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Dow Announces Investment Plans to Meet Silicones Demand Growth and Drive Innovation

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Incremental debottlenecking and capacity expansion projects to meet global demand for silicone-based solutions in targeted end-markets

MIDLAND, Mich. - September 12, 2018 - [The Dow Chemical Company](#) (Dow) today announced new low capital intensity, high return investments in its upstream and downstream silicones franchise to accelerate innovation and support global customers' demand in high growth markets, such as high performance building, home and personal care, electrical and industrial, consumer goods and components assembly.

The investment plans include:

- A series of incremental siloxane debottleneck and efficiency improvement projects over the next three years to further increase capacity and efficiency in Dow's siloxane manufacturing facilities around the world.
- A new hydroxyl functional siloxane polymer plant in Carrollton, Kentucky, which will increase Dow's polymer capacity in the Americas by 65%, providing the latest technology to accelerate innovation with customers.
- Additional expansion projects to increase capacity in Dow's high-value performance silicones products and intermediates. This includes a new specialty resin plant in Zhangjiagang, Jiangsu, China, which will provide resin intermediates for high value silicone products, including home and personal care, pressure sensitive adhesives, antifoams, and moldable optics for lighting.

"The projects we are announcing today support our ability to continue to meet strong global demand for Dow's silicones materials, enabling us to grow and innovate more quickly with customers and advancing our leading positions in our targeted end-markets," said [Jim Fitterling](#), chief executive officer of The Dow Chemical Company and chief operating officer for the Materials Science Division of DowDuPont. "Further, these targeted investments are expected to deliver fast paybacks and higher return on invested capital for Dow, contributing to greater earnings and cash generation."

In addition, the company also announced the start of a feasibility study for the construction of a new, world-scale siloxane plant. The geographic location of the new proposed siloxane facility will be determined as an outcome of the feasibility study.

"Dow is committed to our ongoing investment in both upstream and downstream assets to bring a reliable supply to our customers," said Mauro Gregorio, business president, Dow Consumer Solutions. "As an essential addition to Dow's global silicones manufacturing footprint, the proposed new siloxane plant will expand our access to differentiated monomers and intermediates around the world, while strengthening our capabilities to accelerate and execute our strong innovation pipeline."

As a global leader in innovation and silicone-based technology, Dow already operates nearly twenty silicones manufacturing facilities globally, including three world-scale siloxane manufacturing facilities, located in Carrollton, Kentucky, U.S.A., Barry, Wales, United Kingdom and Zhangjiagang, Jiangsu, China.

About Dow

The Dow Chemical Company (Dow) combines science and technology knowledge to develop premier materials science solutions that are essential to human progress. Dow has one of the strongest and broadest toolkits in the industry, with robust technology, asset integration, scale and competitive capabilities that enable it to address complex global issues. Dow's market-driven, industry-leading portfolio of advanced materials, industrial intermediates and plastics businesses deliver a broad range of differentiated technology-based products and solutions for customers in high-growth markets such as packaging, infrastructure and consumer care. Dow is a subsidiary of DowDuPont (NYSE: DWDP), a holding company comprised of Dow and DuPont with the intent to form three strong, independent, publicly traded companies in agriculture, materials science and specialty sectors. More information can be found at www.dow.com.

Cautionary Statement About Forward-Looking Statements



This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “target,” and similar expressions and variations or negatives of these words.

On December 11, 2015, The Dow Chemical Company (“Dow”) and E. I. du Pont de Nemours and Company (“DuPont”) entered into an Agreement and Plan of Merger, as amended on March 31, 2017, (the “Merger Agreement”) under which the companies would combine in an all-stock merger of equals transaction (the “Merger”). Effective August 31, 2017, the Merger was completed and each of Dow and DuPont became subsidiaries of DowDuPont (Dow and DuPont, and their respective subsidiaries, collectively referred to as the “Subsidiaries”).

Forward-looking statements by their nature address matters that are, to varying degrees, uncertain, including the intended separation, subject to approval of the Company’s Board of Directors and customary closing conditions of DowDuPont’s agriculture, materials science and specialty products businesses in one or more tax-efficient transactions on anticipated terms (the “Intended Business Separations”). Forward-looking statements are not guarantees of future performance and are based on certain assumptions and expectations of future events which may not be realized. Forward-looking statements also involve risks and uncertainties, many of which are beyond the Company’s control. Some of the important factors that could cause DowDuPont’s, Dow’s or DuPont’s actual results to differ materially from those projected in any such forward-looking statements include, but are not limited to: (i) costs to achieve and achieving the successful integration of the respective agriculture, materials science and specialty products businesses of Dow and DuPont, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, productivity actions, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the combined operations; (ii) costs to achieve and achievement of the anticipated synergies by the combined agriculture, materials science and specialty products businesses; (iii) risks associated with the Intended Business Separations, including conditions which could delay, prevent or otherwise adversely affect the proposed transactions, including possible issues or delays in obtaining required regulatory approvals or clearances related to the Intended Business Separations, associated costs, disruptions in the financial markets or other potential barriers; (iv) disruptions or business uncertainty, including from the Intended Business Separations, could adversely impact DowDuPont’s business (either directly or as conducted by and through Dow or DuPont), or financial performance and its ability to retain and hire key personnel; (v) uncertainty as to the long-term value of DowDuPont common stock; and (vi) risks to DowDuPont’s, Dow’s and DuPont’s business, operations and results of operations from: the availability of and fluctuations in the cost of feedstocks and energy; balance of supply and demand and the impact of balance on prices; failure to develop and market new products and optimally manage product life cycles; ability, cost and impact on business operations, including the supply chain, of responding to changes in market acceptance, rules, regulations and policies and failure to respond to such changes; outcome of significant litigation, environmental matters and other commitments and contingencies; failure to appropriately manage process safety and product stewardship issues; global economic and capital market conditions, including the continued availability of capital and financing, as well as inflation, interest and currency exchange rates; changes in political conditions, including trade disputes and retaliatory actions; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war, natural disasters and weather events and patterns which could result in a significant operational event for the Company, adversely impact demand or production; ability to discover, develop and protect new technologies and to protect and enforce the Company’s intellectual property rights; failure to effectively manage acquisitions, divestitures, alliances, joint ventures and other portfolio changes; unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as management’s response to any of the aforementioned factors. These risks are and will be more fully discussed in the current, quarterly and annual reports filed with the U. S. Securities and Exchange Commission by DowDuPont. While the list of factors presented here is, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on DowDuPont’s, Dow’s or DuPont’s consolidated financial condition, results of operations, credit rating or liquidity. None of DowDuPont, Dow or DuPont assumes any obligation to publicly provide revisions or updates to any forward-looking statements whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. A detailed discussion of some of the significant risks and uncertainties which may cause results and events to differ materially from such forward-looking statements is included in the section titled “Risk Factors” (Part I, Item 1A) of DowDuPont’s 2017 annual report on Form 10-K.

Discussion of segment revenue, operating EBITDA and price/volume metrics on a divisional basis for Agriculture is based on the results of the Agriculture segment; for Materials Science is based on the combined results of the Performance Materials & Coatings, Industrial & Infrastructure, and Packaging & Specialty Plastics segments; and for Specialty Products is based on the combined results of the Electronics & Imaging, Nutrition & Biosciences, Transportation & Advanced Polymers, and Safety & Construction segments. The segment disclosures



have been presented in this manner for informational purposes only and should not be viewed as an indication of each division's current or future operating results on a standalone basis assuming completion of the Intended Business Separations.

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