



## Investor News

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### **Dow Acquires Wolff Walsrode from Bayer**

Dow Secures Application Expertise and  
Broader Cellulosics Offering for End-use Segments

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**Midland, Mich., USA/Leverkusen, Germany, July 2, 2007** — The Dow Chemical Company and the Bayer Group today announced the closing of Dow's acquisition of Wolff Walsrode. The purchase price of EUR 540 million (approximately USD 725 million) includes a cash component and the assumption of financial debt and pension commitments. Following regulatory clearance from various authorities around the world, payment and share transfers have occurred, and Dow has taken full ownership of the Wolff Walsrode group of companies on June 30, 2007.

The acquisition will deliver considerable top line synergies for Dow, driven by application expertise and worldwide growth in demand for cellulosics. The acquisition is expected to be financially accretive by the end of the first year of ownership.

"The Wolff transaction marks another important milestone in our Company's drive to expand and enhance our performance business portfolio," said Andrew Liveris, chairman and CEO of The Dow Chemical Company. "The acquisition of Wolff Walsrode is our latest example of how Dow is delivering on a transformational growth strategy. Wolff is a strategically aligned acquisition that brings new expertise and customer focus to accelerate Dow's growth in key specialty markets."

For Bayer, the transaction fits with its objectives of securing a recognized buyer committed to further develop the Wolff Walsrode business. "With The Dow Chemical Company we found a buyer that offers promising perspectives for the future of Wolff," said Bayer management board chairman Werner Wenning. The cash inflows of

approximately EUR 440 million (~USD 590 million) are intended to be used to reduce Bayer's net debt.

Dow plans to combine Wolff with its Water Soluble Polymers business to create a new specialty business driven to become the preferred development partner and premier application expert in the cellulose industry. Cellulose and derivatives are widely used in formulations for food, personal care, pharmaceuticals, construction, paint and a variety of specialty industrial applications. The business will cater to formulators and brand owners whose end product label claims are underpinned by advanced cellulose.

### **About Dow**

Dow is a diversified chemical company that harnesses the power of innovation, science and technology to constantly improve what is essential to human progress. The Company offers a broad range of products and services to customers in more than 175 countries, helping them to provide everything from fresh water, food and pharmaceuticals to paints, packaging and personal care products. Built on a commitment to its principles of sustainability, Dow has annual sales of US\$49 billion and employs 43,000 people worldwide. References to "Dow" or the "Company" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. More information about Dow can be found at [www.dow.com](http://www.dow.com).

### **Bayer: Science For A Better Life**

Bayer is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. The company's products and services are designed to benefit people and improve their quality of life. At the same time Bayer creates value through innovation, growth and improved earning power. The Group is committed to the principles of sustainable development and acknowledges and accepts its role as a socially and ethically responsible "corporate citizen". Economy, ecology and social responsibility are corporate policy objectives of equal rank. In fiscal 2006, Bayer employed 106,000 people and had sales of around €29 billion. Capital expenditures amounted to €1.7 billion, the R&D budget to €2.3 billion. More information is available on the Internet at [www.bayer.com](http://www.bayer.com)

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**Forward-Looking Statements from Dow**

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

**Forward-Looking Statements from Bayer**

This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in our public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including our Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments