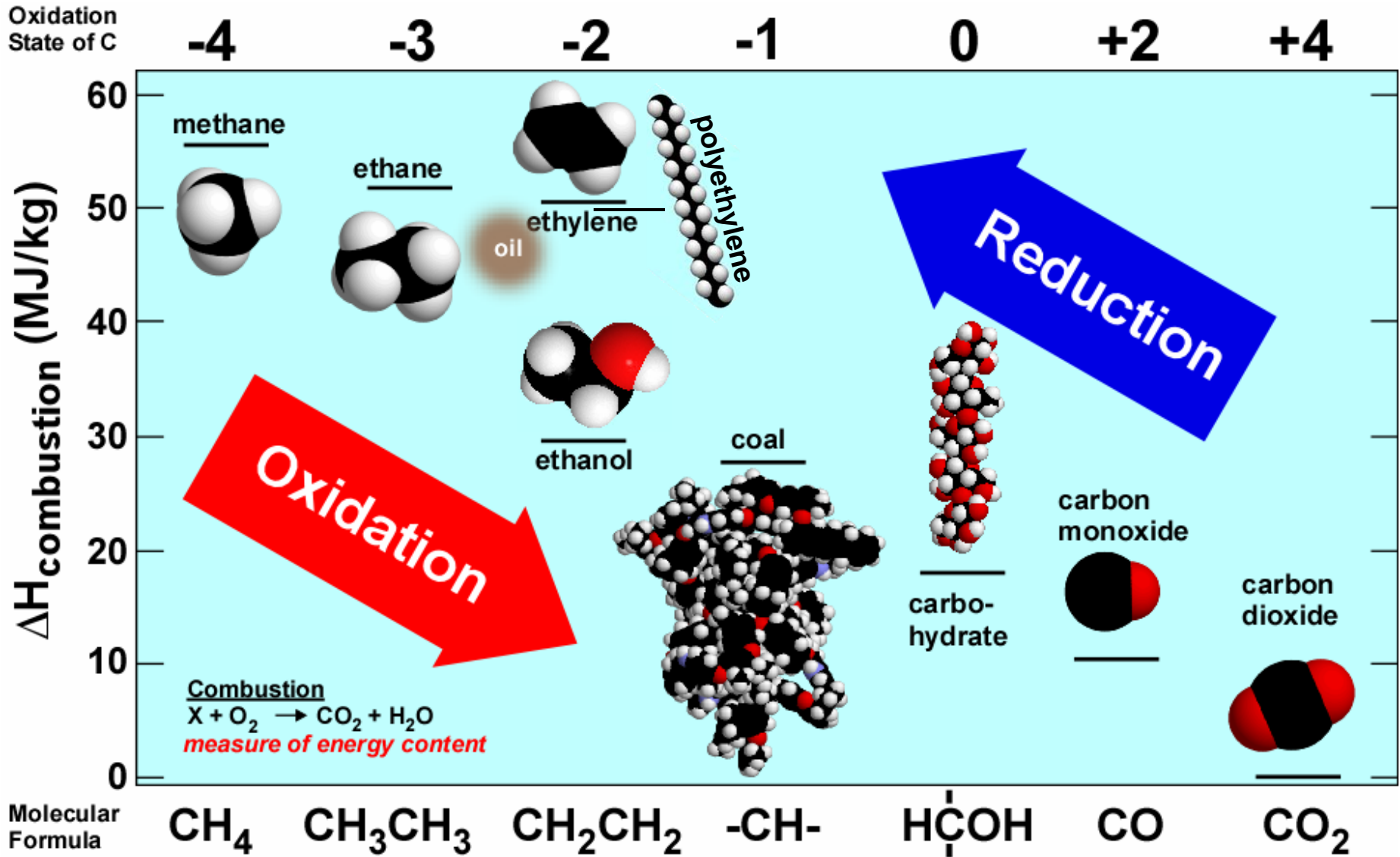
60%



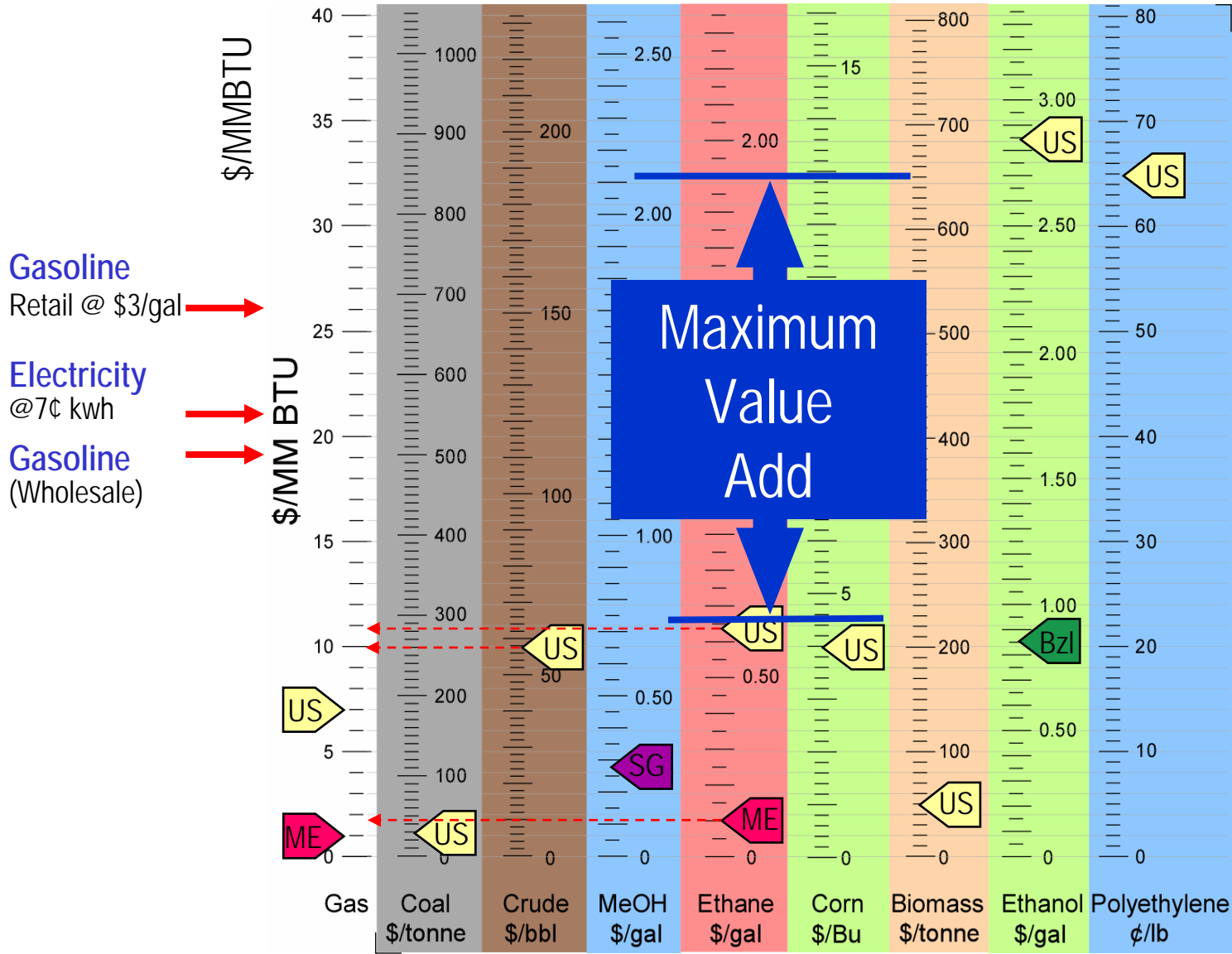
40%



Alternative Feedstock Options

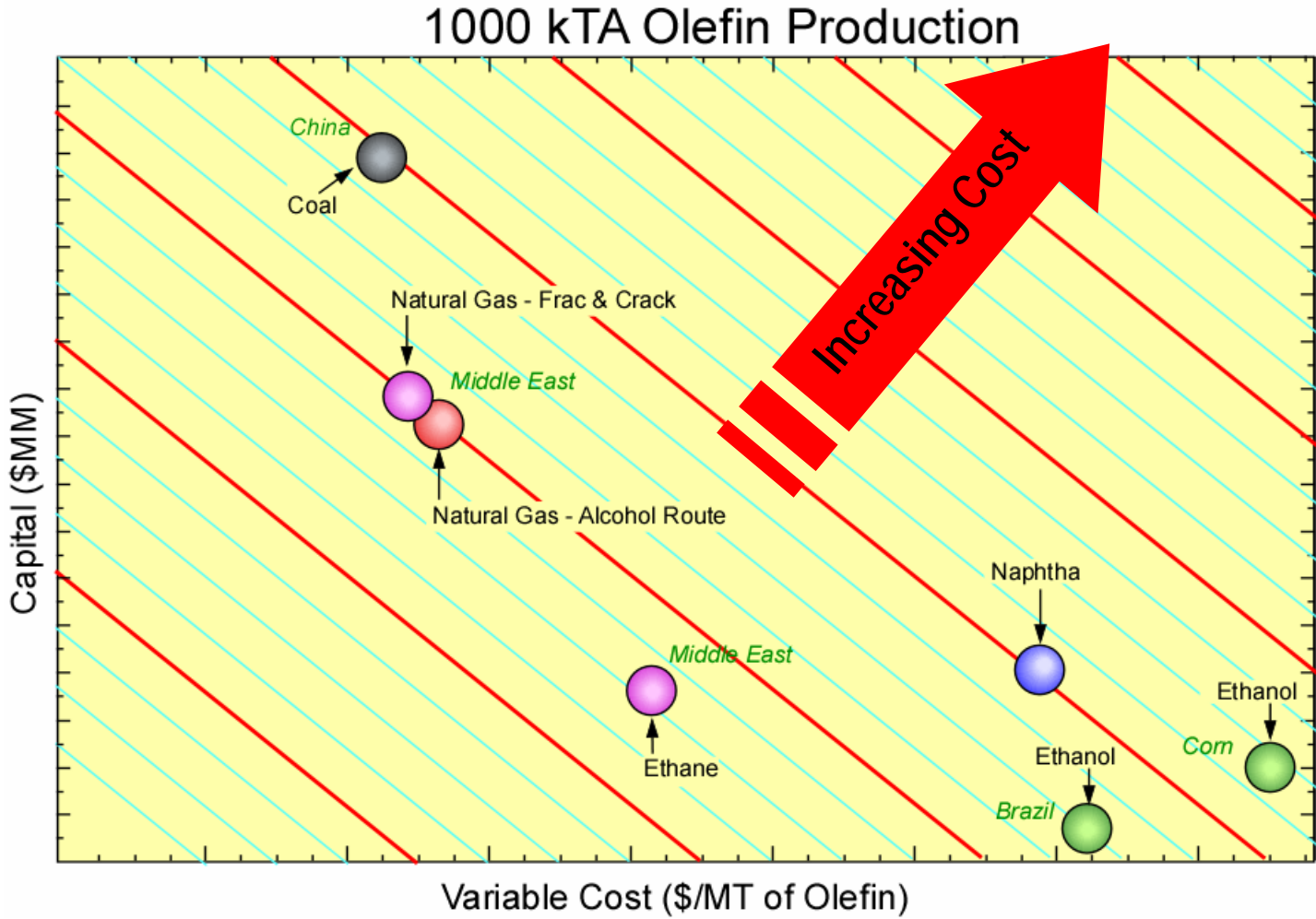


Variable Cost of Energy

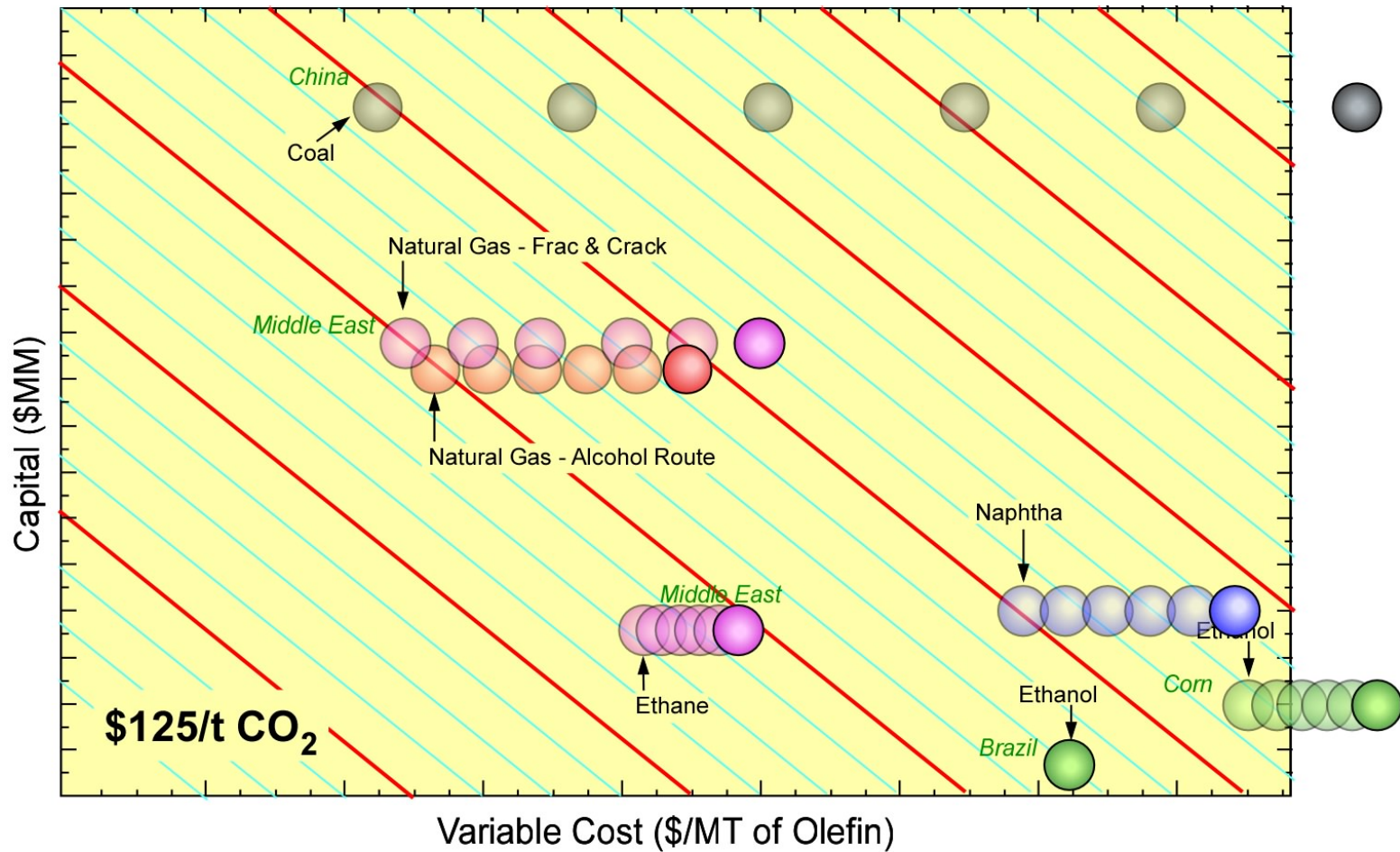


data for 3/2007

Total Manufacturing Cost



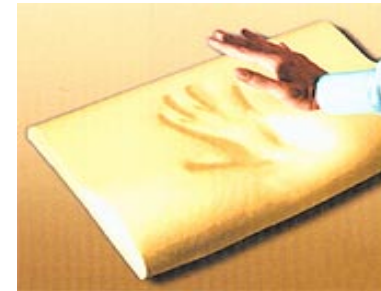
Impact of Greenhouse Gas ???



Renewable Feedstocks & Dow



Soy-based polyols



Low cost, high performance, and renewable

Epichlorohydrin from Glycerin



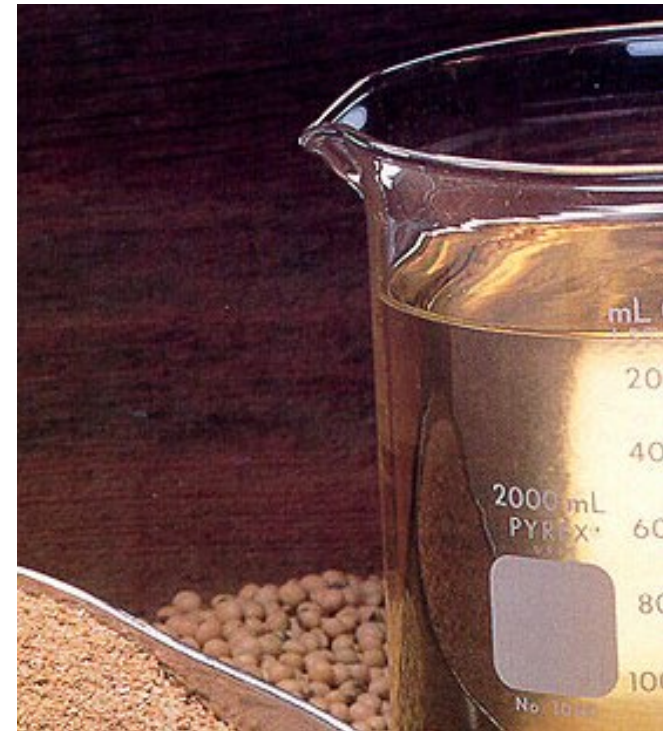
World-scale plant in China will be online in 2010

Renewable

- Uses glycerin – a by-product of the biodiesel production process
- Creates significant cost & environmental advantages vs. conventional process technologies
- Unexpectedly clean, simple
- Low cost, low capital

Applications

- Electrical laminates
- Coatings
- Adhesives



Propylene Glycol Renewable



Renewable

Made from glycerin generated as a by-product during the manufacture of biodiesel, a diesel-fuel alternative produced from vegetable oils such as sunflower, soybean and canola.



Applications

- Unsaturated polyester resins
- Aircraft deicers
- Antifreezes for automobiles, recreational vehicles and marine
- Heavy-duty laundry detergents

Corn Potentially Advantaged for Ethanol

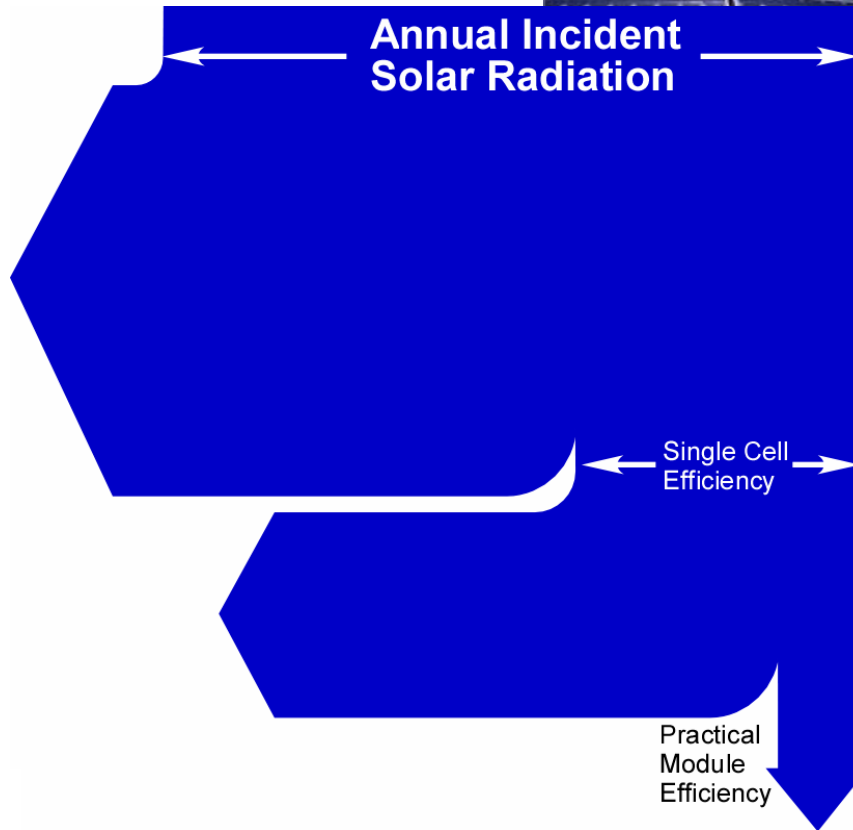
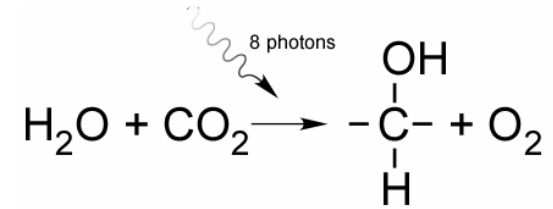
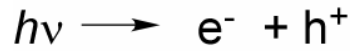


Through lower lignin content for highest fiber digestibility & higher dry matter intake, Mycogen[®] Silage-Specific mid-rib corn hybrids result in an average of 4.8# more milk per cow each day than cows fed non-BMR hybrids

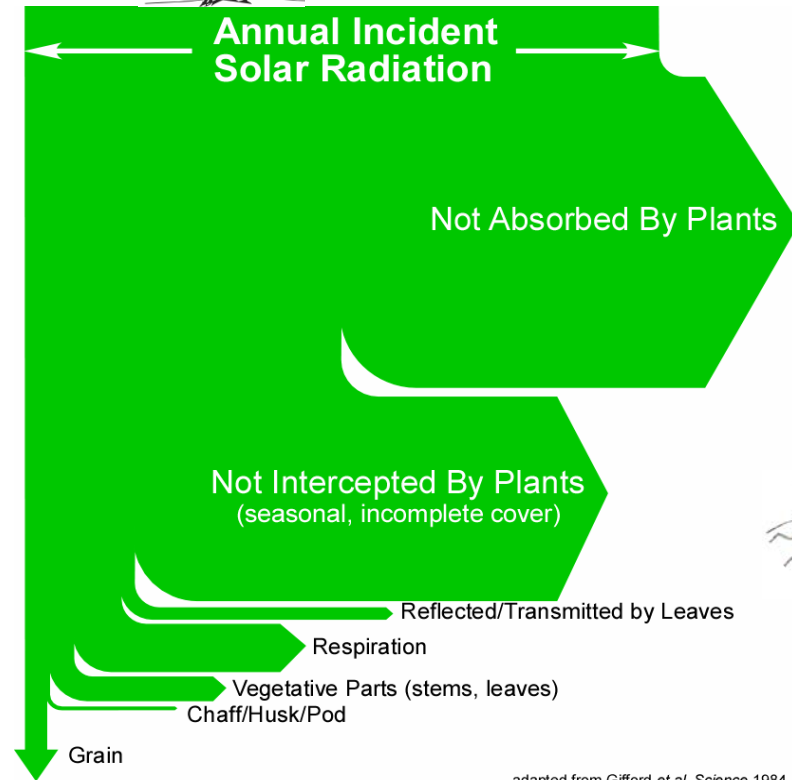
Mycogen[®] nutritionally-enhanced corn hybrids with Supercede[™] high-energy technology feature increases oil for more energy in swine & poultry rations



Harnessing the Sun's Energy



Practical Module Efficiency >10%



Theoretical Efficiency ~3%

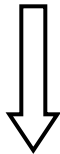
adapted from Gifford et al, Science 1984.

Strategic Fit with Dow



Core R&D/Energy

- Thin film processing
- Mfg. process optimization



Market need:

Low Cost PV modules

30 – 50% < silicon-based PV modules
CIGS provides disruptive technology

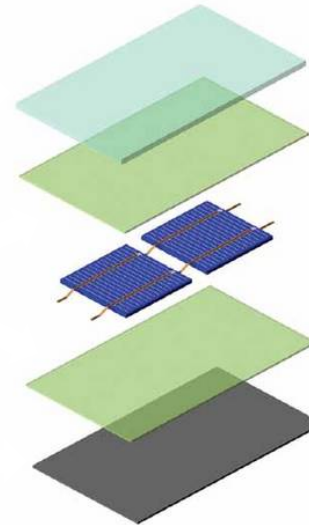
Dow Plastics /Specialty Films

- PV packaging
- Back sheet, EVA replacement

Top layer

Encapsulant

Back sheet



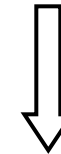
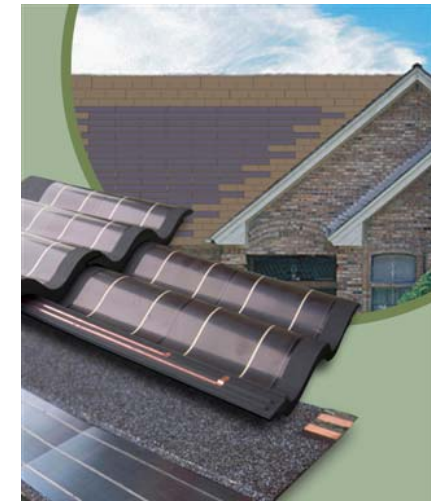
Market need:

Specialty films

Packaging (EVA, Tefzel™, Tedlar™) plastic film replacement

Dow Building Solutions

- BIPV commercial roofing
- BIPV residential roofing



Market need:

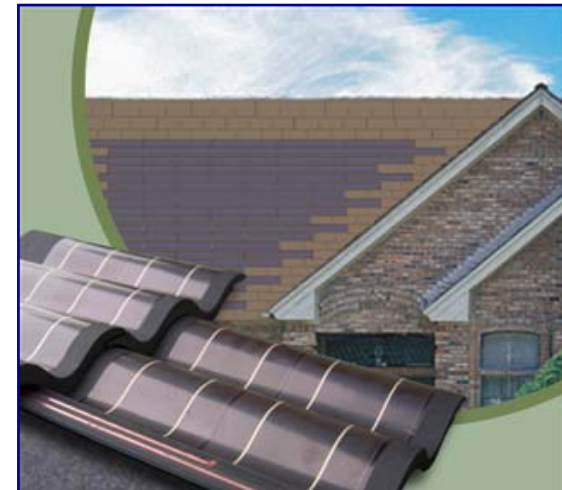
Flexible solar PV roofing product

Conformal to architectural demands and roofing type

Dow Photovoltaics



Doing for PV What Plastics Did For Automotive...



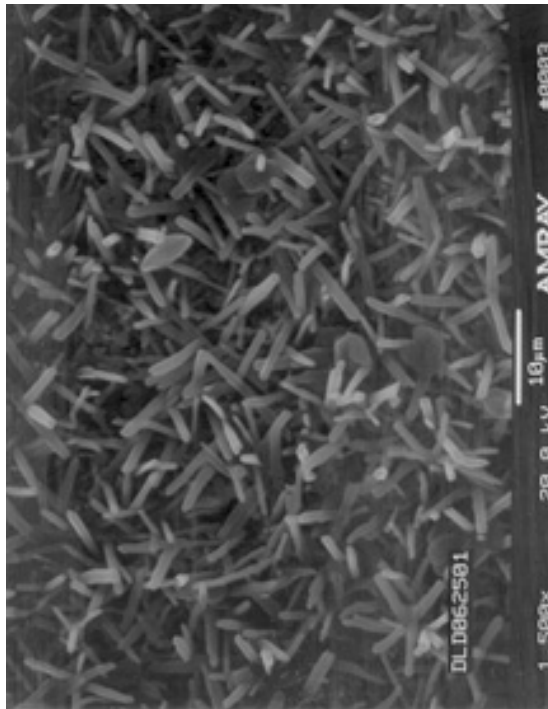
Diesel: A Clear Winner



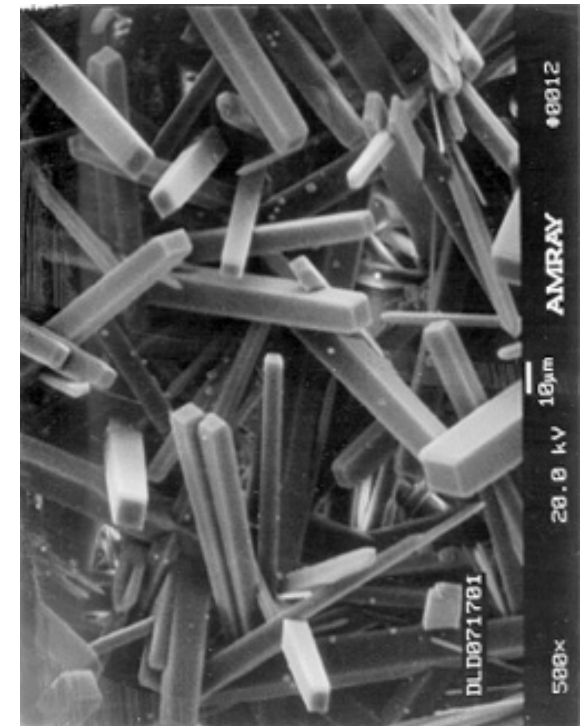
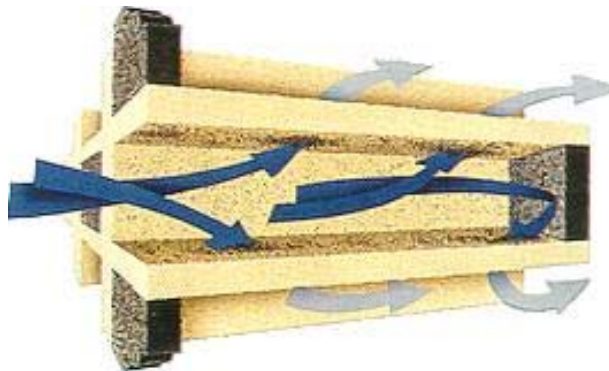
Mercedes BLUETEC E320 versus Cadillac STS



Advanced Ceramic Material (ACM)



- Acicular Mullite – Dow**
- 4 High porosity & filtration
 - 4 Lower thermal mass
 - 4 Lighter weight
 - 4 “Tailorable” microstructure



Omega-9 Oils Eliminate Saturated Fat



Photo Courtesy of Canola Council of Canada

Healthier Oils

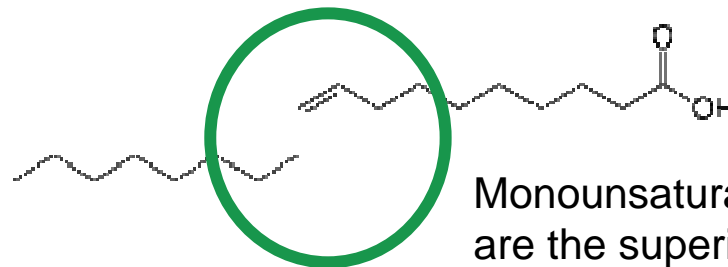
- Foodservice industry under pressure to eliminate trans fat
- Oil profile of the future, available today!
 - Zero trans fat **AND** lowest saturated fat
- 2:1 taste preference and 50% longer fry life than low linolenic soybean oil
- Higher-yielding hybrids across geographies
- Crop production capacity to supply national foodservice chains
- Premier solution for foodservice
- 20 North American restaurant chains converted, including Taco Bell®
- Omega-9 Oil volume doubled in 2006



Omega-9 Oils

Canola • Sunflower

Healthier Oils. Healthier Business.™



Monounsaturates
are the superior
solution

HPPO – Innovation & Partnership



- New process for producing propylene oxide (PO) using hydrogen peroxide (HP). Developed jointly with BASF.
- PO is used in the manufacture of polyurethane for furnishings, automobiles, mattresses, construction materials and appliances.
- HPPO process reduces waste water by 70-80 percent and energy usage by 35 percent.
- World's first HPPO plant is scheduled for startup in 2008 at Antwerp, Belgium, built jointly with BASF and Solvay.

From left to right: Dr. Jürgen Hambrecht, Chairman of the Board of Executive Directors, BASF; Mr. Guy Verhofstadt, Belgian Prime Minister; Mr. Andrew Liveris, Chairman and Chief Executive, The Dow Chemical Company; Mr. Christian Jourquin, Chairman of the Executive Committee, Solvay - HPPO Groundbreaking, September 2006 – Antwerp Belgium

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 may 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.



Thank You