

Dow Brazil:
Scaling New Heights



Compañía MEGA –Building
on the Growth and Natural
Resources in Latin America



Dow Recognized for
Innovative Products Helping
to Protect the Ozone Layer



The Changing World of
Biocides – Meeting Ongoing
Consumer Demand for
Products with Reduced
Environmental Footprints



Business Buzz



Around the World



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2007 Responsible Care® Awards: The Spirit of the Human Element Brings Responsible Care® to Life

As a long-time Responsible Care® company, Dow makes a commitment to the safe handling of our products throughout their lifecycle a part of everything we do. The strength of that commitment and of the Human Element that brings that commitment to life was highlighted this fall with the announcement of Dow's 2007 Responsible Care® Award winners.

The global awards program recognizes Dow projects that protect people and the environment, and are consistent with Dow's 2015 Sustainability Goals. More than 325 people around the world participated in this year's award-winning projects.

Ahead of the curve

Dow's long-time immersion in the Responsible Care® ethic, that stresses human, environmental and transportation safety as well as resource conservation, has set the perfect stage for projects that in many ways were ahead of the Sustainability curve. This year's awards highlighted projects, some almost 10 years in the making, that go beyond providing solutions common and current today, to providing solutions worthy of tomorrow.

Water use was a focus for a number of projects – recycling of rain, process, and, in one case, wastewater from the nearby community for use at Dow facilities. The wastewater recycling project was also recognized as the recipient of a

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Around Dow

Responsible Care® Awards

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Dutch National Responsible Care® Award in 2007.

Emission reduction was another key focus. One project team even found a way to eliminate the venting of CO₂, a greenhouse gas, to the atmosphere by diverting it to a nearby oil company, where it is used in the oil extraction process, where it will remain trapped.

Many of the projects went beyond Dow's fences to help local communities prosper, or to work with industry partners and sometimes even competitors to increase transportation safety in their local areas as well.

Congratulations to the award-winning teams for their hard work on behalf of our company, our industry and our communities. These teams truly show the spirit of the Human Element, working hard to bring Responsible Care® to life.

Learn more about three award-winning projects.

Ensuring Safety Beyond Our Gates

Dow understands that the need for safety and security doesn't stop when our products leave our gates, so our Radio Frequency Identification (RFID), Global Positioning System (GPS) and Auto ID Expertise Center is developing a Container Tracking system to track the containers that are used in chemical transportation. This industry-leading system tracks railcars, intermodal container trucks, and smaller containers like cylinders, drums, and totes.

The Dow system gathers real-time tracking information through the use of Auto ID technologies (bar code, RFID

and GPS), and an Internet web portal site provided by Savi Technology plots the positions on a world map. Additional data is also collected on select shipments where sensors monitor and record environmental condition data (temperature, humidity, shock and light) to monitor the container while it is in transit.

This means that at any given moment, location and transit safety of a given container can be monitored and ensured. The system can issue or respond to alerts based upon conditions, location and external factors including extreme weather conditions like hurricanes or

floods, or U.S. Transportation Security Administration (TSA) terrorist threat alerts.

Dow is also working to bring these safety and security advancements to others in our industry by sharing our efforts in the use of these technologies at industry and supply chain conferences throughout the world, and by encouraging other chemical manufacturers to utilize similar technology. Dow is also engaged in advocacy efforts with governmental agencies and industry organizations to promote these efforts as industry requirements.





Back to School: Artificial Reef Project Brings Fish Back to Batangas

Only ten years ago, the waters in the bay surrounding the Philippine Province of Batangas were teeming with fish and other aquatic creatures. But heavy shipping traffic and the presence of multiple large-scale industrial activities have taken their toll on the area's reefs and sent fish seeking better surroundings.

Dow requested the assistance of Philippine Business for Social Progress (PBSP), a non-governmental organization (NGO), and the Batangas Coastal Resource Management Foundation (BCRMF), as well as the support of local government. Together they developed an Integrated Coastal Resource Management Program for five

coastal communities in the area. The program was dubbed The Dow Chemical Reef Ecosystem Enhancement Flagship (REEF) Program. The program educated the five local communities on resource management, solid waste management, and artificial reefs so that each community would be able to manage its own coastal management plan. Thirty-seven Dow volunteers worked with their communities to construct the reefs and to participate in a coastal clean-up event.

The reefs, made of concrete blocks erected in pyramidal form, were first installed in November 2006, followed by a second installation in March 2007. Latest monitoring shows that

around 24 species belonging to 17 families of fish have returned and are repopulating the new reefs; and the local communities are actively engaged in managing the local resources that mean so much to them.

Although Dow closed its Batangas facility in March 2007, establishing the REEF program to bring the fish back to school means that the local communities, armed with increased knowledge and awareness of environmental protection, can continue to successfully manage their own resources and benefit from Dow's final contribution to community success.

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Responsible Care® Awards

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Innovation Pulls Up a Seat: New design, process and product put safety, comfort and energy savings in the front (and back) seat

Most drivers get in and out of their cars every day without giving their car's seats a second thought, but that second thought was just what a team at Dow Automotive provided, and the results are outstanding for automakers, for consumers, and for the environment.

A car's seat provides much more than just a place to sit. Usually made of steel, the seat provides good things – safety and protection in a crash, and comfort, distributing your body's weight

as you travel. But those good things can also add unwanted pounds, which not only increase the weight of the car, but also the energy required to move it. Steel seats also add costs in development, which are passed on to drivers.

Fortunately, the right plastic, the right process and the right innovation in design have come together in the form of specially designed plastic seat backs. The right plastic was a special grade of a PC – ABS blend, PULSE*

2200BG, and the right process was a blow molding process similar to the one used to make such things as plastic bottles, fuel tanks and cases for some power tools. The process allows for exceptional flexibility in creating supportive and comfortable shapes while also providing the maximum stiffness required to meet safety requirements. Additionally, the new seat backs are 25 percent lighter than conventional steel ones and are cheaper to produce.

The Dow-patented design was commercialized on the Audi TT coupe rear seats, which launched in 2006, and will appear on additional new cars in the next year.

Improved functionality + reduced weight and cost + compliance with European New Car Assessment Programme (Euro NCAP) safety regulations = a winning combination for everyone!

2007 RESPONSIBLE CARE® AWARD – WINNERS		2007 RESPONSIBLE CARE® AWARD – HONORABLE MENTIONS	
Project Name	Project Location/Business	Project Name	Project Location/Business
1. Container Tracking MET	Global	1. Fall Protection for Load Racks	Global
2. Challenges in Educating Small Farmers in Developing Economies on Correct Uses for a Global Market	Dow AgroSciences/ ASEAN	2. Dow – SEPA Cleaner Production Project (SEPA: State Environmental Protection Administration of China)	China
3. Nankang – Corporate Identity Enhancement via Industrial Leadership	Nankang, Taiwan	3. Improvement of Material Recycling Rate	DKK Kanuma
4. REEF (Reef Ecosystem Enhancement Flagship) Program	Batangas Bay, Philippines	4. Dow Positively Impacts EU REACH Legislation	Horgen
5. Blow Moulded Seat Back	Terneuzen, The Netherlands/ Dow Automotive	5. PACOPAR – Multicompany Community Advisory Panel	Estarreja, Portugal/ Dow Portugal
6. Managing Risk While Supporting Growth in India	Mumbai, India	6. Stade EH&S Balancing Project	Stade, Germany
7. Reuse of Municipal Wastewater Effluent for Demi-water Production	Terneuzen, The Netherlands	7. Terneuzen LHC Flare Reduction	Terneuzen, The Netherlands
8. Tessenderlo Site Water Project	Tessenderlo, Belgium	8. Wilton-Energy Reduction through Advanced Process Control	Wilton, UK
9. Community Relations Program in Cartagena	Cartagena, Colombia	9. ARATU Lagoon TOC Improvement	Aratu, Brazil
10. Wastewater Reduction and Reutilization at Bahia Blanca Site	Bahia Blanca, Argentina	10. Road Transportation – Residence Time/ Cost Reduction/EH&S Improvements	Guaruja
11. SPLASH	Minneapolis, MN, USA	11. C ₁₂ Cylinder Offloading Improvements	Salt Dome Operations, Freeport
12. Closing Sustainability Gaps in Dow's Versene™ Chelants Process	Texas Operations, Freeport	12. Neat Tars Packaging at Garlon™ Ethyl Ester Plant	Midland, MI
13. Prentiss CO ₂ Recovery	Prentiss	13. Power 6 NOx Reduction Project	Freeport, TX
		14. Safety Netting for Railcars	Sarnia
		15. Seadrift Wire & Cable EH&S Improvement	Seadrift, Operations Program

Dow Brazil: Scaling New Heights

Dow's four strategic themes guide the company's decision-making and accelerate the implementation of our strategy. One of those strategic themes encapsulates investing in emerging geographies. Sixty years ago, we began developing an asset base on the U.S. Gulf Coast and 20 years later expanded into the "emerging geographies" of Europe and Japan.

Now we are doing much the same, only the places are different: the Middle East, China, India, Russia/Eastern Europe, and Brazil. These geographies would have growth rates that are projected to be higher than average for the next dozen years and beyond. Brazil will be the first in the series of stories we will highlight, featuring Dow's emerging geographies.



Brazil

Think of Brazil and most of us conjure up images of thick forests, striking wildlife, sandy beaches, passionate soccer fans, lavish carnivals, sizzling samba, and rhythmic drums. This vibrancy not only defines the cultural and geographical ethos of this fifth largest nation in the world, but also its economy.

Brazil is one of the fastest growing economies in the world and is among the top 10 economies by purchasing power. It is the second largest economy in the Americas after the U.S. and the second largest economy in the developing world after China. Brazil occupies nearly half of the land area of the South American continent and accounts for three-fifths of the South American economy's industrial production. (Source: Government of Brazil website)

Dow Brazil

Dow has been part of this energetic nation since 1956 when it established a Latin America headquarters in São Paulo. As Dow has expanded, so has its presence in Brazil. Currently, Dow Brazil operates 21 manufacturing sites, two research and four maritime centers.

All of these factors contributed to Dow putting key strategic emphasis in the Brazilian economy. As part of its strategic focus on Brazil, Dow plans to leverage local franchises, selectively invest in local production and become an integrated producer in Brazil. And recent developments in Dow Brazil reinforce the company's commitment to expansion in the country.

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Dow Brazil

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Ethanol Joint Venture

In July 2007, Dow and Crystalsev, Brazil's second largest ethanol group producer, signed a memorandum of understanding to form a joint venture in Brazil, which will design and build the first integrated, world-scale facility to manufacture polyethylene from ethanol derived from sugar cane.

Brazil is the world's leading producer of sugar cane and a front-runner in the production and use of ethanol derived from sugar cane. According to an International Monetary Fund analysis, sugar cane-based Brazilian ethanol was at least 15 percent cheaper to produce than gasoline.

"Brazil is an important and strategic market and uniquely positioned for this type of project because of its large and efficient ethanol industry," said Pedro Suarez, president of Dow Brazil. "The joint venture's facilities will create a high number of quality jobs and related service and supply opportunities."

The joint venture will create over 3,200 new, direct jobs and hundreds of indirect jobs reinforcing Dow's commitment in Brazil. It will combine Dow's leading position in polyethylene with Crystalsev's know-how



and experience in ethanol to meet the needs of Dow's customers in Brazil and what will likely be international interest.

The new facility will use ethanol derived from sugar cane, an annually renewable resource, to produce ethylene – the raw material required to make polyethylene, the world's most widely-used plastic. Ethylene is traditionally produced using either naphtha or natural gas liquids, both of which are petroleum products. It is estimated that the new process will produce significantly less carbon dioxide compared to the traditional polyethylene manufacturing process. Each pound of polyethylene produced by the JV will capture twice as many pounds of CO₂. Annually, more than 1.5 billion pounds of CO₂ will be removed from the atmosphere.

The polyethylene from sugar cane is a sustainable process.

Besides eliminating waste disposal through the reusal of the byproducts in the manufacturing steps, there will be less water consumption because water is generated by the steam in the dehydration process of ethanol to ethylene. Vinasse – a liquid waste that is generated during the grinding of the sugar

cane and the fermentation process – is used as a fertilizer in the sugar cane fields. Another important byproduct, bagasse, generates energy that will be used at the plant and the surplus energy will be enough to power a city with a population of more than 500,000 people.

"This project is a prime example of how Dow's joint venture strategy aligns with our overarching business strategy, enabling us to strengthen our Basics portfolio via the asset-light model, and to invest in growth geographies like Brazil," said Andrew Liveris, chairman and CEO of Dow.

Dow AgroSciences Expansion

In addition to the ethanol joint venture, Dow AgroSciences announced in August that it will substantially expand its Brazilian corn seeds business with the acquisition of



Agromen Tecnologia Ltd. The agreement includes all commercial, production, and research and development assets of the corn seeds business of Agromen, a Brazilian company with 35 years of operations and a solid base of hybrids for Brazilian agriculture.

Brazil is the third largest corn-planting nation in the world. Agromen will provide new opportunities for sales of Herculex™ Insect Resistance corn, now awaiting Brazilian regulatory approvals. Dow AgroSciences' Brazilian corn seed business has shown steady growth in recent years due to new, high performing hybrids, and Agromen will make the company a more effective competitor in this important agricultural sector.

“The expanded seed platform that we are building with both this acquisition and the recent acquisition of assets of the Europe-based corn germplasm provider Maize Technologies International will enable us to leverage superior Dow and Dow AgroSciences input and output traits in key crops around the world, for both agricultural and

industrial uses,” said Jerome Peribere, president and chief executive officer of Dow AgroSciences.

Beyond Revenues

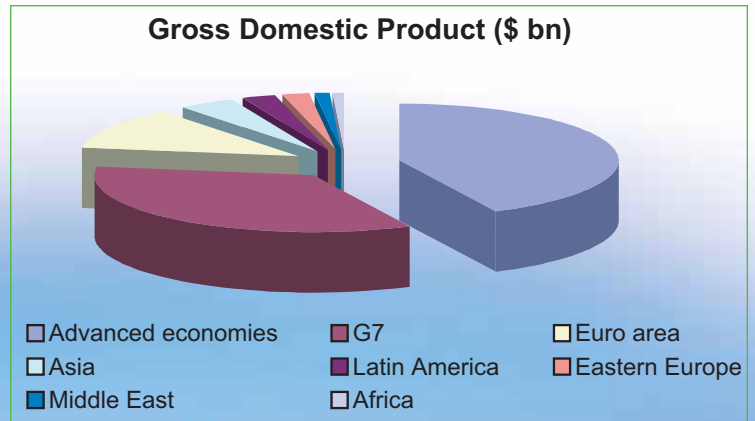
Over the last fifty years, Dow Brazil has grown to 2,100 employees generating revenues of US\$2.2 billion in 2006, up from US\$916 million in 1999. Performance Plastics and Chemical contributed 42 percent of this revenue and Basic Plastics and Chemicals contributed 41 percent of the revenues. Dow AgroSciences had a substantial contribution of 15 percent in Dow Brazil's revenue generation. But financial rewards aren't the only focus for the company, its people initiatives have been recognized by the country's business community. Dow has been named one of the Great Places to Work in Brazil for 11 consecutive years. The two awards are sponsored by leading Brazilian business magazines - *Exame/Você S.A.* and *Época* - and the consulting companies Fundação Instituto de Administração (Management Institute Foundation) and Great Place to Work Institute.

Dow Brazil has focused on environment and community initiatives as well. The Clean Mangrove Program was developed in 2002 with outstanding results on increasing community awareness of the mangrove protection area, minimizing urban sprawl and highlighting Dow's commitment toward the environment.

Dow Guarujá's Community Advisory Panel (CAP) is one of Dow's main reputation programs for surrounding communities, local authorities and regional press. Through CAP, Dow sponsors child vaccination campaigns and City Hall community events. It's a strategic program under Global Responsible Care® that helps Dow connect with the community.

In a never-seen-before union in Latin America, Dow Guarujá and the CAP partnered with the Non-Governmental Organization Instituto Jean-Michel Cousteau do Brasil launching the Ambassadors of the Environment Program. This is an initiative directed at increasing children's awareness about sustainability.

“These strategic initiatives have established Dow Brazil as a respected corporate citizen in this diverse nation,” said Suarez. “The future is very promising and we'll continue growing.”



Compañía MEGA – Building on the Growth and Natural Resources in Latin America

Dow, and particularly its Basic Plastics and Chemicals businesses, is pursuing growth through joint ventures (JVs), in part to gain access to advantaged feedstocks position and to accelerate growth in emerging regions. One such Dow joint venture company, Compañía MEGA, processes 13 billion cubic meters of natural gas in Argentina each year.

Located in Argentina – a significant growing Latin American energy consumer and exporter of energy primarily to neighboring Brazil and Chile – Compañía MEGA is a regional provider of hydrocarbons for the gas and petrochemical industry. This JV has established a solid reputation for operational efficiency, strength of supplier and client relationships, and commitment to shareholders.

Benefiting from rich natural resources, Argentina is one of the high growth countries in Latin America, with a GDP growth rate projected at +8.5 percent. Compañía MEGA was formed in 1997 and began operations in April 2001. The JV operates a natural gas separation plant, a natural gas liquids fractionation plant, a 600-km pipeline, and related storage and loading facilities in Argentina.



Compañía MEGA supplies ethane to Dow. Ethane is primarily used as a key feedstock for the production of polymers, including polyethylene (PE) and polypropylene (PP). PE and PP are high-volume polymers that are used in applications ranging from high-strength packaging to plastic bottles, from grocery sacks to packaging films, and from blow-molded bottles to textile fibers.

A Strong Energy Force Contributing to the Parent Companies' Success

Compañía MEGA is owned by the Spanish-Argentinean company YPF S.A., a subsidiary of Repsol-YPF S.A. (38 percent), the Brazilian company Petrobras (34 percent), and Dow Investment Argentina S.A., a subsidiary of The Dow Chemical Company (28 percent).

YPF S.A., the largest private energy company in Latin





America, supplies exclusive natural gas to Compañía MEGA from the Neuquen area. The natural gas is separated into liquid components at Compañía MEGA's site in Loma de la Lata, and is then pumped through a pipeline to regional strategic customers. Compañía MEGA supplies ethane to Dow's ethylene/polyethylene complex at Bahía Blanca, Argentina; it also supplies ethane, propane, butane and natural gasoline to Petrobras, one of the parent companies headquartered in Brazil.

Enjoying access to the harbor complex of Bahía Blanca – the deepest water port in Argentina – Compañía MEGA processes approximately 13 billion cubic meters of natural gas each year.

About Repsol YPF

Repsol YPF is one of the world's top ten private oil companies, the largest refiner of petroleum in Spain and Argentina, and also the largest privately owned energy company in Latin America. In 2006, Repsol YPF's net income reached 3,124 million euros (~US\$4,373 million), and the earning per share was 2.56 euros (~US\$3.60). With its headquarters located in Madrid, Spain, the company employs a workforce of approximately

36,000 people around the world. Last April, Repsol YPF was awarded the best European oil company in regards to Social Corporate Responsibility and in the first ten of all companies of the continent based on The Good Company Ranking 2007. More about Repsol YPF: <http://www.repsolypf.com>

About Petrobras

Headquartered in Rio de Janeiro, Brazil, Petrobras is a publicly listed company that operates on an integrated and specialized basis in the segments of oil and oil byproduct exploration, production, refining, marketing and transportation – both in Brazil and abroad. Petrobras' 2006 gross operating revenue

was RS\$205,403 million (~US\$114 billion). The company operates more than 100 production platforms, 16 refineries, 30,000 kilometers of ducts and more than 6,000 gas stations in the world. Petrobras is the 14th largest oil company in the world, and the 7th largest among the open capital oil companies. More about Petrobras: <http://www.petrobras.com>



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Dow Recognized for Innovative Products Helping to Protect the Ozone Layer

In 1987, leaders from countries around the world came together to sign a landmark environmental treaty – the Montreal Protocol on Substances That Deplete the Ozone Layer. The ozone layer protects life on Earth by blocking 95-99 percent of the sun's ultraviolet rays. Human-produced gases damage the Earth's protective ozone layer, forming a hole over the South Pole and into the Southern Hemisphere.

Today, more than 190 countries including the U.S. have ratified the treaty. Additionally, Congress has legislatively incorporated the provisions of the Montreal Protocol into the Clean Air Act. These countries are committed to taking action to reduce the production and use of ozone depleting substances in an effort to protect the ozone layer. Countries are phasing out

the production and consumption of ozone depleting substances (ODS).

In 1991, methyl bromide (MB), an agricultural fumigant, was declared an ODS as defined by the Montreal Protocol. The addition of MB as an ODS by the Copenhagen Amendment to the Montreal Protocol was ratified the U.S. in 1994. This act sparked the need for the development of new fumigants and use patterns. This provided an opportunity for Dow AgroSciences (DAS) to step up and meet the global needs of agriculture and food processors with an expanded development effort on existing fumigants and

other technologies to fill the void that would result from the phase out of MB.

As part of Dow's 2015 Sustainability Goals, sustainable chemistry is one area of focus. As a leader in our global industry, Dow is uniquely positioned to develop sustainable chemistry that improves the quality of life for people, while protecting health and the environment.

Dow has received worldwide recognition for its 2015 goals and DAS has been recognized for its long-standing commitment to providing critical alternatives to methyl bromide.

Dow AgroSciences Wins United Nations' Montreal Protocol Innovators Award and United States EPA "Best of Best" Ozone Protection Award

In September, DAS was named a winner of the United Nation's Montreal Protocol Innovators Award at the annual meeting of the Montreal Protocol. The award honors the company's innovation, investment and commitment to protect the environment through its efforts to develop alternatives to methyl bromide, an ozone-depleting substance being phased out under the Protocol.

Marco Gonzalez, Executive Director, UNEP Ozone Secretariat and Bruce Houtman, Business Regulatory Science and Government Affairs Leader for Dow AgroSciences.



At the 20th anniversary meeting of the Montreal Protocol, DAS was also named a winner of the United States Environmental Protection Agency's (EPA) "Best of the Best" Ozone Protection Award, which honors an elite group of companies, organizations and individuals who have demonstrated long-term excellence in efforts to protect the stratospheric ozone layer.

"This public acknowledgment illustrates how Dow is delivering

on its strategy of utilizing technology to address critical issues facing society while creating growth opportunities for the Company," says Jerome Peribere, Dow AgroSciences president and chief executive officer.

"We are honored by this award, which commends our company's long history of being able to constantly introduce important

soil, post-harvest and commodity fumigation products that can help growers around the globe have viable, available and cost-effective pest control options," said Peribere.

This award is an example of how Dow is achieving its 2015 goals and illustrates how Dow people are bringing the Human Element to life.

DAS Products Offer Alternatives to Methyl Bromide

TELONE® soil fumigant (1,3-dichloropropene), PROFUME® and VIKANE® gas fumigants (sulfuryl fluoride) are three products that will help growers and food processors fill their needs for effective pest control.

PROFUME offers effective, reliable control of insects

infesting food and commodity transportation, storage and processing equipment, and establishments such as warehouses, grain mills and food production facilities. VIKANE ensures the eradication of wood destroying organisms such as drywood termites from residential and other structures.

When methyl bromide is used as a soil fumigant it is injected into soil to control root-eating nematodes, soil-borne diseases and weeds. DAS has developed techniques and formulations for using TELONE through new application methods, such as drip fumigation, to give growers more flexibility.



The Changing World of Biocides – Meeting Ongoing Consumer Demand for Products with Reduced Environmental Footprints



Imagine a world without biocides? Think of picking up a can of paint and prying the top off. What you expect to see is a can full of nice, clean, brilliant-colored, thick, rich paint. Instead, you encounter a pungent, foul-smelling can of a watery, soup-like liquid. Or perhaps you are cleaning the kitchen with a well known brand of disinfectant, yet within a day, mold appears on the kitchen surfaces and walls.

Biocide products help keep bacteria, molds and other microbes from running rampant, threatening products throughout the product's lifecycle – from manufacturing and storage to the actual application of the product. With improved living standards and economic prosperity in both established and emerging geographies, the market for consumer products has grown, and with it, the use of biocides.

Sustainability

Due to their chemical nature, biocides need to be handled carefully. As with many industries, increased regulations are a positive and progressive measure for the industry and for the safety of consumers who use the finished products.

For a biocide manufacturer, these stricter regulations require a better understanding of the intrinsic properties of these chemistries and how to use them in a formulation, and an ongoing consumer demand for products with reduced environmental footprints drives manufacturers to find products with better environmental profiles.

“We’re focused on delivering the highest compliance and most environmentally-friendly or ‘green’ products,” said Rick Strittmatter, Dow Biocides research and development director. “We believe in a holistic three-step approach. The first

step is to offer a wide range of biocides with exceptional environmental profiles. Secondly, it involves tailoring solutions for our customers by optimizing the amount of biocides used for efficient efficacy and cost performance, which requires extensive microbial testing to establish the right concentration and combination of biocides for each formulation. And finally, excellent product stewardship drives the entire process, to promote proper handling and use of biocides in all applications, supported by extensive toxicology and environmental testing.”

Meeting Regulatory Requirements

All biocides must meet regulatory requirements for use set by government authorities in every country where the products are sold. This can vary from having limited regulations to heavy regulatory approval requirements like those of the United States Environmental Protection Agency (EPA).

In Europe, the European Union (EU) introduced the EU Biocidal Product Directive (BPD) in 1998 to harmonize regulatory requirements for biocides within the member states, and provide mutual recognition of product authorization. Prior to 1998, biocide regulations for use in Europe were country-dependent and varied widely across the region.



The BPD has two main objectives:

- Establish a high level of protection for humans and for the environment;
- Eliminate barriers to trade by harmonizing processes for using/selling biocidal products within the EU.

Dow Biocides recently submitted dossiers to the EU authorities as part of the requirements of the BPD. Each dossier contains 15-20 binders – or around 15,000 sheets of paper – full of toxicology, environmental, risk assessment, efficacy data and technical and safety information on our key biocidal actives that relate to in-can preservatives; metalworking preservatives; and the disinfectant product group.

“Registration in the BPD is a fundamental part of our continued business strategy for the long term sustainability of the biocides industry,” said

Welmoed Clous, Dow

Biocides product stewardship and regulatory



leader. “The BPD represents one of the highest levels of regulatory approvals needed in the world. We remain committed to our biocide products through the registration process, and believe that the financial and people resources necessary to achieve BPD registration will help sustain our products in the long term.”

A Benefit to Customers

“After 2010 when the BPD comes into full effect, our customers will need to rely on their biocide suppliers to have met all applicable regulations for their region,” said Nanette Hermsen, global marketing manager for Dow Biocides. “Backed by regulatory, toxicological research and environmental research expertise along with Dow’s product stewardship leadership, Dow Biocides is well positioned to support the products that our customers have found most effective for their individual applications. Combining our extensive product portfolio with best-in-class application expertise, we will continue to guide our customers into identifying and using the best biocide for their application well after full implementation of the BPD.”

While the current dossiers are under evaluation, Dow Biocides

regulatory and environment, health and safety (EH&S) teams continue to work through further dossiers for the remaining product groups that are due in October 2008.

For a more detailed overview of the European Biocidal Products Directive, please visit the European Commission website: <http://ec.europa.eu/environment/biocides/index.htm>



What is a biocide?

Biocide (n.) A chemical or physical agent, such as a pesticide or fungicide, that is capable of killing or inactivating unwanted living organisms.

Biocides are a small part of any overall formulation, but they play a critical role in many industrial applications where microbial problems exist. Each industry has its own particular needs for biocide products.

Key industrial applications for biocides include industrial hygiene, in-can preservation and dry-film preservation for paints and coatings; disinfectants for animal biosecurity to help control the spread of animal viruses including Avian Influenza, better known as bird flu; controlling biofilm formation which can lead to the souring of oil and gas or the degradation of fracturing fluids and drilling muds in oil field applications; controlling microbiological contamination and biofilm in cooling towers; and reducing problems with corrosion, fouled coolant lines, clogged filters, and odors in metalworking fluids.

Currently boasting the industry’s largest and most diverse product portfolio, Dow Biocides offers a product for just about every type of microbial challenge and system requirement. The performance capabilities range from high to low pH performance, quick kill to sustained performance and a range of registrations unparalleled in the industry.

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Dow Surfactants Enhances Distribution Network in Europe

Dow Europe GmbH and Univar Products International NV have announced plans to market and distribute the Dow range of specialty surfactants to European customers. As of October 1, 2007, Univar NV became the distributor for DOWFAX™ Anionic, TERGITOL™ Nonionic and the TRITON™ Anionic and Nonionic product lines in Finland, Sweden, Denmark, Norway, Belgium, The Netherlands, Luxembourg, Ireland, Great Britain, France and Italy. For more information, visit dow.com.

Dow Agrees to Sell ETHAFOAM™ Business to Sealed Air

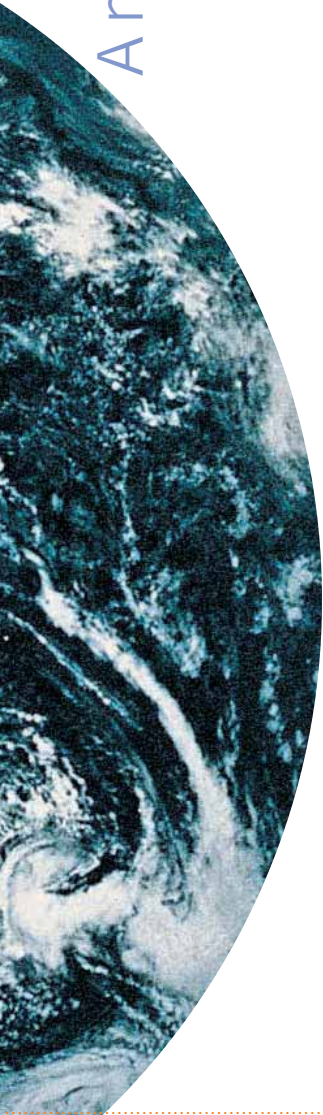
The Dow Chemical Company has signed an agreement for Sealed Air Corporation to purchase certain assets of Dow's ETHAFOAM™ performance foam business. The financial terms of the agreement were not disclosed. The completion of the transaction is expected to take place in the fourth quarter of 2007, subject to certain regulatory approvals. For more information, visit dow.com.

Dow Polyurethanes Launches New Website to Enhance Customer Experience

Dow Polyurethanes, a business group of The Dow Chemical Company, has launched a new, fully integrated global website, www.dowpolyurethanes.com. Designed to make it easier for customers to access the full breadth of Dow's portfolio and applications expertise in polyurethanes, the website allows customers to search either by application or product and offers Dow's growing global customer base quick access to technical literature and region-specific information. For more information, visit dow.com.

DOWLEX™ Plant Celebrates 25 Years in Terneuzen

Twenty-five years ago the first polyethylene plant was built on the Terneuzen site in the Netherlands. The Dow polyethylene business is the world's leading supplier of polyethylene-based products and technology solutions. The plant supplies DOWLEX™ and ELITE™ for packaging and large barrels and ATTANE™ for adhesive material coatings. Today, the Terneuzen operation contributes almost 70 percent to the 1.1 million metric tons of the Solution polyethylene produced by Dow in Europe. Time to celebrate!



Dow Rhine Center Sponsors Local Festival in Rheinmünster

The Dow Rhine Center initiated a special event in Rheinmünster, Germany, to raise funds to bring safe drinking water to those who need it most. Dow employees, community members, sports associations, and neighboring companies participated in the second “Polder Run” that helped capture the spirit of the Human Element. The funds raised by the run will be tied to the Blue Planet Run foundation.

Dow Supports the Professional Enhancement of Spanish Students

In order to address the competition for technical talent in Europe, Dow has established a European University Relations program. As part of the program, Dow in Spain developed the “Iberian Key University Program” to focus on the professional enhancement of Spanish students. In addition to career fairs and site visits, Dow has taken on a leadership role at top Spanish universities by financially and culturally supporting the growth of Spanish engineering students.

Dow’s Boundbrook Facility Serves as an Extension of India’s Graduate School Program

At the request of the Indian Embassy in Washington, D.C., Dow’s Boundbrook, New Jersey, U.S., facility served as an extension of India’s graduate school program on October 10, hosting more than 50 Indian MBA students. The program was designed to foster improved understanding of Dow’s businesses by up-and-coming Indian leaders of the opportunities for growth in the chemical industry. The program included extensive outreach to academic and government leaders, with several leading company visits added in.

Dow Named One of “Working Mother” Magazine’s “2007 100 Best Companies”

Working Mother magazine named Dow as one of its “2007 100 Best Companies for Working Mothers.” Dow received the recognition for using company-wide benefits and programs to create an inclusive and “family friendly” environment, to promote the retention and advancement of top talent, including work/life initiatives in the following areas:

- Flexibility Options
- Child-Care Resources
- Family Leave Options
- Leadership Opportunities for Women

Around Dow

The Dow Chemical Company

Around Dow is a globally coordinated and locally produced publication about Dow and Dow people. The publication provides information to increase understanding of Dow and its strategic direction. It supports culture change in the company by providing relevant and consistent information to help align Dow people with the company’s strategic direction.

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Global Editor
Christy English

Editorial Assistant
Beth Andreski

Contributors
Moushumi Anand
Louise Falp
Moni Hancock
Ava Luong
Heidi Spahn

Layout
Marjie Johnson

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