

Dow Announces Next Phase of Comprehensive Investments to Deliver Long-Term Competitive Advantage and Earnings Growth

- *Additional projects extend U.S. growth investments to more than \$12 billion over 10-year period*
- *Fuels domestic job creation and economic activity; multiplier effect leads to ~2,000 new, high-skilled U.S. jobs tied to state-of-the-art manufacturing*
- *Projects underscore Company's narrower and deeper focus in attractive, consumer-driven end-markets around the world*
- *Integration advantage further bolstered by expanding Texas ethylene cracker to become the world's largest*

MIDLAND, Mich. - May 11, 2017 - The Dow Chemical Company (NYSE: DOW) today announced its next phase of comprehensive investments over the next five years to further enhance its competitive advantage and deliver earnings growth. These investments will stimulate economic activity, primarily in the United States, while also creating a significant number of jobs tied to state-of-the-art manufacturing and infrastructure investments. The Company also continues to accelerate its efforts to train and educate the workforce and close the skills gap for tomorrow's manufacturing careers.

"Today's announcement underscores Dow's commitment to driving the next-phase of our growth through a comprehensive set of investments that will benefit our shareholders, customers, employees and the communities in which we operate," said Andrew Liveris (<http://www.dow.com/en-us/investor-relations/corporate-governance/leadership/andrew-n-liveris>), Dow's chairman and chief executive officer. "Manufacturing plays a vital role in driving economic growth and prosperity across virtually all sectors of society. The positive investment environment in the U.S. chemical and materials sector, driven by competitive feedstocks and a skilled workforce, is a driver for Dow to further invest in the USA."

The projects announced today extend Dow's U.S. growth investments to more than \$12 billion over a 10-year period and are expected to employ approximately 5,500 workers at peak activity, as well as 300 permanent jobs. Investments in the United States will support the largest job creation, reaching approximately 3,500 construction jobs and 200 full-time technical, vocational and professional careers. The job creation is also expected to have a multiplier effect, supporting additional employment of nearly 2,000 jobs across the broader economy⁽¹⁾.

“The Trump Administration seeks to drive structural economic reform across the regulatory and tax environments, fair trade and job creation – envisioning an economy that motivates U.S. business to once again focus on domestic growth and restoring America’s long-term competitiveness,” added Liveris. “Dow’s announcement today, as well as our U.S. investments over these past many years, align with this thesis and position our Company to continue strengthening the manufacturing sector and the many industries it supports.”

The investments announced today are expected to come online in a phased manner, beginning in 2020 and will require estimated capital expenditures of approximately \$4 billion, spread over the next five years. The primary components of this plan include:

- Expansion of the capacity of Dow’s new **TX-9 ethylene cracker** through the addition of two furnaces, bringing the facility’s total ethylene capacity to 2 million metric tons and making the TX-9 cracker the largest ethylene facility in the world.
- **Construction of a world-scale 600,000 metric ton polyethylene unit in the U.S. Gulf Coast** based on Dow’s proprietary Solution Process technology. This new capacity will address consumer-driven demand in specialty packaging, health and hygiene, and industrial and consumer packaging applications.
- Dow will pursue a **series of investments to strengthen its Polyurethanes franchise** aimed at driving downstream specialty polyols and systems growth and infrastructure enhancements.
- The Company will undertake a series of **incremental debottleneck projects** across its global asset network that will deliver approximately 350,000 metric tons of additional polyethylene, the majority of which will be in North America.
- **Construction of a new catalyst production unit** for key catalysts licensed by Univation, a wholly-owned subsidiary of Dow, enhancing Univation’s licensing model.
- Construction of a world-scale 450,000 metric ton polyolefins facility in Europe. This capacity addition will maximize the value of Dow’s ethylene integration in the region and serve growing demand for high-performance pressure pipes and fittings, as well as caps and closures applications.
- The Company will pursue **additional investments to benefit from shale gas economics**, further enhancing feedstock flexibility and reducing volatility from these advantaged inputs.
- Dow will further **enhance its Pack Studios (<http://www.dow.com/en-us/packaging/innovation/pack-studios>)**, the Company’s global network of packaging experts, equipment and testing capabilities that accelerates the collaborative development of better packaging. Over the next two years, Dow will drive several advancements in the U.S. and

globally in polyethylene and adhesive innovations and rapid prototyping, strengthening the Company's position as the preferred development partner for packaging innovation.

- Dow will invest an additional \$400 million to support the transformation of its Midland, Michigan manufacturing operations, enabling further synergies from the integration of Dow and Dow Corning's manufacturing operations as a result of the recent restructuring of Dow Corning's ownership.
- Dow also recently announced it will invest in a new, \$100 million **state-of-the-art innovation center** (<http://www.dow.com/en-us/news/press-releases/dow-michigan-based-innovation-center>) at its global headquarters in Midland, Michigan. The center will house scientists and engineers who will focus research and development activities on advancing solutions for home and personal care products; broadening Dow's energy-saving building technologies; enhancing materials for critical infrastructure; and driving closer partnerships with automakers as they further accelerate efforts to light-weight automobiles and develop hybrid, electric and autonomous transportation solutions.

"These multi-phased investment plans, now spanning over more than a decade, enhance our unparalleled, cost-advantage integration and bolster our industry-leading innovation to deliver long-term growth," said Jim Fitterling, Dow's president and chief operating officer. "Collectively, these growth drivers position Dow – the world's leading Materials Science Company – to deliver enhanced products and technologies for our customers while enabling higher quality and more consistent earnings growth and cash flow generation for our shareholders."

Dow has created more than 10,000 direct and indirect jobs in the United States in the last four years alone. A significant portion of that job creation is the result of the Company's more than \$6 billion of manufacturing investments currently underway on the U.S. Gulf Coast (<http://www.dow.com/en-us/news/press-releases/dow-ethylene-production-facility-freeport-texas>), which employed 7,000 construction workers at the peak. These investments will create 500 full-time Dow jobs and further support more than 3,000 jobs in the broader U.S. economy.

Along with the significant job creation enabled by these projects, Dow also continues to accelerate its partnerships with leading colleges and technical and vocational institutions to train thousands of young and displaced workers to deliver the workforce of tomorrow. One example is Dow's Apprenticeship Program, which was recently registered (<http://www.dow.com/en-us/news/press-releases/dow-us-apprenticeship-program-department-labor-registration>) by the U.S. Department of Labor as having approved National Standards of Apprenticeship, and offers a pathway to a wide variety of manufacturing careers through both formal education and on-the-job training. The program currently hosts more than 500

apprentices and to date has graduated nearly 3,000 apprentices into well-paying jobs. The Company also continues to attract top-tier talent with advanced degrees to drive greater innovation and further amplify the value creation of its growth investments. Since 2010, Dow has hired more than 600 new Ph.Ds. and post-doctorates from the top 20 U.S. technology universities alone. Today, approximately 35 percent of Dow's workforce has an advanced degree.

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⁽¹⁾ The American Chemistry Council estimates that every job created from the business of chemistry creates more than 6 jobs in other sectors across the rest of the economy.

Note: The forward looking statements contained in this document involve risks and uncertainties that may affect Dow's operations, markets, products, services, prices and other factors as discussed in filings with the Securities and Exchange Commission ("SEC"). These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental and technological factors. Accordingly, there is no assurance that Dow's expectations will be realized. The Company assumes no obligation to provide revisions to any forward looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

Financial Reporting

Dow Chemical(DOW)

Last Price: **62.04**

Volume: **0**

Change: **0.18**

High: **62.08**

Low: **61.62**

Last Trade: 2017-05-12T16:01:45-04:00

Stock Performance [› \(http://www.dow.com/en-us/investor-relations/stock-information\)](http://www.dow.com/en-us/investor-relations/stock-information)

Events

Jul-27	The Dow Chemical Company Q2 2017 Earnings Release	 (http://www.dow.com/en-us/events/the-dow-chemical-company-q2-2017-earnings-release)
Aug-21	Diamond Symposium	 (http://www.dow.com/en-us/events/diamond-symposium)
Aug-21	2017 Diamond Symposium	 (http://www.dow.com/en-us/events/2017-diamond-symposium)

