

***The Dow Chemical Company ("Dow" or the "Company")***  
***Reconciliation of non-GAAP financial measures***

Some Dow communications or presentations to investors contain certain financial measures that are not defined under accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures are clearly identified as such in all presentations in which they are included.

These non-GAAP financial measures exclude the impact of changes in accounting principles, certain gains and losses on the sale of assets, restructuring charges and certain other items. These non-GAAP financial measures also exclude the impact of the acquisition of Union Carbide ("UCC") prior to the completion of that transaction ("pre-UCC"). Dow believes that the non-GAAP financial measures presented with these adjustments best reflect the ongoing performance of the Company during the periods presented and are more useful to investors for comparative analyses. These measures should not be viewed as an alternative to GAAP financial measures. Furthermore, these non-GAAP financial measures may not be consistent with similar measures provided or used by other companies.

For a reconciliation between the bases for these non-GAAP financial measures and the most directly comparable GAAP financial measures, please see the following tables.

**Non-GAAP Adjustments to Earnings Per Share**

Amounts in dollars	2003	2004	2005	2006	1Q07	2Q07	3Q07	4Q07	2007	1Q08	2Q08	3Q08	4Q08	2008 <sup>1</sup>	1Q09	2Q09	3Q09	4Q09	2009 <sup>3</sup>
<b>Earnings per common share - diluted (GAAP)</b>	\$ 1.87	\$ 2.93	\$ 4.62	\$ 3.82	\$ 1.00	\$ 1.07	\$ 0.42	\$ 0.49	\$ 2.99	\$ 0.99	\$ 0.81	\$ 0.46	\$ (1.68)	\$ 0.62	\$ 0.03	\$ (0.47)	\$ 0.63		\$ 0.24
<b>Adjustments for certain items</b>																			
One-time increase in cost of sales related to fair valuation of Rohm and Haas inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.13)	-	-	(0.13)
Impact of Hurricanes Gustav and Ike	-	-	-	-	-	-	-	-	-	-	-	(0.09)	(0.03)	(0.12)	-	-	-	-	-
K-Dow related expenses	-	-	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.05)	-	-	-	-	-
Goodwill impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	(0.25)	(0.25)	-	-	-	-	-
Restructuring charges	-	(0.39)	(0.08)	(0.46)	-	-	-	(0.46)	(0.46)	-	-	-	(0.68)	(0.68)	(0.02)	(0.43)	-	-	(0.45)
Gain on asset divestitures related to formation of nonconsolidated affiliates	-	0.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased in-process research and development charges	-	-	-	-	-	-	(0.04)	(0.01)	(0.05)	-	-	(0.03)	(0.02)	(0.05)	-	-	-	-	-
Acquisition-related expenses	-	-	-	-	-	-	-	-	-	-	-	(0.02)	(0.03)	(0.05)	(0.04)	(0.06)	(0.03)	-	(0.13)
Asbestos-related credit	-	-	-	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dow Corning restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.03)	-	-	-	(0.03)
Loss contingency related to European Commission fine	-	-	-	(0.09)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of EQUATE shares	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of TRN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.29	-	0.29
Gain on sale of OPTIMAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.17
Loss on early extinguishment of debt	-	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.03)	-	(0.03)
Gain on sale of interest in UOP LLC	-	-	0.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of DERAKANE epoxy vinyl ester resin business	-	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash donation for aid to education and community development	-	-	(0.07)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
German tax law change	-	-	-	-	-	-	(0.38)	-	(0.38)	-	-	-	-	-	-	-	-	-	-
Change in EQUATE legal ownership structure	-	-	-	-	-	-	-	0.12	0.12	-	-	-	-	-	-	-	-	-	-
Unfavorable tax ruling	-	-	(0.14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of tax valuation allowances and impact of change in tax rate on deferred tax liabilities	0.49	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
American Jobs Creation Act repatriation of foreign earnings	-	-	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative effect of change in accounting principle	(0.01)	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Earnings per share excluding certain items (non-GAAP)<sup>2</sup></b>	\$ 1.39	\$ 2.71	\$ 4.37	\$ 4.25	\$ 1.00	\$ 1.07	\$ 0.84	\$ 0.84	\$ 3.76	\$ 0.99	\$ 0.81	\$ 0.60	\$ (0.62)	\$ 1.82	\$ 0.12	\$ 0.15	\$ 0.23		\$ 0.55
Discontinued operations attributable to common stockholders	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ 0.10	\$ (0.01)		\$ 0.11
<b>Earnings per share excluding certain items and discontinued operations (non-GAAP)</b>	\$ 1.39	\$ 2.71	\$ 4.37	\$ 4.25	\$ 1.00	\$ 1.07	\$ 0.84	\$ 0.84	\$ 3.76	\$ 0.99	\$ 0.81	\$ 0.60	\$ (0.62)	\$ 1.82	\$ 0.11	\$ 0.05	\$ 0.24		\$ 0.44

<sup>1</sup> Due to a decline in the share count during 2008 and a loss in the 4th quarter, the sum of the four quarters does not equal the earnings per share amount calculated for the year.

<sup>2</sup> This measure of income excludes certain items that Dow does not consider part of ongoing operations for the periods presented.

<sup>3</sup> Due to an increase in share count and a loss in 2Q09, the full-year results do not equal the sum of the quarters.

**The Dow Chemical Company**  
**Selected Quarterly Non-GAAP Calculation of EBIT and EBITDA Excluding Certain Items**

Dollar amounts in millions	2003	2004	2005	2006	1Q07	2Q07	3Q07	4Q07	2007	1Q08	2Q08	3Q08	4Q08	2008	1Q09	2Q09	3Q09	4Q09	2009
<b>Net Income Attributable to The Dow Chemical Company (GAAP)</b>	\$ 1,730	\$ 2,797	\$ 4,515	\$3,724	\$ 973	\$ 1,039	\$ 403	\$ 472	\$ 2,887	\$ 941	\$ 762	\$ 428	\$ (1,552)	\$ 579	\$ 24	\$ (344)	\$ 796		\$ 476
Cumulative effect of change in accounting principle	(9)	-	(20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before Cumulative Effect of Change in Accounting Principle	1,739	2,797	4,535	3,724	973	1,039	403	472	2,887	941	762	428	(1,552)	579	24	(344)	796		476
Net income attributable to noncontrolling interests	94	122	82	93	25	25	23	25	98	24	19	20	12	75	11	12	(1)		22
Income from discontinued operations, net of income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11)	(103)	4		(110)
Provision (Credit) for income taxes	(82)	877	1,782	1,155	335	277	659	(27)	1,244	299	243	185	(60)	667	(25)	(248)	204		(69)
<b>Income (Loss) from Continuing Operations Before Income Taxes (GAAP)</b>	\$ 1,751	\$ 3,796	\$ 6,399	\$4,972	\$ 1,333	\$ 1,341	\$ 1,085	\$ 470	\$ 4,229	\$ 1,264	\$ 1,024	\$ 633	\$ (1,600)	\$ 1,321	\$ (1)	\$ (683)	\$ 1,003		\$ 319
Interest income	92	86	138	185	40	33	28	29	130	24	25	23	14	86	12	9	6		27
Interest expense and amortization of debt discount	828	747	702	616	146	129	148	161	584	145	151	160	192	648	154	525	488		1,167
Earnings before interest, income taxes and noncontrolling interests (EBIT) from continuing operations (non-GAAP)	\$ 2,487	\$ 4,457	\$ 6,963	\$5,403	\$ 1,439	\$ 1,437	\$ 1,205	\$ 602	\$ 4,683	\$ 1,385	\$ 1,150	\$ 770	\$ (1,422)	\$ 1,883	\$ 141	\$ (167)	\$ 1,485		\$ 1,459
<b>Adjustments for certain items, before tax</b>																			
One-time increase in cost of sales related to fair valuation of Rohm and Haas inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(209)	-		(209)
Impact of Hurricanes Gustav and Ike	-	-	-	-	-	-	-	-	-	-	-	(127)	(54)	(181)	-	-	-		-
K-Dow related expenses	-	-	-	-	-	-	-	-	-	-	-	-	(69)	(69)	-	-	-		-
Goodwill impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	(239)	(239)	-	-	-		-
Restructuring (charges) credit	-	(543)	(114)	(591)	-	4	-	(582)	(578)	-	-	-	(839)	(839)	(19)	(662)	-		(681)
Gain on asset divestitures related to formation of nonconsolidated affiliates	-	563	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Purchased in-process research and development (charges) credit	-	-	-	-	-	-	(59)	2	(57)	-	-	(27)	(17)	(44)	-	-	-		-
Acquisition-related expenses	-	-	-	-	-	-	-	-	-	-	-	(18)	(31)	(49)	(48)	(86)	(47)		(181)
Asbestos-related credit	-	-	-	177	-	-	-	-	-	-	-	-	-	-	(29)	-	-		(29)
Dow Corning restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Loss contingency related to European Commission fine	-	-	-	(85)	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Gain on sale of EQUATE shares	-	-	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Gain on sale of TRN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	457		457
Gain on sale of OPTIMAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		328
Loss on early extinguishment of debt	-	-	(31)	-	-	-	-	-	-	-	-	-	-	-	-	-	(56)		(56)
Gain on sale of interest in UOP LLC	-	-	637	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Cash donation for aid to education and community development	-	-	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
American Jobs Creation Act repatriation of foreign earnings	-	90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
<b>EBIT excluding certain items from continuing operations (non-GAAP)*</b>	\$ 2,487	\$ 4,347	\$ 6,501	\$5,902	\$ 1,439	\$ 1,433	\$ 1,264	\$ 1,182	\$ 5,318	\$ 1,385	\$ 1,150	\$ 942	\$ (173)	\$ 3,304	\$ 237	\$ 790	\$ 803		\$ 1,830
Depreciation and Amortization (GAAP)	1,903	2,088	2,079	2,074	508	533	560	589	2,190	574	569	538	555	2,236	508	763	752		2,023
<b>EBITDA (EBIT excluding certain items plus Depreciation and Amortization) from continuing operations (non-GAAP)*</b>	\$ 4,390	\$ 6,435	\$ 8,580	\$7,976	\$ 1,947	\$ 1,966	\$ 1,824	\$ 1,771	\$ 7,508	\$ 1,959	\$ 1,719	\$ 1,480	\$ 382	\$ 5,540	\$ 745	\$ 1,553	\$ 1,555		\$ 3,853

\*These measures of income exclude certain items that Dow does not consider part of ongoing operations for the periods presented.

**The Dow Chemical Company**  
**Historical Yearly Non-GAAP Calculation of EBIT and EBITDA Excluding Certain Items**

<i>Dollar amounts in millions</i>	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Net Income (Loss) Attributable to The Dow Chemical Company (GAAP)</b>	\$ 695	\$ 1,310	\$ 2,986	\$ 2,483	\$ 2,454	\$ 1,707	\$ 1,617	\$ 1,675	\$ (385)	\$ (338)	\$ 1,730	\$ 2,797	\$ 4,515	\$ 3,724	\$ 2,887	\$ 579
Cumulative effect of changes in accounting principles	(97)	-	-	-	(17)	-	(20)	-	32	67	(9)	-	(20)	-	-	-
Discontinued operations net of income taxes	71	166	187	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (Loss) from continuing operations	721	1,144	2,799	2,483	2,471	1,707	1,637	1,675	(417)	(405)	1,739	2,797	4,535	3,724	2,887	579
Preferred stock dividends	17	17	17	17	13	6	5	-	-	-	-	-	-	-	-	-
Net income attributable to noncontrolling interests	171	200	197	194	113	20	74	72	32	63	94	122	82	93	98	75
Provision (Credit) for income taxes	592	791	1,822	1,423	1,320	902	874	839	(228)	(280)	(82)	877	1,782	1,155	1,244	667
<b>Income (Loss) before Income Taxes (GAAP)</b>	\$ 1,501	\$ 2,152	\$ 4,835	\$ 4,117	\$ 3,917	\$ 2,635	\$ 2,590	\$ 2,586	\$ (613)	\$ (622)	\$ 1,751	\$ 3,796	\$ 6,399	\$ 4,972	\$ 4,229	\$ 1,321
Impact of Union Carbide acquisition on Income (Loss) Before Income Taxes and Noncontrolling Interests	243	526	1,306	829	969	623	424	185	-	-	-	-	-	-	-	-
Income (Loss) before income taxes and noncontrolling interests, adjusted to reflect pre-UCC results for Dow for 1993-2000	\$ 1,258	\$ 1,626	\$ 3,529	\$ 3,288	\$ 2,948	\$ 2,012	\$ 2,166	\$ 2,401	\$ (613)	\$ (622)	\$ 1,751	\$ 3,796	\$ 6,399	\$ 4,972	\$ 4,229	\$ 1,321
Interest income	135	91	294	290	182	139	121	119	85	66	92	86	138	185	130	86
Interest expense and amortization of debt discount	413	362	434	494	471	493	431	507	733	774	828	747	702	616	584	648
Earnings (Loss) before interest, income taxes and noncontrolling interests (EBIT) (non-GAAP)	\$ 1,536	\$ 1,897	\$ 3,669	\$ 3,492	\$ 3,237	\$ 2,366	\$ 2,476	\$ 2,789	\$ 35	\$ 86	\$ 2,487	\$ 4,457	\$ 6,963	\$ 5,403	\$ 4,683	\$ 1,883
<b>Adjustments for certain items, before tax</b>																
Impact of Hurricanes Gustav and Ike	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(181)
K-Dow related expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(69)
Goodwill impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(239)
UCC-related expenses and restructuring	-	-	-	-	-	-	-	-	(1,487)	(280)	-	-	-	-	-	-
Other restructuring	-	-	-	-	(49)	(203)	(94)	-	(11)	(18)	-	(543)	(114)	(591)	(578)	(839)
Purchased in-process R&D charges	-	-	-	-	-	(336)	(6)	(6)	(69)	-	-	-	-	-	(57)	(44)
Acquisition-related expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49)
Union Carbide asbestos-related (charge) credit	-	-	-	-	-	-	-	-	-	(828)	-	-	-	177	-	-
Gains/(losses) on disposition of assets	613	(42)	-	-	194	639	-	17	266	63	-	653	707	-	-	-
Loss associated with the early extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	(31)	-	-	-
Asset write-downs	(21)	-	-	-	(26)	(113)	-	-	(11)	(16)	-	-	-	-	-	-
Dow Corning breast implant related	(208)	(76)	(330)	-	-	-	-	-	-	-	-	-	-	-	-	-
American Jobs Creation Act repatriation of foreign earnings	-	-	-	-	-	-	-	-	-	-	-	-	(100)	-	-	-
Other	-	-	-	-	(12)	(120)	-	-	-	-	-	-	-	(85)	-	-
<b>EBIT excluding certain items, adjusted to reflect pre-UCC results for Dow for 1993-2000 (non-GAAP)</b>	\$ 1,152	\$ 2,015	\$ 3,999	\$ 3,492	\$ 3,130	\$ 2,499	\$ 2,576	\$ 2,778	\$ 1,347	\$ 1,165	\$ 2,487	\$ 4,347	\$ 6,501	\$ 5,902	\$ 5,318	\$ 3,304
Performance Businesses	571	1,127	1,761	1,936	1,672	1,688	1,777	1,322	1,433	1,504	1,916	2,380	3,899	3,625	3,205	2,491
Basics Businesses	290	1,012	2,599	1,745	1,628	1,009	1,055	1,585	214	148	998	2,751	3,471	2,911	2,913	1,332
Unallocated	292	(124)	(361)	(189)	(170)	(198)	(256)	(129)	(300)	(487)	(427)	(784)	(869)	(634)	(800)	(519)
<b>Depreciation and Amortization (GAAP)</b>	\$ 1,352	\$ 1,302	\$ 1,442	\$ 1,329	\$ 1,297	\$ 1,305	\$ 1,301	\$ 1,315	\$ 1,815	\$ 1,825	\$ 1,903	\$ 2,088	\$ 2,079	\$ 2,074	\$ 2,190	\$ 2,236
Performance Businesses	568	569	645	607	614	667	659	696	940	939	978	1,155	1,140	1,147	1,151	1,272
Basics Businesses	734	686	750	673	643	584	610	593	860	872	917	927	935	926	1,038	964
Unallocated	50	47	47	49	40	54	32	26	15	14	8	6	4	1	1	-
<b>EBITDA (EBIT plus Depreciation and Amortization) (non-GAAP)</b>	\$ 2,504	\$ 3,317	\$ 5,441	\$ 4,821	\$ 4,427	\$ 3,804	\$ 3,877	\$ 4,093	\$ 3,162	\$ 2,990	\$ 4,390	\$ 6,435	\$ 8,580	\$ 7,976	\$ 7,508	\$ 5,540
Performance Businesses	1,139	1,696	2,406	2,543	2,286	2,355	2,436	2,018	2,373	2,443	2,894	3,535	5,039	4,772	4,356	3,763
Basics Businesses	1,024	1,698	3,349	2,418	2,271	1,593	1,665	2,178	1,074	1,020	1,915	3,678	4,406	3,837	3,951	2,296
Unallocated	342	(77)	(314)	(140)	(130)	(144)	(224)	(103)	(285)	(473)	(419)	(778)	(865)	(633)	(799)	(519)

These measures of income exclude certain items which Dow does not consider part of ongoing operations. They also exclude the results of the acquisition of Union Carbide prior to the completion of that transaction. EBIT plus Depreciation and Amortization segment data for 2002 - 2005 reflect organizational structure consistent with Form 8-K, filed April 12, 2006. Additionally, results for Dow Corning are reported in the Performance Businesses for 1993 - 2001.

**The Dow Chemical Company**  
**Non-GAAP Adjustments to Net Income**

<i>Dollar amounts in millions</i>	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Net Income (loss) Attributable to The Dow Chemical Company (GAAP)</b>	\$ 695	\$ 1,310	\$ 2,986	\$ 2,483	\$ 2,454	\$ 1,707	\$ 1,617	\$ 1,675	\$ (385)	\$ (338)	\$ 1,730	\$ 2,797	\$ 4,515	\$ 3,724	\$ 2,887	\$ 579
Impact of Union Carbide acquisition on Net Income	58	379	915	583	652	403	291	162	-	-	-	-	-	-	-	-
Net Income (loss) Attributable to The Dow Chemical Company, adjusted to reflect pre-UCC results for Dow for 1989-2000	637	931	2,071	1,900	1,802	1,304	1,326	1,513	(385)	(338)	1,730	2,797	4,515	3,724	2,887	579
Cumulative effect of changes in accounting principles	-	-	-	-	-	-	-	-	32	67	(9)	-	(20)	-	-	-
<b>Adjustments for certain items, after tax</b>																
Impact of Hurricanes Gustav and Ike	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(115)
K-Dow related expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(44)
Goodwill impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(230)
UCC-related expenses and restructuring (2001-2002)	-	-	-	-	-	-	-	-	(992)	(182)	-	-	-	-	-	-
Other restructuring	(83)	-	-	-	(29)	(112)	(61)	-	(11)	(15)	-	(362)	(77)	(445)	(436)	(628)
Purchased in-process R&D charges	-	-	-	-	-	(246)	(6)	(6)	(43)	-	-	-	-	-	(50)	(44)
Acquisition-related expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(43)
Union Carbide asbestos-related (charge) credit	-	-	-	-	-	-	-	-	-	(522)	-	-	-	112	-	-
Gains/(losses) on disposition of assets	372	(70)	-	-	103	433	-	7	168	40	-	436	448	-	-	-
Loss associated with the early extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	(20)	-	-	-
Cash donation for aid to education and community development	-	-	-	-	-	-	-	-	-	-	-	-	(65)	-	-	-
Asset write-downs	(13)	-	-	-	(14)	(71)	-	-	(8)	(16)	-	-	-	-	-	-
Dow Corning breast implant related	(192)	(70)	(339)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax items	-	-	-	-	-	-	-	-	-	-	454	146	(137)	-	-	-
German tax law change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(362)	-
Change in EQUATE legal ownership structure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113	-
Tax impact of the repatriation of foreign earnings per the American Jobs Creation Act	-	-	-	-	-	-	-	-	-	-	-	-	113	-	-	-
Other	-	-	-	-	(8)	(74)	-	-	-	-	-	-	-	(84)	-	-
<b>Net Income excluding certain items, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP)</b>	\$ 553	\$ 1,071	\$ 2,410	\$ 1,900	\$ 1,750	\$ 1,374	\$ 1,393	\$ 1,512	\$ 469	\$ 290	\$ 1,285	\$ 2,577	\$ 4,273	\$ 4,141	\$ 3,622	\$ 1,683

**The Dow Chemical Company**  
**Non-GAAP Return on Equity Calculation**

<i>Dollar amounts in millions</i>	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Income excluding certain items, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP) (see prior calculation)	\$ 553	\$ 1,071	\$ 2,410	\$ 1,900	\$ 1,750	\$ 1,374	\$ 1,393	\$ 1,512	\$ 469	\$ 290	\$ 1,285	\$ 2,577	\$ 4,273	\$ 4,141	\$ 3,622	\$ 1,683
<b>Net stockholders' equity (GAAP)</b>	\$ 9,462	\$ 9,721	\$ 9,406	\$ 10,068	\$ 9,974	\$ 9,878	\$ 10,940	\$ 11,840	\$ 9,993	\$ 7,626	\$ 9,175	\$ 12,270	\$ 15,324	\$ 17,065	\$ 19,389	\$ 13,511
Impact of Union Carbide acquisition on stockholders' equity	1,428	1,509	2,045	2,114	2,348	2,449	2,617	2,654	-	-	-	-	-	-	-	-
Temporary equity	16	22	341	34	49	43	50	-	-	-	-	-	-	-	-	-
<b>Total Equity, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP)</b>	<b>\$ 8,050</b>	<b>\$ 8,234</b>	<b>\$ 7,702</b>	<b>\$ 7,988</b>	<b>\$ 7,675</b>	<b>\$ 7,472</b>	<b>\$ 8,373</b>	<b>\$ 9,186</b>	<b>\$ 9,993</b>	<b>\$ 7,626</b>	<b>\$ 9,175</b>	<b>\$ 12,270</b>	<b>\$ 15,324</b>	<b>\$ 17,065</b>	<b>\$ 19,389</b>	<b>\$ 13,511</b>
<b>Return on Equity excluding certain items, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP)</b>	<b>6.9%</b>	<b>13.0%</b>	<b>31.3%</b>	<b>23.8%</b>	<b>22.8%</b>	<b>18.4%</b>	<b>16.6%</b>	<b>16.5%</b>	<b>4.7%</b>	<b>3.8%</b>	<b>14.0%</b>	<b>21.0%</b>	<b>27.9%</b>	<b>24.3%</b>	<b>18.7%</b>	<b>12.5%</b>

This measure of return excludes from income certain items which Dow does not consider part of ongoing operations. It also excludes the results of the acquisition of Union Carbide prior to the completion of that transaction. One of Dow's financial targets is to average 20% Return on Equity, on average across the chemical industry cycle. In measuring its performance against this target, Dow calculates Return on Equity as indicated above.

**The Dow Chemical Company**  
**Non-GAAP Return on Capital Calculation**

<i>Dollar amounts in millions</i>	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Income excluding certain items, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP) (see prior calculation)	\$ 553	\$ 1,071	\$ 2,410	\$ 1,900	\$ 1,750	\$ 1,374	\$ 1,393	\$ 1,512	\$ 469	\$ 290	\$ 1,285	\$ 2,577	\$ 4,273	\$ 4,141	\$ 3,622	\$ 1,683
Preferred stock dividends, pre-UCC 1989-2000	7	7	7	7	6	6	5	-	-	-	-	-	-	-	-	-
Net income attributable to noncontrolling interests, pre-UCC 1989-2000	275	335	220	194	99	17	69	65	32	63	94	122	82	93	98	75
Gross interest expense, pre-UCC 1989-2000	666	603	538	529	502	540	484	554	787	825	876	795	758	690	661	745
Tax on gross interest expense, pre-UCC 1989-2000	(250)	(226)	(204)	(201)	(190)	(205)	(176)	(188)	(286)	(274)	(255)	(213)	(211)	(202)	(155)	(267)
<b>Net Operating Profit After Tax excluding certain items, adjusted to reflect pre-UCC results for Dow 1989-2000 (non-GAAP)</b>	<b>\$ 1,251</b>	<b>\$ 1,790</b>	<b>\$ 2,971</b>	<b>\$ 2,429</b>	<b>\$ 2,167</b>	<b>\$ 1,732</b>	<b>\$ 1,775</b>	<b>\$ 1,943</b>	<b>\$ 1,002</b>	<b>\$ 904</b>	<b>\$ 2,000</b>	<b>\$ 3,281</b>	<b>\$ 4,902</b>	<b>\$ 4,722</b>	<b>\$ 4,226</b>	<b>\$ 2,236</b>
<b>Total debt (GAAP)</b>	<b>\$ 7,910</b>	<b>\$ 7,524</b>	<b>\$ 6,726</b>	<b>\$ 7,067</b>	<b>\$ 8,145</b>	<b>\$ 8,099</b>	<b>\$ 8,708</b>	<b>\$ 9,450</b>	<b>\$ 10,883</b>	<b>\$ 13,036</b>	<b>\$ 13,109</b>	<b>\$ 12,594</b>	<b>\$ 10,706</b>	<b>\$ 9,546</b>	<b>\$ 9,715</b>	<b>\$ 11,856</b>
<b>Net stockholders' equity (GAAP)</b>	<b>9,462</b>	<b>9,721</b>	<b>9,406</b>	<b>10,068</b>	<b>9,974</b>	<b>9,878</b>	<b>10,940</b>	<b>11,840</b>	<b>9,993</b>	<b>7,626</b>	<b>9,175</b>	<b>12,270</b>	<b>15,324</b>	<b>17,065</b>	<b>19,389</b>	<b>13,511</b>
Impact of Union Carbide acquisition on Total debt plus Net stockholders' equity	2,394	2,455	3,368	3,713	4,235	4,671	5,268	5,580	-	-	-	-	-	-	-	-
Total debt plus Net stockholders' equity, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP)	14,978	14,790	12,764	13,422	13,884	13,306	14,380	15,710	20,876	20,662	22,284	24,864	26,030	26,611	29,104	25,367
Net income attributable to noncontrolling interests, pre-UCC 1989-2000	2,439	2,506	1,775	2,091	676	532	408	410	357	366	376	449	336	365	414	69
Preferred securities of subsidiaries, pre-UCC 1989-2000	-	-	-	-	-	-	500	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	500
Temporary equity, pre-UCC 1989-2000	16	22	341	34	49	43	50	-	-	-	-	-	-	-	-	-
<b>Total Capital adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP)</b>	<b>\$ 17,433</b>	<b>\$ 17,318</b>	<b>\$ 14,880</b>	<b>\$ 15,547</b>	<b>\$ 14,609</b>	<b>\$ 13,881</b>	<b>\$ 15,338</b>	<b>\$ 16,620</b>	<b>\$ 22,233</b>	<b>\$ 22,028</b>	<b>\$ 23,660</b>	<b>\$ 26,313</b>	<b>\$ 27,366</b>	<b>\$ 27,976</b>	<b>\$ 30,518</b>	<b>\$ 25,936</b>
Average Total Capital, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP)	\$ 17,506	\$ 17,376	\$ 16,099	\$ 15,214	\$ 15,078	\$ 14,245	\$ 14,610	\$ 15,979	\$ 19,427	\$ 22,131	\$ 22,844	\$ 24,987	\$ 26,840	\$ 27,671	\$ 29,247	\$ 28,227
<b>Return on Capital excluding certain items, adjusted to reflect pre-UCC results for Dow for 1989-2000 (non-GAAP)</b>	<b>7.1%</b>	<b>10.3%</b>	<b>18.5%</b>	<b>16.0%</b>	<b>14.4%</b>	<b>12.2%</b>	<b>12.1%</b>	<b>12.2%</b>	<b>5.2%</b>	<b>4.1%</b>	<b>8.8%</b>	<b>13.1%</b>	<b>18.3%</b>	<b>17.1%</b>	<b>14.4%</b>	<b>7.9%</b>

This measure of return excludes from income certain items which Dow does not consider part of ongoing operations, and also excludes after-tax costs related to financing, such as interest expense, preferred stock dividends and net income attributable to noncontrolling interests. It also excludes the results of the acquisition of Union Carbide prior to the completion of that transaction. One of Dow's financial targets is to earn a Return on Capital which is 3% above Dow's cost of capital on average across the chemical industry cycle. In measuring its performance against this target, Dow calculates Return on Capital as indicated above.

*The Dow Chemical Company*  
**Calculation of Net Debt to Capital**

<i>Dollar amounts in millions</i>	YE02	YE03	YE04	YE05	YE06	1Q07	2Q07	3Q07	YE07	1Q08	2Q08	3Q08	YE08	1Q09	2Q09	3Q09
Notes payable	\$ 580	\$ 258	\$ 104	\$ 241	\$ 219	\$ 307	\$ 285	\$ 306	\$ 1,548	\$ 2,114	\$ 2,225	\$ 2,407	\$ 2,360	\$ 844	\$ 695	\$ 1,692
Long-term debt	11,659	11,763	11,629	9,186	8,036	7,975	7,966	8,019	7,581	7,392	8,116	8,257	8,042	10,897	21,983	20,631
Long-term debt due within one year	797	1,088	861	1,279	1,291	1,367	1,393	1,372	586	827	1,051	1,743	1,454	1,223	1,090	1,362
<b>Total Debt</b>	13,036	13,109	12,594	10,706	9,546	9,649	9,644	9,697	9,715	10,333	11,392	12,407	11,856	12,964	23,768	23,685
Total debt	13,036	13,109	12,594	10,706	9,546	9,649	9,644	9,697	9,715	10,333	11,392	12,407	11,856	12,964	23,768	23,685
Less: Cash and cash equivalents	1,484	2,392	3,108	3,806	2,757	2,377	1,976	1,945	1,736	1,673	2,111	2,261	2,800	2,956	2,648	2,581
Less: Marketable securities and interest bearing deposits	89	42	84	32	153	188	79	1	1	1	2	11	-	-	-	-
<b>Net Debt</b>	11,463	10,675	9,402	6,868	6,636	7,084	7,589	7,751	7,978	8,659	9,279	10,135	9,056	10,008	21,120	21,104
Total debt	13,036	13,109	12,594	10,706	9,546	9,649	9,644	9,697	9,715	10,333	11,392	12,407	11,856	12,964	23,768	23,685
Noncontrolling interests	366	376	449	336	365	378	389	400	414	430	237	70	69	63	504	516
Preferred securities of subsidiaries	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	500	500	500	-	-
Net stockholders equity	7,626	9,175	12,270	15,324	17,065	17,325	17,830	18,068	19,389	20,179	20,133	19,128	13,511	13,116	19,719	20,729
<b>Total Capital</b>	22,028	23,660	26,313	27,366	27,976	28,352	28,863	29,165	30,518	31,942	32,762	32,105	25,936	26,643	43,991	44,930
Net debt	11,463	10,675	9,402	6,868	6,636	7,084	7,589	7,751	7,978	8,659	9,279	10,135	9,056	10,008	21,120	21,104
Noncontrolling interests	366	376	449	336	365	378	389	400	414	430	237	70	69	63	504	516
Preferred securities of subsidiaries	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	500	500	500	-	-
Net stockholders equity	7,626	9,175	12,270	15,324	17,065	17,325	17,830	18,068	19,389	20,179	20,133	19,128	13,511	13,116	19,719	20,729
<b>Net Capital</b>	20,455	21,226	23,121	23,528	25,066	25,787	26,808	27,219	28,781	30,268	30,649	29,833	23,136	23,687	41,343	42,349
<b>Debt to Capital Ratio</b>	59.2%	55.4%	47.9%	39.1%	34.1%	34.0%	33.4%	33.2%	31.8%	32.3%	34.8%	38.6%	45.7%	48.7%	54.0%	52.7%
<b>Net Debt to Capital Ratio</b>	56.0%	50.3%	40.7%	29.2%	26.5%	27.5%	28.3%	28.5%	27.7%	28.6%	30.3%	34.0%	39.1%	42.3%	51.1%	49.8%