

The Dow Chemical Company 2001 Annual Report  
*Portable Document Format*

## **Narrative Section**

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### **FORWARD-LOOKING INFORMATION**

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements made by or on behalf of The Dow Chemical Company and its subsidiaries ("Dow" or the "Company"), which now includes Union Carbide Corporation ("Union Carbide"). This section covers the current performance and outlook of the Company and each of its operating segments. The forward-looking statements contained in this section and in other parts of this document involve risks and uncertainties that may affect the Company's operations, markets, products, services, prices and other factors as more fully discussed elsewhere and in filings with the U.S. 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 the Company'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.

People

Innovation



Value

## A Remarkable Year of Challenge and Progress

Throughout the triumphs and challenges of 2001—which included the industry-redefining Union Carbide merger as well as the most difficult business environment in decades—Dow has been unwavering in its strategy and firmly committed to value creation.

We believe that people, innovation and value are the means for achieving our aspirations and reaching new levels of Business Excellence.

**People.** The lifeblood of any company is its people and Dow is no exception. Recognizing that people drive business success, we are creating enterprise-wide teamwork and renewing our efforts to build leadership and accountability at all levels. We are ensuring that all employees are aligned in purpose and equipped with the knowledge and tools they need for success today—and tomorrow.

**Innovation.** At Dow, innovation is more than just the discovery of a new molecule or technology. It is rooted in our desire to find a better way. We bring this passion for innovation to all aspects of our business—whether we are advancing new solutions in e-business, applying Six Sigma to increase speed to market, achieving breakthroughs in productivity or reaching new levels of safety in our operations. Innovation comes from applying science and technology to solve problems for our customers, our communities and the world.

**Value.** The bottom line of success is the ability to create long-term shareholder value—by balancing economic, environmental and social responsibilities. Value is the lens through which we view everything and is fundamental to our performance-driven culture. At Dow, we are relentlessly focused on creating value for our shareholders, customers, employees and communities.

In this year's annual report, we're highlighting a few examples of how the people of Dow are working together to improve the essentials of life and create value.

## 2001 Financial Highlights

IN MILLIONS, EXCEPT AS NOTED

	2001	2000
Net Sales	\$ 27,805	\$ 29,534
Earnings before Interest, Income Taxes and Minority Interests ("EBIT")	35	3,105
Net Income (Loss)	(385)	1,675
Return on Stockholders' Equity	(3.9)%	14.1%
Earnings (Loss) per Share—Basic (in dollars)	(0.43)	1.88
Earnings (Loss) per Share—Diluted (in dollars)	(0.43)	1.85
Dividends Declared per Share (in dollars)	1.295	1.16

### Net Sales (dollars in millions)

97	\$27,476
98	\$25,101
99	\$25,859
00	\$29,534
01	\$27,805

### EBIT (dollars in millions)

97	\$4,272
98	\$3,093
99	\$3,022
00	\$3,105
01	\$35

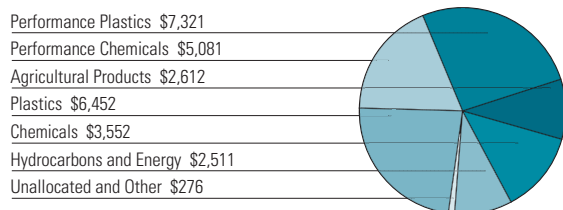
### Earnings (Loss) per Share—Diluted (dollars)

97	\$2.61
98	\$1.89
99	\$1.82
00	\$1.85
01	\$(0.43)

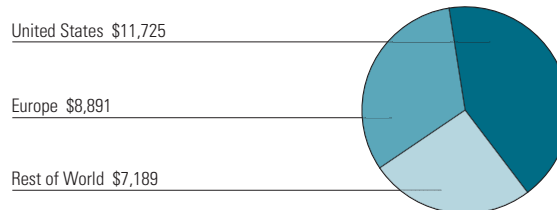
### Dividends Declared per Share (dollars)

97	\$1.12
98	\$1.16
99	\$1.16
00	\$1.16
01	\$1.295

### 2001 Sales by Operating Segment (dollars in millions)



### 2001 Sales by Geographic Area (dollars in millions)



The merger of The Dow Chemical Company and Union Carbide Corporation was completed on February 6, 2001. This annual report reflects the retroactive effect of the merger, which was accounted for as a pooling of interests, for all periods presented (see Note C to the Consolidated Financial Statements for further information).

Results for 2001 include the impact of a \$1.5 billion pretax special charge for merger-related expenses and restructuring (see Note B to the Consolidated Financial Statements for details regarding the charge).

### **To the Stockholders of The Dow Chemical Company:**

It has been decades since Dow and the global chemical industry experienced a deterioration in business conditions as severe as that which we faced in 2001—a fact clearly reflected in our bottom line. Yet, despite our disappointing earnings for the year, 2001 can still be categorized as a year of progress for Dow. A year in which we completed the Union Carbide merger and created the momentum that will allow us to accelerate out of this trough and create new levels of peak earnings.



Michael D. Parker, President and CEO

Our 2001 results tell the story of the difficult business environment. An unprecedented spike in natural gas costs early in the year, the very deep and prolonged manufacturing recession in the United States, severe economic slowdowns in other parts of the globe, extremely weak industry fundamentals, and the volatile geopolitical situation brought on by the tragic events of September 11—all led to lower prices, weaker volume and severely compressed margins. During the year, price declines totaled \$1.6 billion and, by the fourth quarter, we were operating at just 73 percent of our total capacity. Sales for 2001 decreased 6 percent to \$27.8 billion. Excluding unusual items, earnings before interest and taxes fell to \$1.3 billion and earnings per share declined to \$0.52.

Throughout the year, our stock price showed relative resilience. When combined with our dividend—which increased 15.5 percent in the second quarter of the year—our stock provided our owners with a total return that beat the S&P 500. Unfortunately, as we entered 2002, our stock fell victim to concerns about asbestos liability related largely to Union Carbide’s former business activities. These concerns are understandable. However, we are confident that they will ultimately prove to be unwarranted. Our confidence stems from a number of factors, ranging from Carbide’s successful 30-year history in managing asbestos claims to Carbide’s substantial insurance coverage from multiple, high-quality carriers.

We will manage this issue aggressively, both inside and outside the courtroom. We are mounting a vigorous legal strategy buttressed by Dow’s extensive legal expertise and experience, while at the same time participating in efforts to bring about a fair and just legislative solution. We will not, however, allow this issue to deter us from our primary task—building a better and a bigger company, capable of maximizing long-term shareholder value.

### **Getting Better**

Dow people approached this difficult year with a characteristic “can-do” spirit that echoes Dow’s resilience. With the added challenge of integrating the largest merger in our history, at the very depths of the industry cycle, our employees surpassed both our cost synergy and Six Sigma goals for 2001, demonstrating why we list our people at the top of our long roster of competitive strengths. As a result of their focus and discipline, we are further cementing our low-cost-to-serve position. The full bottom-line benefits of our synergy capture and Six Sigma efforts are being masked by the current severe trough conditions. But, as the economic climate improves, their value-creating power will become evident.

### **Capturing Synergies**

Our integration of Union Carbide is progressing exceptionally well. With just three full quarters under our belts, we surpassed our Year One goal of capturing \$650 million in cost synergies. We are well on our way to delivering, ahead of schedule, our target of \$1.1 billion in cost synergies.

We are on track to meet our integration plans by the end of 2002 for our slate of smaller, performance-oriented acquisitions which will net us an additional \$230 million of cost synergies.

Heading into 2002, we will continue to focus on integration, ensuring that we realize the full value of our investments. Our ability to do so is rooted in our integration strategy. We are not just eliminating duplication; we are replicating our streamlined, global business model with its global work processes, leveraged functions and integrated information technology systems. We are also focusing on the all-important people issues, ensuring everyone—whether staying or leaving—is treated with dignity and respect, thus ensuring we have a motivated workforce to run our newly integrated company. The very fact that we turned in our best safety performance ever in 2001 is testament to our focus on people during these times of change.

### **Accelerating Six Sigma**

We significantly ramped up our Six Sigma efforts, intensifying our focus on cost reduction. At the end of our second full year of implementation, we've trained 1,200 Black Belts—including over 100 employees who came to Dow through the Union Carbide merger, and who are using Six Sigma to accelerate the capture of cost synergies. We have 2,500 active projects, and more than 11,000 Dow people have actively participated in one or more projects. Our people are embracing not only the tools associated with Six Sigma, but also the mindset—approaching their work with an ever-greater intolerance for waste. As a result, we are halfway toward our Six Sigma goal of creating \$1.5 billion in cumulative earnings before interest and taxes by the end of 2003.

### **Pursuing a Business-by-Business Approach**

In addition to our integration and Six Sigma initiatives, we tightly controlled expenses—difficult in a year marked by the most significant merger and acquisition activity in our history. We brought expenses down by \$107 million and tightly controlled capital spending. In doing so, however, we shunned standard issue enterprise-wide, one-size-fits-all reductions, preferring instead to take a more precise, fine-tuned, business-by-business approach to avoid damaging long-term value creation.

As a result of the significant cost reductions we undertook throughout the 90s, racking up productivity gains of 10 percent per year and taking out structural costs totaling \$2.4 billion, our overall organization is in good shape. We are now able to take a business-by-business approach, effectively responding to the unique marketplace dynamics impacting each of our global businesses—including the

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*“Our sights are set on creating value growth at rates that exceed our industry’s average. We’ll do so in a variety of ways, including expanding our established businesses, generating value from our mergers and acquisitions and creating totally new businesses.”*

forces of competition, consolidation and commoditization. We firmly believe decisions made closer to the marketplace are wiser. Our business leaders have responded to the challenge, as is evidenced by the asset-related announcements from our Polyurethanes business geared at optimizing production and competitiveness.

### **Getting Better and Bigger**

Our sights are set on creating value growth at rates that exceed our industry’s average. We’ll do so in a variety of ways, including expanding our established businesses, generating value from our mergers and acquisitions and creating totally new businesses. Our focus on becoming ever better and bigger is defined by our tough slate of financial objectives across the cycle which drive us to:

- Generate a return on equity of 20 percent.
- Return 3 percent above our cost of capital.
- Earn our cost of capital at the trough.
- Grow earnings per share by 10 percent per year.

Despite the difficulties of 2001, we continue to close in on achieving all but the toughest of these—earning the cost of capital at the trough—a goal made impossible by the challenge of integrating Union Carbide and our other acquisitions in severe trough conditions. We are convinced, however, that the long-term value creation is well worth the short-term impact of our acquisition activity. As we fully realize the substantial cost synergies, we will be back on track to achieve even our toughest of objectives.

### **Emerging Value Growth Opportunities**

The Union Carbide merger has led to important new value growth opportunities. A terrific example is *UCAR* Emulsion Systems, a high-value specialty business that makes latexes and emulsions for paints, coatings and other applications. The combination of Dow’s streamlined global business model and Carbide’s market knowledge and technology has enhanced value creation and triggered growth opportunities that will make this a powerful addition to our Performance Chemicals portfolio. We’re working on other similar growth synergies in areas such as personal care products and biocides.

We’re also building on our breakthrough scientific advances. At Dow AgroSciences, for example, spinosad and *Sentricon* Termite Colony Elimination System, both Green Chemistry Challenge Award recipients, contributed to higher sales despite a global slowdown in the agricultural industry. And, our newly created electronics growth platform is poised to become a one-billion-dollar business at maturity on the strength of *SILK* semiconductor resins which make smaller, faster chips possible, and pLED, a light-emitting polymer which allows for brighter, more energy-efficient displays for laptops, PDAs and cell phones.

Farther out on the horizon, our scientists are working on promising new developments such as nano-scale alpha particle generators for the treatment of certain types of cancer. A potential breakthrough, these particle generators target only malignant cells and could represent a step-change in treatment options.

### **Looking Forward: 2002 and Beyond**

Entering 2002, we do not expect to get much relief from the severe industry conditions we faced in 2001. Monetary and fiscal stimulus in the United States should help demand pick up as the year progresses, and the rest of the world should follow. But with the global chemical industry operating at rates of less than 80 percent of total capacity, it will take a number of consecutive quarters of increased demand before we see significant margin expansion. Despite this, we are confident we will turn in higher year-over-year earnings and begin to slowly emerge from this very deep industry trough.

We will continue to work diligently on enhancing our tremendous upside potential—successfully completing the integration of Carbide and our other acquisitions, harnessing the power of Six Sigma, and seeking innovative new business opportunities based on our leading-edge science and technology. As we do, we will be guided by our quest for Business Excellence, honing our business-by-business approach and intensely focusing on the marketplace and the customer. Fortifying our efforts, we'll begin implementing our comprehensive People Strategy, ensuring we continue to develop the very source of the competitiveness that makes us strong today, and the innovation that will build our future—our people. We'll also continue to integrate the principles of Sustainable Development into our businesses. Sustainable Development, with its Triple Bottom Line of Economic Prosperity, Environmental Stewardship and Corporate Social Responsibility, is key to our future success. In the short term, it will allow us to meet our stakeholders' expectations and continue to earn our license to operate. In the longer term, it will inspire us to develop a new portfolio of valuable solutions, ensuring our future long past the next cycle.

As a result of our strategic efforts, you can expect Dow to reach new levels of peak earnings over the coming years, creating a better and a bigger company truly capable of maximizing long-term shareholder value.

Sincerely,

A handwritten signature in black ink that reads "Mike Parker". The signature is written in a cursive, slightly stylized font.

**Michael D. Parker**  
President and Chief Executive Officer

February 13, 2002

*"We will continue to work diligently on enhancing our tremendous upside potential—successfully completing the integration of Carbide and our other acquisitions, harnessing the power of Six Sigma, and seeking innovative new business opportunities based on our leading-edge science and technology."*



# The Power of People: Unleashing Our Imagination

*"We have developed a new proprietary technology that is enabling our customers to effectively incorporate difficult-to-formulate ingredients to create entirely new—and better—personal care products. By understanding the customer needs and integrating our technology and know-how, we are able to transform new ideas and difficult-to-make products into reality."*

*Carlos Nuila,  
Global Research &  
Development Director,  
Epoxy Products  
and Intermediates*



*"Applying science and technology to solve problems is much more than smart business—it can truly make a difference in the world. Our efforts range from a promising new technology that could significantly reduce automobile emissions in the future to a new class of materials that can transform light wavelengths for use in next-generation medical diagnostics."*

*Dr. Che-I Kao,  
Dow Fellow and  
Chief Scientist*

Human progress is fueled by the ability to imagine a better way. At Dow, we continually invest in our people—the source of our innovation and competitiveness—who strive each day to find new products and technologies that will significantly enhance and improve everyday living.

Dow's work with a leading computer company led to the development and production of a rugged plastic enclosure that protects handheld computers indoors and out.

A new Dow technology could aid in the treatment of cancer by better targeting and destroying cancerous cells while leaving healthy cells intact. This technology would allow medical professionals to create cancer "smart bombs" and revolutionize treatment options.

These are only two of the many ways in which Dow people are bringing new solutions to the industries we serve—from medicine and electronics to water purification and transportation.

We believe that recruiting and retaining the best people, as well as providing continued career development and educational opportunities, are key to spurring and sustaining this kind of innovation. That's why we work to ensure that Dow people have the tools, skills and freedom they need to succeed.

A case in point is Dow's breakthrough web-based training system called *learn@dow.now*. This award-winning system offers employees an on-line option for continuing education with the flexibility and efficiency inherent in electronic learning. In 2001 alone, more than 315,000 courses were completed by Dow employees, generating a cost-to-train savings of more than \$45 million.

This desire to continuously improve themselves and the world around them is what drives Dow people to take on new challenges each day and, ultimately, to make a difference in the lives of others.



Our people are continuously finding new and better ways to do things such as designing, engineering and producing this rugged plastic case to protect handheld electronic devices.



Dow's global work processes, business models and reporting systems help keep our 50,000 employees connected and aligned every day - enabling faster decision making and world-class implementation.

# Value: The Result of Business Excellence

Success requires constant commitment to the bottom line. In this era of increased competitive pressure in a global economy, the critical components for long-term success are speed, flexibility and operational excellence.

One of Dow's greatest strengths is its powerful portfolio. Dow is the world's largest producer with a global low-cost advantage in a wide range of chemicals and plastics. Continued operational improvements and a disciplined merger and acquisition strategy have helped cement our leadership position in the markets we serve.

But simply being the leader isn't good enough. Building on a strong foundation, we are striving to achieve higher levels of Business Excellence. Dow has embedded a rigorous value-based discipline and a sustainable mindset into each of its businesses. In addition, we have put in place global technology

solutions and work processes that allow faster and more effective enterprise-wide decision making. The end result is a company that is positioned to achieve unprecedented levels of efficiency, alignment, operational excellence and growth.

Six Sigma plays a major role in Dow's quest for Business Excellence and we have embraced it in virtually all aspects of our business. Six Sigma—including Design for Six Sigma—represents not only a quality process or a tool, but rather a mindset in the way we solve problems and operate our businesses. And it is working—delivering bottom-line benefits through improved plant operations, reductions in working capital and faster product development.

As we drive forward, a clear focus on Business Excellence will be key to Dow's continued growth and success.



*"Dow is employing Design for Six Sigma tools to develop a competitively advantaged production facility for Methocel cellulose ethers in Stade, Germany. In addition to reducing operating costs by \$520,000 annually, the new facility will provide the ability to meet customer needs for special batch sizes and high levels of product uniformity, as well as meet or exceed customer expectations of product quality."*

*Gabriele Weingart, Senior Production Specialist, Water Soluble Polymers*

*"In inventory management, effective forecasting and rapidly turning inventory are essential. Utilizing Six Sigma, we have generated significant capital savings at our systems houses in Italy, Germany, Brazil and China, and we are successfully leveraging these best practices across other Dow businesses as well."*

*Kemal Önen, Six Sigma Black Belt, Integrated Supply Chain, Polyurethane Systems*



# Innovation: Focus on the Customer

*"E-commerce has really opened up new avenues for Dow and its customers. In 2001, more than 30 percent of Dow's Latin America revenues were from customers placing their orders directly using e-channels. This rapid adoption reflects the power and customer interest in doing business electronically."*

*Gonzalo Barquero,  
Latin America  
Commercial Director,  
Polystyrene and  
Engineering Plastics  
businesses*



*"Working closely with Michelin, Dow will provide a key inner support component of the PAX™ System. PAX is an integrated tire/wheel system, providing run-flat mobility. For Dow, it's an opportunity to apply our chemistry and process know-how to help meet a market need. For consumers, it provides increased convenience, security and mobility when a flat tire occurs."*

*Greg McDaniel,  
Director, New  
Business Development,  
Polyurethanes*

Being a leader requires constant innovation in every aspect of our business—from advances in new product research to breakthroughs in e-business, from enhancements in global work processes to gains in customer loyalty.

Customers are firmly at the center of Dow's focus on innovation. Technology has allowed us to better organize people, processes and systems around customers, delivering significant advances in the speed, quality and breadth of information available. Whether a customer is located in a major metropolitan area or a remote location, needs to order product or track a shipment, we are committed to making it easy to do business with Dow.

The benefits of this advanced connectivity can be seen with *myaccount@dow*, a secure on-line environment for customer transactions and support.

Thousands of customers around the globe have access to the service,

with usage rising 10 percent every month since January 2001. This means instant, self-service access to transactional data, shipment information and on-line literature.

This same customer focus—combined with a consumer markets mindset—drives Dow's research and development efforts.

Our close collaboration with leading automakers resulted in a new polypropylene foam that enhances passenger safety by absorbing 20 percent to 30 percent more impact energy than conventional materials in the same space.

Dow's work with the electronics industry led to a new light-emitting polymer capable of producing high quality streaming video superior to traditional liquid crystal displays. It allows for more vibrant and energy-efficient flat panel displays in cell phones, computer monitors and televisions.

Working hand in hand with customers ensures that new innovations are as successful in the "real world" as they are in the lab.



Advances such as light-emitting polymers are helping to revolutionize electronics by making displays brighter and more compact.



With a deep commitment to the principles of Sustainable Development, our employees work to make a difference in their communities and in the world.

# Dow: Nurturing Our Communities and Investing in Our Future

Dow is dedicated to the principles of Sustainable Development, believing that we can *and must* excel in balancing Economic Prosperity with Corporate Social Responsibility and Environmental Stewardship. We publicly report our progress against measurable standards and remain committed to an Environmental Health and Safety “Vision of Zero”—no accidents, no injuries and no harm to the environment. And Dow’s efforts are being recognized, from the American Chemistry Council’s *Responsible Care* Leadership Award to a top ranking by the Dow Jones Sustainability Group Index.

Dow takes seriously its responsibilities as a corporate citizen. In the communities where we operate, this means working to ensure the safety of our operations, earning the trust of our neighbors and taking a leadership role to meet local needs. Community Advisory Panels, which Dow has established at all of its major facilities, help to keep the channels of communication open. Whether it’s funding education programs in South America, preserving a bird sanctuary in Taiwan, or supporting a Habitat for

Humanity homebuilding project in Korea, Dow and its people take pride in community leadership.

Dow brought this same kind of commitment to the Kanawha Valley in West Virginia following the Union Carbide merger—helping fund a new arts center, supporting renovation of the local library and contributing to local charities. When duplicate jobs needed to be eliminated, Dow worked proactively with existing suppliers and government officials to minimize the impact and bring more than 500 new technical and engineering jobs to the area.

Helping take care of our communities and serving our global neighbors is nothing new for Dow. In 2001, we celebrated forty years of helping to purify drinking water from the ocean. Today, Dow is taking the lead in recycling programs for carpet backings and finding ways to make plastics and chemicals from a renewable crop-based resource using plant-oil technology.

For us, being a responsible corporate citizen is much more than an initiative. It is a way of life.



*“Dow’s \$1.2 million grant to aid Sustainable Development in Tanzania is much more than simply planting trees. It is helping teach current and future generations how to preserve our natural resources.”*

*Barbara Gothard-Thompson,  
Global Leader,  
External Affairs*

*“After the Union Carbide merger, no one here really knew what to expect. But Dow quickly demonstrated how a world-class company should act. Dow’s focus has been clear from the onset—to truly become an integral part of our community.”*

*Mike Agee,  
Business Development  
Leader, West Virginia  
Operations*





*Despite the many challenges of 2001, Dow continued to implement its strategy by taking significant steps to further its position as an industry leader. The year was marked by an industry-redefining merger, as well as other strategic portfolio investments, and by advances in productivity, sustainability and e-business. Following are some highlights:*



### 1st Quarter

- Dow completes historic Union Carbide merger
- Dow declares pro-rata dividends, marking the company's 357th and 358th consecutive cash dividends
- Dow Automotive acquires remaining interest in Gurit-Essex AG
- Dow acquires 80 percent of Pacific Epoxy Co., Ltd. in the Republic of Korea
- Dow agrees to acquire EniChem's polyurethanes business
- Dow announces plans to acquire Ascot Plc, a United Kingdom-based custom manufacturer of specialty and fine chemicals
- Dow agrees to acquire former Basell polypropylene plant in Germany
- Michelin and Dow sign PAX System supply agreement for innovative tire/wheel system project
- Dow Automotive honored as a finalist in *Automotive News'* PACE Awards for *Strandfoam* polypropylene foam

### 2nd Quarter

- Dow increases dividend 15.5 percent, declares 359th consecutive cash dividend
- Dow reports rapid progress in Union Carbide merger, raises cost synergy target to \$1.1 billion
- Dow releases its Public Report—2000 Results highlighting the company's progress in sustainable business
- Dow holds 104th Annual Meeting of Stockholders
- Salomon Smith Barney recognizes Dow's advancements in information technology with CIO of the Year honors
- Dow makes \$1.2 million grant to aid sustainable development effort in Tanzania
- Dow acquires majority of the Manitoba, Canada, assets of Isobord Enterprises, Inc., to enter biocomposite wood-replacement panels business
- Dow AgroSciences completes acquisition of Rohm and Haas Company's agricultural chemicals business
- Dow unveils DOWNET, the world's first global Voice-over Internet Protocol communications network, being developed with leading information technology (IT) providers
- Dow completes first global ERP-integrated buy/sell transaction via Elemica
- Dow re-enters Japanese capital markets by issuing a JPY 30 billion, 5-year Samurai bond

*Dow employees participate in many Habitat for Humanity homebuilding projects around the world, including the Jimmy Carter Work Project 2001 in Korea.*



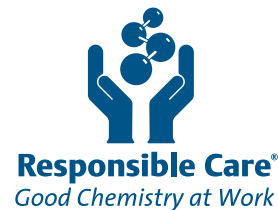
### 3rd Quarter

- Dow receives second consecutive CIO 100 award for its broad range of IT and e-business initiatives that generate value for customers and shareholders
- Dow finalizes purchase of the assets of the Celotex Corporation's rigid foam insulation business
- Dow earns R&D 100 Awards from *R&D Magazine* for *Inspire* performance polymers and *Strandfoam* polypropylene foam
- Dow re-enters European capital markets by pricing a EUR 600 million, 5-year bond
- Dow announces 360th consecutive cash dividend
- Dow forms business unit, Inclosia Solutions, to provide innovative enclosures to electronics industry
- Dow receives grant from U.S. Department of Energy for research on making plastics and chemicals from renewable plant oils
- Performance Chemicals forms new business unit, Custom and Fine Chemicals, to provide value-added solutions and services to pharmaceutical, specialty chemical and agricultural chemical producers



### 4th Quarter

- Dow declares 361st consecutive cash dividend
- Dow marks second anniversary of *myaccount@dow*
- Dow receives 2001 *Responsible Care* Leadership Award from the American Chemistry Council
- Dow celebrates 10th anniversary of its Corporate Environmental Advisory Council (CEAC)
- Dow AgroSciences acquires remaining interest in RohMid from BASF
- 2001 Dow Jones Sustainability Group Index ranks Dow as global industry leader
- Dow commits \$2 million and *Styrofoam* brand insulation to Habitat for Humanity
- The Royal Society of Chemistry in the United Kingdom presents Dow subsidiary Chiretech Technology Limited with 2001 Industrial Innovation Team Award
- Dow and Reichhold, Inc. form joint venture to create world's largest specialty latex company
- Dow purchases Reichhold, Inc.'s paper and carpet latex businesses
- Dow employees and contractors achieve all-time best safety performance—Injury and Illness Rate drops 18 percent from 2000 to reach a Dow historical low of 0.85 incidents per 200,000 work hours



*Dow is a leading science and technology company that provides innovative chemical, plastic and agricultural products and services to many essential consumer markets. In 2001, Dow had annual sales of \$28 billion and employed more than 50,000 people. The Company serves customers in more than 170 countries and a wide range of markets that are vital to human progress, including food, transportation, health and medicine, personal and home care, and building and construction, among others. The Company has 208 manufacturing sites in 38 countries and supplies more than 3,200 products grouped within the operating segments listed on the following pages. The Corporate Profile is an integral part of Note R to the Financial Statements.*

### Performance Plastics

**Applications:** automotive interiors, exteriors, chassis/powertrain and body engineered systems • building and construction, thermal and acoustic insulation, roofing • communications technology, telecommunication cables, electrical and electronic connectors • computer housings and accessories • footwear • home and office furnishings: appliance insulation, mattresses, carpeting, flooring, furniture padding, office furniture • packaging, food and beverage containers, protective packaging • sports and recreation equipment • wire and cable, including power utility and telecommunications



**Dow Automotive** delivers innovative solutions for automotive interior, exterior, chassis/powertrain and body engineered systems applications. As a leading global supplier of resins, engineering plastic materials, fluids, adhesives, sealants, structural enhancements and thermal and acoustical management solutions, Dow Automotive has been recognized for its automotive components and systems. It also provides research and development, design expertise and advanced engineering.

**Products:** *Betabrace* reinforcing composites, *Betadamp* acoustical damping systems, *Betafoam* NVH and structural foams, *Betaguard* sealants, *Betamate* structural adhesives, *Betaseal* glass bonding systems, *Calibre* polycarbonate resins, Injection-molded dashmats and underhood barriers, *Integral* adhesive film, *Magnum* ABS resins, Polypropylene resins, *Pulse* engineering resins, *Questra* crystalline polymers, *Retain* recycle content resins, *Spectrim* reaction moldable polymers, *Strandfoam* polypropylene foam, *Vydyne*® nylon resins

**Engineering Plastics** business offers one of the broadest ranges of engineering polymers and compounds of any global plastics supplier. Dow's Engineering Plastics business complements its product portfolio with technical and commercial capabilities to develop solutions that deliver improved economics and performance to its customers.

**Products:** *Amplify* thermoplastic alloys, *Calibre* polycarbonate resins, *Emerge* advanced resins, *Fulcrum* thermoplastic composite technology, *Inspire* performance polymers, *Isoplast* engineering thermoplastic polyurethane resins, *Magnum* ABS resins, *Pellethane* thermoplastic polyurethane elastomers, *Prevail* engineering thermoplastic resins, *Pulse* engineering resins, *Questra* crystalline polymers, *Tyrl* SAN resins, *Vydyne* nylon resins

### Epoxy Products and Intermediates

business manufactures a variety of basic epoxy products, as well as intermediates used by other major epoxy producers. Dow is a leading global producer of basic epoxy products, supported by high-quality raw materials, technical service and production capabilities.

**Products:** Acetone, Acrylic monomers, Allyl chloride, Bisphenol A, *Blox* thermoplastic resins, *D.E.H.* epoxy catalyst resins, *D.E.N.* epoxy novolac resins, *D.E.R.* epoxy resins (liquids, solids and solutions), *Derakane* and *Derakane Momentum* epoxy vinyl ester resins, Epichlorohydrin, *Optim* glycerine, Phenol

**Fabricated Products** business manufactures and markets an extensive line of plastic film and foam products. Fabricated Products sets the competitive standard by creating high-performance solutions in industries ranging from packaging and construction to telecommunications, automotive and medical.

**Products:** *Covelle* HF weldable polyolefin film, *Dow* backing layer film, *Envision* custom foam laminates, *Ethafoam* polyethylene foam, *Immotus* acoustic panels, *Instill* vacuum insulation core, *Integral* adhesive film, *Lamdex* polyolefin foam, *Opticite* label film, Polypropylene foam, *Procite* window envelope film, *Quash* sound management foam, *Saranex* barrier medical film, *Styrofoam* brand products, *Synergy* soft touch foam, *Tanklite* protective insulation, *Trenchcoat* protective film, *Trycite* polystyrene film, *Trymer* polyisocyanurate foam, *Zetabon* coated metal cable armor

## Performance Chemicals

### Polyurethanes and Polyurethane

**Systems** businesses are leading global producers of polyurethane raw materials, polyurethanes and systems. Differentiated by their ability to globally supply a high-quality, consistent and complete product range, these businesses emphasize both existing and new business developments while facilitating customer success with a global market and technology network.

**Products:** *The Enhancer* and *Lifespan* carpet backings; *Great Stuff* polyurethane foam sealant; *Insta-stik* roofing adhesive; *Intacta* performance polymers; *Isonate* pure and modified methylene diphenyl diisocyanate (MDI); *Papi* polymeric MDI; Propylene glycol; Propylene oxide; *Syntegra* polyurethane dispersions; *Voracor*, *Voralast* and *Voralux* polyurethane systems; *Voranate* toluene diisocyanate; *Voranol* and *Voranol Voractiv* polyether and copolymer polyols; *Woodstalk* agrifiber composite panels

### Technology Licensing and Catalysts

business includes licensing of *Unipol* polypropylene process, as well as licensing and development of new polyethylene technologies, which are handled through Univation Technologies, LLC, a 50:50 joint venture. It also includes UOP LLC, a 50:50 joint venture. UOP is a worldwide supplier of process technology, catalysts, molecular sieves and adsorbents to the petrochemical and gas processing industries. Additionally, this business licenses the world's leading technologies for the production of ethylene oxide, ethylene glycol and oxo alcohols, and supplies related catalysts.

**Products:** *LP Oxo* process, *Meteor* process, *Shac* catalysts, *UCAT* catalysts, *Unipol* process

**Wire & Cable Compounds** business is the leading global producer of a variety of performance polyolefin products that are marketed worldwide for wire and cable applications. Chief among these are polyolefin-based compounds for high-performance insulation, semiconductives and jacketing systems for power distribution, telecommunications and flame-retardant wire and cable.

**Products:** *Redi-Link* polyethylene, *Si-Link* crosslinkable polyethylene, *Unigard* HP high-performance flame-retardant compounds, *Unigard* RE reduced emissions flame-retardant compounds, *Unipurge* purging compounds, Wire and cable insulation and jacketing compounds

**Applications:** agricultural and pharmaceutical products and processing • building materials • chemical processing and intermediates • food processing and ingredients • household products • paints, coatings, inks, adhesives, lubricants • personal care products • pulp and paper manufacturing, coated paper and paperboard • textiles and carpet • water purification

**Custom and Fine Chemicals** business provides products and services to other specialty chemical, pharmaceutical, biopharmaceutical and agricultural chemical producers, and also produces fine chemicals for household paints and various other applications.

**Products:** Basic nitroparaffins and nitroparaffin-based specialty chemicals of ANGUS Chemical Company; Fine and specialty chemicals from Chirotech Technology Limited, Mitchell Cotts, and Haltermann Products; Contract manufacturing services



**Emulsion Polymers** business is the world's largest supplier of synthetic latex and the most globally diverse of the styrene-butadiene latex suppliers. Dow is the largest supplier of latex for coating paper and paperboard used in magazines, catalogues and food packaging. Dow is also the world's largest supplier of latexes used in carpet production.

**Products:** Acrylic latex, Butadiene-vinylidene latex, Polystyrene latex, Styrene-acrylate latex, Styrene-butadiene latex



**Industrial Chemicals** business provides products used as functional ingredients or processing aids in the manufacture of a diverse range of products. Dow's surfactants and biocides businesses provide value-added ingredients for household and personal care products.

**Products:** Biocides; *Carbowax* polyethylene glycols and methoxypolyethylene glycols; Diphenyloxide; *Dow* polypropylene glycols; *Dowfax*, *Hamposyl*, *Tergitol* and *Triton* surfactants; *Dowtherm*, *Syltherm* and *Ucartherm* heat transfer fluids; *UCAR* deicing fluids; *UCON* fluids; *Versene* chelating agents

**Oxide Derivatives** business is the world's largest supplier of glycol ethers and amines to a diverse set of market applications including coatings, household products, gas treating and agricultural products.

**Products:** Alkyl alkanolamines, Ethanolamines, Ethylene oxide- and propylene oxide-based glycol ethers, Ethyleneamines, Isopropanolamines

**Specialty Polymers** business is a diverse portfolio serving numerous markets. The largest unit, Liquid Separations, uses several technologies to separate dissolved minerals and organics from water, making purer water for human and industrial uses.

**Products:** Acrolein derivatives; Acrylic acid/Acrylic esters; *Cyarcure* cycloaliphatic epoxides; *Daxad* dispersants; *Dowex* ion exchange resins; *Drytech* superabsorbent polymers; Epoxidized vegetable oils; *FilmTec* membranes; Glycine; Peroxymeric; Polyvinyl acetate resins; Quaternaries; Redispersible polymer powders; Solution vinyl resins; Specialty monomers; Sulfur derivative compounds; Surface sizing polymers; *Tone* polyols, polymers and monomers

## Agricultural Products

**UCAR Emulsion Systems** is a leading global supplier of water-based emulsions used as key components in decorative and industrial paints, adhesives, textile products, and construction products such as caulks and sealants. These products allow customers to formulate more environmentally friendly products that contain less or no solvent.

**Products:** *Neocar* branched vinyl ester latexes; *Polyphobe* rheology modifiers; *UCAR* all-acrylic, styrene-acrylic and vinyl acrylic latexes

**Water Soluble Polymers** business provides a portfolio of high-value, multi-functional ingredients used to enhance the physical and sensory properties of end products in a wide range of applications including food, pharmaceuticals, oilfield, paints and coatings, personal care, building and construction, and many other specialty applications.

**Products:** *Amerchol* mixtures, *Cellosize* hydroxyethyl cellulose, *Ethocel* ethylcellulose resins, *Methocel* cellulose ethers, *Polyox* water-soluble resins

**Applications:** control of weeds, insects and diseases in plants • seeds • traits (genes) for crops and agriculture • urban pest management

**Dow AgroSciences LLC** is a global leader in providing pest management and agricultural and crop biotechnology products. The business develops, manufactures and markets products for crop production; weed, insect and plant disease management; and industrial and commercial pest management. Dow AgroSciences is building a leading plant genetics and biotechnology business in crop seeds and traits for seeds through strategic acquisitions, alliances and research agreements, as well as internal research.

**Products:** Acetochlor herbicide products, *Clincher* herbicide, *Dithane* fungicide, *Dursban* and *Lorsban* insecticides, *FirstRate* herbicide, *Fortress* fungicide, *Garlon* herbicide, *Glyphomax* herbicide, *Grandstand* herbicide, *Lontrel* herbicide, *Mustang* herbicide, *Mycogen* Seeds, *PhytoGen* cotton-seeds, *Sentricon* Termite Colony Elimination System, *Spider* herbicide, *Starane* herbicide, *Stinger* herbicide, *Strongarm* herbicide, *Telone* soil fumigant, *Tordon* herbicide, *Tracer Naturalyte* insect control, *Treflan* herbicide, *Vikane* structural fumigant



## Plastics

**Applications:** appliances and appliance housings • agricultural films • automotive parts and trim • beverage bottles • building and construction • consumer electronics • consumer goods • disposable diaper liners • fibers • films, bags and packaging for food and consumer products • flexible and rigid packaging • health and hygiene films and non-wovens • housewares • industrial films and foams • information technology • oil tanks and road equipment • toys, playground equipment and recreational products • wire and cable



**Polyethylene** business supplies polyethylene-based solutions through sustainable product differentiation. Dow is the world's leading producer of polyethylene resins, one of the most versatile plastic materials. DuPont Dow Elastomers LLC is a 50:50 joint venture that leverages *Insite* Technology, Dow's proprietary catalyst and process technology, into elastomeric products.

**Products:** *Affinity* polyolefin plastomers; *Aspun* fiber grade resins; *Attane* ultra low density polyethylene resins; *Dowlex* polyethylene resins; *Elite* enhanced polyethylene resins; *Flexomer* very low density polyethylene resins; High density polyethylene resins (HDPE), including *Unival* HDPE; Low density polyethylene resins (LDPE); *Primacor* copolymers; *Saran* barrier resins and films; *Tufflin* linear low density polyethylene (LLDPE) resins

**Polypropylene** business is leveraging Dow's innovative manufacturing technology, research and product development expertise to become a major global polypropylene supplier.

**Products:** Homopolymer polypropylene resins, Impact copolymer polypropylene resins, *Inspire* performance polymers, Random copolymer polypropylene resins

**Polystyrene** business, the global leader in the production of polystyrene resins, is uniquely positioned with geographic breadth and broad industry experience to meet a diverse range of customer needs. By implementing breakthrough proprietary technology, Dow continues to improve efficiencies and product performance.

**Products:** *Styron A-Tech* advanced polystyrene resins, *Styron* general purpose polystyrene resins, *Styron* high-impact polystyrene resins, *Styron* ignition-resistant polystyrene resins



The Plastics segment also includes polybutadiene rubber, polyethylene terephthalate (PET), purified terephthalic acid (PTA), styrene-butadiene rubber and several specialty resins, as well as a new family of thermoplastic polymers with unique properties, ethylene styrene interpolymers, which were developed from *Insite* Technology.

## Chemicals

**Applications:** alumina • automotive antifreeze, coolant systems • carpet and textiles • chemical processing • dry cleaning • dust control • household cleaners and plastic products • inks • metal cleaning • packaging, food and beverage containers, protective packaging • paints, coatings and adhesives • personal care products • petroleum refining • pharmaceuticals, agricultural products • plastic pipe • pulp and paper manufacturing • snow and ice control • soaps and detergents • water treatment



**Core Chemicals** business is a leading global producer of each of its basic chemical products, which are sold to many industries worldwide and also serve as key raw materials in the production of a variety of Dow's performance and plastics products.

**Products:** Acids, Alcohols, Aldehydes, Carbon tetrachloride, Caustic soda, Chlorine, Chloroform, *Dowflake* calcium chloride, *Dowper* dry cleaning solvent, Esters, Ethylene dichloride (EDC), *Liquidow* liquid calcium chloride, Magnesium hydroxide, *Maxicheck* procedure for testing the strength of reagents, *Maxistab* stabilizers for chlorinated solvents, Methyl chloride, Methylene chloride, *Peladow* calcium chloride pellets, Perchloroethylene, *Safe-Tainer* closed-loop delivery system, Trichloroethylene, Vinyl acetate monomer (VAM), Vinyl chloride monomer (VCM)

### Ethylene Oxide/Ethylene Glycol

business is the world's leading producer of ethylene oxide, used primarily for internal consumption, and ethylene glycol, which is sold for use in polyester fiber, PET for food and beverage applications, polyester film and antifreeze.

**Products:** Ethylene glycol (EG), Ethylene oxide (EO)

## Hydrocarbons and Energy

**Applications:** polymer and chemical production • power

**Hydrocarbons and Energy** business encompasses the procurement of fuels, natural gas liquids and crude oil-based raw materials, as well as the supply of monomers, power and steam for use in Dow's global operations. Dow is the world leader in the production of olefins and styrene.

**Products:** Benzene; Butadiene; Butylene; Cumene; Ethylene; Propylene; Styrene; Power, steam and other utilities

**Growth Platforms** business includes advanced electronic materials, industrial biotechnology and new developments with a focus on identifying and pursuing emerging commercial and technology opportunities. The results for Growth Platforms, as well as Cargill Dow LLC and Dow Corning Corporation, both of which are 50:50 joint ventures, and venture capital are included in Unallocated and Other.



## Corporate Operating Board



Dow's Corporate Operating Board (COB) is comprised of the Business Group Presidents, the Corporate Vice Presidents and the chair of the Global Geographic Council. Mike Parker, president and CEO, chairs the COB.

The COB is responsible for establishing and implementing all aspects of Dow's strategic direction.

Members of the COB are as follows:

### First Row (left to right)

**J. Pedro Reinhard**, Executive Vice President and Chief Financial Officer

**Michael D. Parker**, President and Chief Executive Officer

**Arnold A. Allemang**, Executive Vice President, Operations

**Richard M. Gross**, Corporate Vice President, Research and Development

### Second Row (left to right)

**Ed F. Gambrell**, Business Group President (Dow Automotive, Growth Platforms); and responsibility for Sales and Marketing

**A. Charles Fischer**, President and CEO, Dow AgroSciences

**Robert L. Wood**, Business Group President (Epoxy Products and Intermediates, Polyurethanes, Polyurethane Systems)

**Theo Walthie**, Business Group President (Hydrocarbons and Energy, Ethylene Oxide/Ethylene Glycol)

**David E. Kepler**, Corporate Vice President, Electronic Business, and Chief Information Officer

**Lee P. McMaster**, Business Group President (Core Chemicals, Environmental Operations, Technology Licensing and Catalysts)

**Romeo Kreinberg**, Business Group President (Ethylene Styrene Interpolymers, Polyethylene, Polypropylene, PET/PTA, Wire & Cable Compounds)

**Luciano Respini**, President, Dow Europe, Chairman of the Global Geographic Council

**Kathleen M. Bader**, Business Group President (Engineering Plastics, Fabricated Products, Polystyrene, Synthetic Rubber); and responsibility for Six Sigma

**Andrew N. Liveris**, Business Group President (Custom and Fine Chemicals, Emulsion Polymers, Industrial Chemicals, Oxide Derivatives, Specialty Polymers, *UCAR* Emulsion Systems, Water Soluble Polymers)

**Lawrence J. Washington, Jr.**, Vice President, Environment, Health & Safety, Human Resources and Public Affairs

**Richard L. Manetta**, Corporate Vice President and General Counsel

## Corporate Organization at March 1, 2002

**Chairman of the Board**  
William S. Stavropoulos

**Vice Chairman of the Board**  
Anthony J. Carbone

**President and Chief Executive Officer**  
Michael D. Parker

**Executive Vice President and Chief Financial Officer**  
J. Pedro Reinhard

**Executive Vice President**  
Arnold A. Allemang

**Corporate Vice President, Environment, Health & Safety, Human Resources and Public Affairs**  
Lawrence J. Washington, Jr.

**Corporate Vice President, Research and Development**  
Richard M. Gross

**Corporate Vice President, Electronic Business, and Chief Information Officer**  
David E. Kepler

**Corporate Vice President and General Counsel**  
Richard L. Manetta

**Vice President and Controller**  
Frank H. Brod

**Vice President and Treasurer**  
Fernando Ruiz

**Secretary of the Company**  
Tina S. Van Dam

**Assistant Secretary**  
Charles J. Hahn

**Corporate Auditor**  
Douglas J. Anderson

## Board of Directors at March 1, 2002

**Arnold A. Allemang**  
Executive Vice President  
Director since 1996

**Jacqueline K. Barton**  
Arthur and Marian Hanisch  
Memorial Professor of Chemistry,  
California Institute of Technology  
Director since 1993

**Anthony J. Carbone**  
Vice Chairman of the Board  
and Senior Consultant  
Director since 1995

**J. Michael Cook**  
Retired Chairman/CEO  
of Deloitte & Touche LLP  
Director since 2000

**John C. Danforth**  
Partner, Bryan Cave LLP  
and Former U.S. Senator  
Director since 1996

**Willie D. Davis**  
President and Chief Executive Officer,  
All Pro Broadcasting, Inc.  
Director since 1988

**Barbara Hackman Franklin**  
President and Chief Executive Officer,  
Barbara Franklin Enterprises and  
Former U.S. Secretary of Commerce  
Director 1980–92 and 1993 to date

**Allan D. Gilmour**  
Retired Vice Chairman,  
Ford Motor Company  
Director since 1995

**Michael D. Parker**  
President and Chief  
Executive Officer  
Director since 1995

**J. Pedro Reinhard**  
Executive Vice President and  
Chief Financial Officer  
Director since 1995

**James M. Ringler**  
Vice Chairman of the Board,  
Illinois Tool Works, Inc.  
Director since 2001

**Harold T. Shapiro**  
President Emeritus and  
Professor of Economics and  
Public Affairs, Princeton University  
Director since 1985

**William S. Stavropoulos**  
Chairman of the Board  
Director since 1990

**Paul G. Stern**  
Partner, Thayer Capital Partners  
and Arlington Capital Partners  
Director since 1992



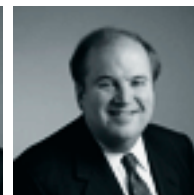
Arnold A. Allemang



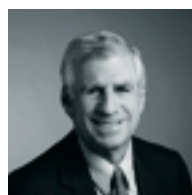
Jacqueline K. Barton



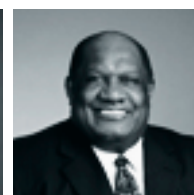
Anthony J. Carbone



J. Michael Cook



John C. Danforth



Willie D. Davis



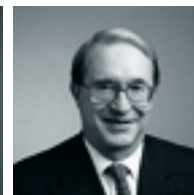
Barbara H. Franklin



Allan D. Gilmour



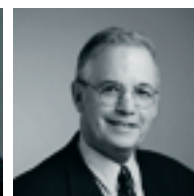
Michael D. Parker



J. Pedro Reinhard



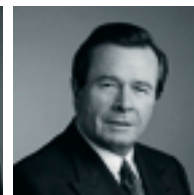
James M. Ringler



Harold T. Shapiro



William S. Stavropoulos



Paul G. Stern

## Committees of the Board of Directors

### Executive Committee

W.S. Stavropoulos, Chairman  
A.A. Allemang  
M.D. Parker  
J.P. Reinhard

### Audit Committee

B.H. Franklin, Chairman  
J.C. Danforth  
A.D. Gilmour  
J.M. Ringler  
H.T. Shapiro  
P.G. Stern

### Committee on Directors

W.D. Davis, Chairman  
J.K. Barton  
H.T. Shapiro  
P.G. Stern

### Compensation Committee

H.T. Shapiro, Chairman  
J.K. Barton  
J.M. Cook  
W.D. Davis  
B.H. Franklin  
P.G. Stern

### Environment, Health & Safety Committee

A.J. Carbone, Chairman  
A.A. Allemang  
J.K. Barton  
A.D. Gilmour  
M.D. Parker

P.G. Stern  
R.M. Gross, *ex officio*  
R.L. Manetta, *ex officio*  
F. Ruiz, *ex officio*  
S.L. Smolik, *ex officio*  
L.J. Washington, Jr., *ex officio*

### Finance Committee

J.P. Reinhard, Chairman  
A.J. Carbone  
J.M. Cook  
A.D. Gilmour  
M.D. Parker  
W.S. Stavropoulos  
F.H. Brod, *ex officio*  
K.C. Fothergill, *ex officio*  
C.J. Hahn, *ex officio*  
F. Ruiz, *ex officio*

### Public Interest Committee

J.C. Danforth, Chairman  
J.M. Cook  
W.D. Davis  
B.H. Franklin  
J.P. Reinhard  
J.M. Ringler  
H.T. Shapiro  
W.S. Stavropoulos  
R.W. Charlton, *ex officio*  
T.S. Van Dam, *ex officio*  
L.J. Washington, Jr., *ex officio*



## Stockholder Reference Information

### Stockholder Services

Inquiries about stock accounts, dividends, change in name or address, or requests for financial reports may be directed to Dow's stock transfer agent:

#### EquiServe Trust Company, N.A.

P.O. Box 43016

Providence, RI 02940-3016 USA

Telephone: 800-369-5606 (U.S. and Canada)

781-575-3899

Fax: 781-828-8813

General information about EquiServe services may be found at:  
[www.equiserve.com](http://www.equiserve.com)

Telecommunications Devices for the Hearing Impaired (TDDs):  
800-368-0328 (U.S. and Canada)

### General Information

Web Site: [www.dow.com](http://www.dow.com)

Telephone: 800-258-2436 or

989-832-1556 (Customer Information Group)

989-636-1000 (Dow Operator/Switchboard)

### Investor Relations

The Dow Chemical Company

2030 Dow Center

Midland, MI 48674 USA

Telephone: 800-422-8193 (U.S. and Canada)

989-636-1463

Fax: 989-636-1830

### Office of the Corporate Secretary

The Dow Chemical Company

2030 Dow Center

Midland, MI 48674 USA

Telephone: 989-636-1792

Fax: 989-636-3402

Audiocassette tapes of the 2001 Annual Report are available by contacting Investor Relations.

### Annual Meeting

The 2002 Annual Meeting of Stockholders will be held at 2 p.m. on Thursday, May 9, 2002, at the Midland Center for the Arts, 1801 West St. Andrews, Midland, Michigan, USA.

### Dow Dividend Reinvestment Plan

All registered stockholders may reinvest cash dividends in additional Dow shares. For more information on the Plan, please contact Dow's transfer agent, EquiServe (see Stockholder Services).

### Stock Exchange Listings and Trading Privileges

#### Symbol: **DOW**

Amsterdam, Berlin, Brussels, Chicago, Düsseldorf, Frankfurt, Hamburg, Hannover, London, New York, Pacific, Paris, Switzerland and Tokyo.

The following trademarks of The Dow Chemical Company appear in this report:

*Affinity, Amplify, Aspun, Attane, Blox, Calibre, Covelle, D.E.H., D.E.N., D.E.R., Derakane, Derakane Momentum, Dow, Dowex, Dowfax, Dowflake, Dowlex, Dowper, Dowtherm, Drytech, Elite, Emerge, The Enhancer, Envision, Ethafoam, Ethocel, Fulcrum, Immotus, Insite, Inspire, Instill, Intacta, Integral, Isonate, Isoplast, Lamdex, Lifespan, Liquidow, Magnum, Maxicheck, Maxistab, Methocel, Opticite, Optim, Papi, Peladow, Pellethane, Prevail, Primacor, Procite, Pulse, Quash, Questra, Retain, Safe-Tainer, Saran, Saranex, SiLK, Spectrim, Strandfoam, Styrofoam, Styron, Styron A-Tech, Synergy, Syntegra, Tanklite, Thermax, Trenchcoat, Trycite, Trymer, Tyril, Versene, Voracor, Voralast, Voralux, Voranate, Voranol, Voranol Voractiv, Zetabon*

The following trademarks of Dow AgroSciences LLC appear in this report: *Clincher, Confirm, Dithane, Dursban, FirstRate, Fortress, Garlon, Glyphomax, Goal, Grandstand, Intrepid, Lontrel, Lorsban, Mimic, Mustang, Sentricon, Spider, Starane, Stinger, Strongarm, Telone, Tordon, Tracer Naturalyte, Treflan, Vikane*

The following trademark of Dow BioProducts Ltd. appears in this report: *Woodstalk*

The following trademark of American Chemistry Council appears in this report: *Responsible Care*

The following trademark of Dow Corning Corporation appears in this report: *Syltherm*

The following trademarks of Essex Specialty Products, Inc. appear in this report: *Betabrace, Betadamp, Betafoam, Betaguard, Betamate, Betaseal*

The following trademark of FilmTec Corporation appears in this report: *FilmTec*

The following trademarks of Flexible Products Company appear in this report: *Great Stuff, Insta-stik*

The following trademarks of Hampshire Chemical Corp. appear in this report: *Daxad, Hamposyl*

The following trademark of INEOS plc appears in this report: *Gas/Spec*

The following trademark of Michelin North America, Inc. appears in this report: *PAX System*

The following trademark of Mycogen Corporation appears in this report: *Mycogen*

The following trademark of PhytoGen Seed Company, LLC appears in this report: *PhytoGen*

The following registered trademark of Solutia Inc. is used by The Dow Chemical Company under license and appears in this report: *Vydyne*

The following trademarks or service marks of Union Carbide Corporation or its subsidiaries appear in this report: *Amerchol, Carbowax, Cellosize, Cyracure, Flexomer, LP Oxo, Meteor, Neocar, Polyox, Polyphobe, Redi-Link, Shac, Si-Link, Tergitol, Tone, Triton, Tuffin, UCAR, Ucartherm, UCAT, UCON, Unigard, Unipol, Unipurge, Unival*

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