

- [Home](#)
- [News & Media](#)
- [Dow Announces Further Goals in Its Portfolio Transformation](#)

Dow Announces Further Goals in Its Portfolio Transformation

Outlines Next 24 – 36 Months of Targeted Actions

- **Reducing Ownership in Kuwaiti Joint Ventures, Continues to Work on Defining the Future of Dow Corning**
- **Actively Examining Strategic Options for Dow AgroSciences**
- **CapEx Will Decline as Large Investments Come On Line, Fueling Additional Sources of Cash**
- **Increasing Cash Flow Will Continue to be Directed to Shareholders: Board Announces Dividend Increase, Accelerates Share Repurchase Program**
- **Dow Announces Reorganized Executive Leadership Team – Liveris, Fitterling and Ungerleider Together Form a New Office of the Chairman and CEO (OCC)**

MIDLAND, MICH. - 10/22/2015

With the completion of a series of strategic portfolio management actions throughout 2014 and through 3Q 2015, and with aggressive milestones that were first announced in late 2013 being surpassed, The Dow Chemical Company (NYSE: DOW) today announces an update on its intermediate-term goals.

The Company will continue its intense focus on delivering earnings growth and increasing shareholder returns, which have yielded 12 quarters in a row of year-over-year earnings growth, margin expansion and record levels of cash returned to shareholders. As a result, Dow announces several high-priority goals to further position the Company to maximize long-term shareholder value.

First, Dow's drive to provide strategic clarity on its joint venture portfolio will continue as follows:

- Firstly, the Kuwait joint ventures will be restructured over the next nine months, resulting in a different ownership structure and enabling strategic growth for these companies. These transactions have been documented via a non-binding Heads of Agreements, subject to finalization of definitive agreements. As a consequence Dow will reduce its overall equity in the MEGlobal joint venture, receiving \$1.5 billion in pre-tax proceeds, with this deal closing by year-end 2015. In the second phase, Dow will further reduce its overall ownership interest in Greater EQUATE. The pre-agreed with PIC target date to complete this second phase of the

transaction is mid-2016.

- Secondly, Dow reaffirms prior comments made by Dow and Corning related to the future of Dow Corning. Dow will have more to say on this subject on its earnings call.

Second, Dow's large investments on the U.S. Gulf Coast and in Saudi Arabia will begin starting up this quarter, and will ramp to full production over the next two years. As these large investments and capital programs are completed, Dow's capital expenditures will be managed down to depreciation levels.

Third, Dow today confirms its ongoing portfolio actions will be centered on Dow AgroSciences. The Company will review all options with a best-owner mindset, with a focus on creating new synergies in a consolidating agricultural market. The Company is considering only those prospects that will extract further value from this highly attractive and well-positioned business and return significant value to its shareholders, and will compare those options to that of the value created by retaining the business.

All of these actions will be undertaken with an unrelenting focus on shareholder value and returning cash to shareholders. The already demonstrated and continuing focus on increasing cash flow will continue to be directed to consistent dividend increases and share buyback programs.

To that end, Dow today announced that its Board of Directors has declared a 10 percent increase in the Company's dividend, from \$0.42 per share to \$0.46 per share in the fourth quarter. This brings the Company's annualized dividend to \$1.84 per share – the highest in Dow's history.

The dividend will be payable on January 29, 2016 to shareholders of record on December 31, 2015. Dow has paid its shareholders cash dividends every quarter since 1912. Once this fourth quarter increase is implemented, Dow's dividend will have increased by 21 percent on a compound annual basis since 4Q 2009.

Additionally, the Company today announced that it expects to accelerate its three-year, \$5 billion share buyback tranche – repurchasing \$1 billion of shares in the fourth quarter, and the remaining \$2 billion in 2016. Once completed, Dow will have executed \$9.5 billion in share repurchases since 2013.

Separately, today Dow reorganized its executive leadership team and their responsibilities. These changes were made in order to maintain the Company's aggressive focus on executing against its strategic priorities, continuing to deliver sustainable earnings growth and increasingly reward shareholders.

- James (Jim) R. Fitterling has been appointed Vice Chairman and Chief Operating Officer. In this capacity, he will have accountability for all of Dow's businesses except Dow AgroSciences, Operations including Environment, Health & Safety and Sustainability, Manufacturing and Engineering, and Supply Chain, as well as Research & Development.
- Howard I. Ungerleider has added the position of Vice Chairman to his existing role as Chief Financial Officer. He will also assume responsibility for leading Dow AgroSciences. Dow's Corporate Strategy Development, Corporate Planning, Finance, Information Technology & Business Services functions will also now report to Ungerleider.

Fitterling and Ungerleider will report to Dow Chairman and CEO Andrew N. Liveris and together form a new Office of the Chairman and CEO. Torsten Kraef, Corporate Vice President of Strategy Development, will serve as secretary to the newly announced office.

Fitterling's focus will be on day-to-day operations, while Ungerleider will be responsible for key portfolio and strategic initiatives. Both will work closely with Liveris.

Additionally Fitterling will join the Sadara Board, and Ungerleider will chair the Dow AgroSciences Members Committee.

In a related move, Joe E. Harlan, Vice Chair and Chief Commercial Officer for Dow, will add Latin America to his existing geographic responsibilities of North America and Asia Pacific, and relocate to Chicago. He will remain on the Board of Dow Corning, and a member of the Dow AgroSciences Members Committee.

The Office of the CEO team has also been restructured and renamed as the Executive Leadership Council. It will be comprised of all key C-suite leaders, including the members of the newly formed Office of the Chairman and CEO, and the Heads of Legal, Human Resources, Global Public Affairs and Government Affairs, R&D,

Manufacturing, Strategy, the leader of EMEAI, as well as Joe Harlan in his new role.

“Today’s announcements further illustrate the strength of Dow’s financial position, and our unwavering commitment to consistently and increasingly reward shareholders,” said Andrew N. Liveris, Dow’s chairman and chief executive officer. “Over the last several years, we have built a solid foundation of increasing earnings performance, and have repositioned our enterprise. For 12 consecutive quarters we have delivered increasing earnings performance and now have a portfolio that is built to deliver in a variety of macroeconomic conditions – supported by a foundation of Dow-specific value drivers that offer competitive advantages. With today’s announcements on our goals for the next period, we will continue to demonstrate our commitment to being exceptional stewards of the opportunities at hand – yielding increasing value to our shareholders in both the near- and the long-term.”

Dow will discuss these announcements as well as its third quarter 2015 business results during its live earnings webcast at 9:00 a.m. EST today, accessible at www.dow.com/investors/events. A replay of the presentation will also be available on the Company’s website within 24 hours following the webcast.

About Dow

Dow (NYSE: DOW) combines the power of science and technology to passionately innovate what is essential to human progress. The Company is driving innovations that extract value from the intersection of chemical, physical and biological sciences to help address many of the world’s most challenging problems such as the need for clean water, clean energy generation and conservation, and increasing agricultural productivity. Dow’s integrated, market-driven, industry-leading portfolio of specialty chemical, advanced materials, agrosiences and plastics businesses delivers a broad range of technology-based products and solutions to customers in approximately 180 countries and in high-growth sectors such as packaging, electronics, water, coatings and agriculture. In 2014, Dow had annual sales of more than \$58 billion and employed approximately 53,000 people worldwide. The Company’s more than 6,000 product families are manufactured at 201 sites in 35 countries across the globe. References to “Dow” or the “Company” mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. More information about Dow can be found at www.dow.com.

Rachelle Schikorra
Media Relations
(989) 638 4090
rschikorra@dow.com

Stock Ticker

Dow

Dow Chemical

51.84

Last Price

45705

Volume

0.23

11/7/2015

Dow Announces Further Goals in Its Portfolio Transformation

Change

52.24

High

51.26

Low

Last Trade: 2015-11-06T16:00:20-05:00

[Stock Performance](#)

Events

- [Nov-07](#)
[Chicago Booth School of Business Armed Forces Banque](#)
- [Nov-09](#)
[Kellogg School of Management Corporate Presentation](#)
- [Nov-10](#)
[4th Annual Morgan Stanley Global Chemicals and Agriculture Conference](#)
- [About Dow](#)
- [Contact Us](#)
- [MyAccount @ DOW](#)
- [Sitemap](#)
- [Privacy Statement](#)
- [Terms of Use](#)
- [Accessibility Statement](#)
- [California Transparency Act](#)
- [Dow Answer Center](#)
-
-
-

Copyright © The Dow Chemical Company (1995-2015). All Rights Reserved.

®™ Trademark of The Dow Chemical Company ("Dow") or an affiliated company of Dow

