



Dow Kokam Breaks Ground on Advanced Battery Manufacturing Plant for Hybrid and Electric Vehicles

*Vice President Joe Biden and Michigan Governor Join Dow Kokam in Celebrating
Alternative Energy Future for Michigan and Automotive Industry*

Midland, MI – June 21, 2010 – Today, Dow Kokam’s Chief Executive Officer Ravi Shanker was joined by Vice President Joe Biden, Michigan Governor Jennifer Granholm, The Dow Chemical Company Chairman and CEO Andrew Liveris and other dignitaries at a groundbreaking ceremony to commemorate construction of Dow Kokam’s new advanced, large-format battery production facility. The groundbreaking marks the first phase of construction for the high-tech, world-scale manufacturing facility, which will produce affordable lithium-ion batteries to supply the growing electric vehicle (EV) and hybrid electric vehicle (HEV) market.

According to Dow Kokam CEO Ravi Shanker, the new facility will enable the company to bring to market the most reliable and consistent energy solutions for its customers.

“We’re making history today for Michigan and for the adoption of alternative energy by the automotive industry,” said Shanker. “In just nine short months, Dow Kokam has moved from formation to construction of a manufacturing facility to meet the needs of the next generation of the auto industry.”

Dow Kokam envisions an 800,000 square-foot, large-format battery manufacturing facility that will be developed in two overlapping construction phases. When complete, the facility will employ nearly 800 people, and have the capacity to manufacture 1.2 billion watt hours of large-format affordable lithium-ion batteries – enough to power 60,000 fully electric or hybrid electric vehicles annually, (assuming a 20 KWh battery system). The first phase of construction, supported by a \$161 Million Department of Energy (DOE) Recovery Act grant, has a targeted capacity of 600 million watt hours and will employ up to 320 people at steady state.

Dow Kokam has committed to spend \$322 million for the first phase of construction. Development of the facility will provide more than 1,000 regional construction jobs. When both phases of construction are complete, the project will have lead to 2,720 direct and indirect jobs, and the facility will require up to 800 full-time positions when fully operational.

The state of Michigan has invested more than \$180 million in tax incentives in the Dow Kokam joint venture to accelerate the state and nation’s commercial success in advanced batteries. In August of 2009, the DOE awarded Dow Kokam \$161 million dollars in federal grants as part of the American Recovery and Reinvestment Act (ARRA) to build the production facility.

Dow Kokam’s Advanced Lithium-Ion Batteries

Prismatic lithium-ion batteries, to be produced in Midland, Michigan, will provide greater volumetric and gravimetric energy density than other battery technologies, and store up to three times more energy than nickel metal hydride (NiMH) batteries currently used in most hybrids.

Large-format battery cells made with Dow Kokam’s technology have over 10 years of proven operations life, while its pack design capabilities have been proven in more than 1 million kilometers of rigorous, on-the-road testing. Dow Kokam batteries have been adopted as the primary power source for

equipment in industries ranging from transportation, marine, aerospace, defense and high-end industrial products.

“From the next generation of hybrid vehicles, to unmanned military ground and air vehicles and high-end industrial products, Dow Kokam’s robust lithium-ion technology sets the pace for advanced battery systems in today’s demanding applications,” said Shanker.

About Dow Kokam

Dow Kokam brings technologically advanced and economically viable battery solutions to the transportation, defense, industrial and medical industries. Uniting Dow, TK Advanced Battery and Dassault SVE creates the first battery and energy management systems manufacturer to combine viable, scalable large-format battery technology with the market franchise, manufacturing expertise and market knowledge necessary to become the clear partner of choice across industries.

Dow Kokam was established in 2009 to develop and manufacture advanced energy storage technologies for the transportation and other industries. The company is owned by The Dow Chemical Company, TK Advanced Battery LLC and Groupe Industriel Marcel Dassault.

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