

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 of America ("GAAP"). 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. 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.

The Dow Chemical Company
Non-GAAP Adjustments to Earnings Per Share

Due to the Merger with DuPont on August 31, 2017, Dow no longer has publically traded common stock and as such, no longer computes earnings per share beginning with the third quarter of 2017. As such, this metric is no longer applicable to Dow, however, the reconciliation to operating earnings per share for historical periods has been included for informational purposes.

Amounts in dollars per share	2008	2009 ¹	2010 ²	2011	2012 ²	2013 ²	2014	2015	1Q16	2Q16	3Q16	4Q16	2016 ²	1Q17	2Q17	2017
Earnings per common share - diluted (GAAP)	\$ 0.62	\$ 0.32	\$ 1.72	\$ 2.05	\$ 0.70	\$ 3.68	\$ 2.87	\$ 6.15	\$ 0.15	\$ 2.61	\$ 0.63	\$ (0.03)	\$ 3.52	\$ 0.72	\$ 1.07	\$ 1.79
Adjustments for certain items																
One-time increase in cost of sales related to fair valuation of Rohm and Haas inventories	-	(0.13)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact of Hurricanes Gustav and Ike	(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain from K-Dow arbitration	-	-	-	-	-	1.37	-	-	-	-	-	-	-	-	-	-
K- Dow related expenses	(0.05)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment losses	(0.25)	(0.01)	-	-	(0.19)	-	-	-	-	-	-	-	-	-	-	-
Asset impairments and related costs	-	-	(0.06)	(0.05)	-	(0.11)	(0.04)	(0.11)	-	-	-	-	-	-	-	-
Restructuring plan implementation costs	-	-	-	-	(0.01)	(0.03)	-	-	-	-	-	-	-	-	-	-
Restructuring (charges) credits	(0.68)	(0.45)	(0.02)	-	(0.82)	0.02	-	(0.24)	-	(0.27)	-	-	(0.27)	-	0.01	0.01
Purchased in-process research and development charges	(0.05)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition- related integration expenses	(0.05)	(0.16)	(0.08)	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-
Nova patent infringement award	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07	0.07
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	(0.17)	(0.17)	-	-	-
Charge for termination of terminal use agreement	-	-	-	-	-	-	-	-	-	-	-	(0.06)	(0.06)	-	-	-
Asbestos-related credit (charge)	0.04	-	0.03	-	-	-	(0.04)	-	-	-	-	(0.58)	(0.58)	-	-	-
Implant liability adjustment	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	-
Charges related to AgroFresh	-	-	-	-	-	-	-	-	-	-	-	(0.08)	(0.08)	-	-	-
Dow Corning related matters	-	(0.03)	-	-	(0.07)	-	-	-	-	-	-	-	-	-	-	-
Charge for Sadara related development and other costs	-	-	-	-	(0.06)	-	-	-	-	-	-	-	-	-	-	-
Joint venture actions	-	-	-	-	-	-	(0.08)	(0.02)	-	-	-	-	-	-	-	-
Impact of Argentine peso devaluation	-	-	-	-	-	-	-	(0.09)	-	-	-	-	-	-	-	-
Gain on collection of impaired note receivable	-	(0.06)	-	0.07	-	-	-	-	-	-	-	-	-	-	-	-
Bayer CropScience arbitration matter	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.24)	(0.01)	(0.25)
Gain (Loss) on divestiture of Styron	-	-	(0.04)	-	-	-	-	-	-	-	-	-	-	-	-	-
Urethane Matters legal settlements	-	-	-	-	-	-	-	-	(0.70)	-	-	-	(0.70)	-	-	-
Gain (Loss) on sale of a contract manufacturing business	-	-	-	0.04	0.01	-	-	-	-	-	-	-	-	-	-	-
Gain on 2015 divestitures	-	-	-	-	-	-	-	0.71	-	-	-	-	-	-	-	-
Univation step acquisition	-	-	-	-	-	-	-	0.30	-	-	-	-	-	-	-	-
Gain on sale of MEGlobal	-	-	-	-	-	-	-	0.52	-	-	-	-	-	-	-	-
Gain on split-off of chlorine value chain	-	-	-	-	-	-	-	1.96	-	0.01	-	-	0.01	-	-	-
Costs associated with transactions and productivity actions	-	-	-	-	-	-	(0.03)	(0.13)	(0.04)	(0.08)	(0.11)	(0.11)	(0.34)	(0.08)	(0.08)	(0.16)
Obligation related to past divestiture	-	-	(0.03)	-	-	-	-	-	-	-	(0.04)	-	(0.04)	-	-	-
Warranty accrual adjustment of exited business	-	-	-	(0.03)	-	-	(0.05)	-	-	-	-	-	-	-	-	-
Gain on sale of TRN	-	0.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of OPTIMAL	-	0.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact of Dow Corning ownership restructure	-	-	-	-	-	-	-	-	-	2.20	(0.13)	-	2.07	-	-	-
Labor-related litigation matter	-	-	(0.03)	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on early extinguishment of debt	-	(0.03)	(0.02)	(0.27)	(0.06)	(0.17)	-	-	-	-	-	-	-	-	-	-
Gain on sale of Dow Polypropylene Licensing and Catalysts business	-	-	-	-	-	0.29	-	-	-	-	-	-	-	-	-	-
Gain on sale of 7.5 percent ownership interest in Freeport LNG Development	-	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-	-
Gain on sale of ownership interest in Dow Kokam LLC	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-
German tax law change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in EQUATE legal ownership structure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax valuation allowance	-	-	-	(0.23)	-	-	-	-	-	-	-	-	-	-	-	-
Uncertain tax position adjustments	-	-	-	-	-	(0.23)	-	-	-	(0.05)	-	0.04	(0.01)	-	-	-
Dilutive effect of assumed preferred stock conversion into shares of common stock	-	-	-	-	-	(0.01)	-	(0.22)	-	(0.15)	-	(0.07)	(0.04)	-	-	-
Operating earnings per share (non-GAAP) ³	\$ 1.78	\$ 0.73	\$ 1.97	\$ 2.54	\$ 1.90	\$ 2.48	\$ 3.11	\$ 3.47	\$ 0.89	\$ 0.95	\$ 0.91	\$ 0.99	\$ 3.72	\$ 1.04	\$ 1.08	\$ 2.12
Discontinued operations attributable to common stockholders	\$ 0.03	\$ 0.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating earnings per share excluding discontinued operations (non-GAAP)	\$ 1.75	\$ 0.63	\$ 1.97	\$ 2.54	\$ 1.90	\$ 2.48	\$ 3.11	\$ 3.47	\$ 0.89	\$ 0.95	\$ 0.91	\$ 0.99	\$ 3.72	\$ 1.04	\$ 1.08	\$ 2.12

1. Due to an increase in share count and a loss in 2Q09, the full-year results do not equal the sum of the quarters.
2. Due to an increase in share count, the full-year results do not equal the sum of the quarters.
3. This measure of income excluded certain items that Dow did not consider part of ongoing operations for the periods presented.

The Dow Chemical Company
Selected Non-GAAP Calculation of Operating EBITDA

Due to the Merger with DuPont on August 31, 2017, Dow no longer no longer uses Operating EBITDA as a performance measure on a stand-alone basis beginning with the third quarter of 2017. As such, this metric is no longer applicable to Dow, however, the reconciliation to Operating EBITDA for historical periods and the reconciliation from net income to EBITDA (on a GAAP basis) for the current period have been included for informational purposes.

<i>In millions</i>	2011	2012	2013	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	2017
Net Income Attributable to The Dow Chemical Company (GAAP)	\$ 2,742	\$ 1,182	\$ 4,787	\$ 3,772	\$ 7,685	\$ 254	\$ 3,208	\$ 804	\$ 52	\$ 4,318	\$ 888	\$ 1,321	\$ 783	\$ 2,992
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before cumulative effect of changes in accounting principles	2,742	1,182	4,787	3,772	7,685	254	3,208	804	52	4,318	888	1,321	783	2,992
Net income attributable to noncontrolling interests	42	(82)	29	67	98	21	19	14	32	86	27	38	22	87
Income from discontinued operations, net of income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision (Credit) for income taxes	817	565	1,988	1,426	2,147	(110)	130	271	(282)	9	213	455	624	1,292
Income from Continuing Operations Before Income Taxes (GAAP)	\$ 3,601	\$ 1,665	\$ 6,804	\$ 5,265	\$ 9,930	\$ 165	\$ 3,357	\$ 1,089	\$ (198)	\$ 4,413	\$ 1,128	\$ 1,814	\$ 1,429	\$ 4,371
+ Depreciation and Amortization (GAAP)	2,883	2,698	2,681	2,747	2,521	607	680	780	795	2,862	778	739	801	2,318
- Interest income	40	41	41	51	71	20	18	26	43	107	25	22	27	74
+ Interest expense and Amortization of debt discount	1,341	1,269	1,101	983	946	201	208	220	229	858	219	226	256	701
Earnings before interest, income taxes, depreciation and amortization (EBITDA) (GAAP)	\$ 7,785	\$ 5,591	\$ 10,545	\$ 8,944	\$ 13,326	\$ 953	\$ 4,227	\$ 2,063	\$ 783	\$ 8,026	\$ 2,100	\$ 2,757	\$ 2,459	\$ 7,316
Adjustments for certain items, before tax														
Gain from K-Dow arbitration	-	-	2,161	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment losses	-	(220)	-	-	-	-	-	-	-	-	-	-	-	-
Asset impairments and related costs	(77)	-	(194)	(73)	(144)	-	-	-	-	-	-	-	-	-
Restructuring plan implementation costs	-	(22)	(44)	-	-	-	-	-	-	-	-	-	-	-
Restructuring (charges) credit	-	(1,343)	22	-	(415)	-	(454)	-	-	(454)	-	12	-	-
Acquisition - related integration expenses	(31)	-	-	-	-	-	-	-	-	-	-	-	-	-
Asbestos-related credit (charge)	-	-	-	(78)	-	-	-	-	(1,113)	(1,113)	-	-	-	-
Environmental charges	-	-	-	-	-	-	-	-	(295)	(295)	-	-	-	-
Charge for termination of terminal use agreement	-	-	-	-	-	-	-	-	(117)	(117)	-	-	-	-
Implant liability adjustment	-	-	-	-	-	-	-	-	27	27	-	-	-	-
Charges related to AgroFresh	-	-	-	-	-	-	-	-	(163)	(163)	-	-	-	-
Dow Corning ownership restructure	-	(89)	-	-	-	-	-	(212)	-	(212)	-	-	-	-
Charge for Sadara related development and other costs	-	(73)	-	-	-	-	-	-	-	-	-	-	-	-
Impact of Argentine peso devluation	-	-	-	-	(98)	-	-	-	-	-	-	-	-	-
Urethanes Matters legal settlements	-	-	-	-	-	(1,235)	-	-	-	(1,235)	-	-	-	-
Obligation related to prior period divestiture	-	-	-	-	-	-	-	(33)	-	-	-	-	-	-
Joint venture actions	-	-	-	(93)	(36)	-	-	-	-	-	-	-	-	-
Gain on collection of impaired note receivable	86	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of a contract manufacturing business	(42)	8	-	-	-	-	-	-	-	-	-	-	-	-
Gain on 2015 divestitures	-	-	-	-	1,320	-	-	-	-	-	-	-	-	-
Univation step acquisition	-	-	-	-	349	-	-	-	-	-	-	-	-	-
Gain on MEGlobal Sale	-	-	-	-	723	-	-	-	-	-	-	-	-	-
Gain on split-off of chlorine value chain	-	-	-	-	2,233	-	6	-	-	6	-	7	-	-
Costs associated with transactions and productivity actions	-	-	-	(49)	(194)	(65)	(107)	(163)	(176)	(511)	(135)	(158)	-	-
Bayer CropScience arbitration matter	-	-	-	-	-	-	-	-	-	-	(469)	-	-	-
Nova patent infringement award	-	-	-	-	-	-	-	-	-	-	-	137	-	-
Warranty accrual adjustment of exited business	(60)	-	-	(100)	-	-	-	-	-	-	-	-	-	-
Gain related to Dow Corning ownership restructure	-	-	-	-	-	-	2,318	-	-	2,318	-	-	-	-
Loss on early extinguishment of debt	(482)	(123)	(326)	-	(8)	-	-	-	-	-	-	-	-	-
Gain on sale of Dow Polypropylene Licensing and Catalysts business	-	-	451	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of 7.5 percent ownership interest in Freeport LNG Development, LP	-	-	87	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of ownership interest in Dow Kokam LLC	-	-	26	-	-	-	-	-	-	-	-	-	-	-
Operating EBITDA (non-GAAP)¹	\$ 8,391	\$ 7,453	\$ 8,362	\$ 9,337	\$ 9,596	\$ 2,253	\$ 2,464	\$ 2,471	\$ 2,620	\$ 9,808	\$ 2,704	\$ 2,759		
Net sales (GAAP)	\$ 59,985	\$ 56,786	\$ 57,080	\$ 58,167	\$ 48,778	\$ 10,703	\$ 11,952	\$ 12,483	\$ 13,020	\$ 48,158	\$ 13,230	\$ 13,834		
Operating EBITDA Margin² (non-GAAP)	14.0%	13.1%	14.6%	16.1%	19.7%	21.1%	20.6%	19.8%	20.1%	20.4%	20.4%	19.9%		

1. Operating EBITDA was defined as EBITDA (which Dow defined as earnings (i.e., "Net Income") before interest, income taxes, depreciation and amortization) excluding the impact of certain items.

2. Operating EBITDA margin was Operating EBITDA as a percentage of net sales.

The Dow Chemical Company
Selected Non-GAAP Calculation of Operating EBITDA 2001-2010

Due to the Merger with DuPont on August 31, 2017, Dow no longer no longer uses Operating EBITDA as a performance measure on a stand-alone basis beginning with the third quarter of 2017. As such, this metric is no longer applicable to Dow, however, the reconciliation to Operating EBITDA for historical periods has been included for informational purposes.

<i>In millions</i>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net Income Attributable to The Dow Chemical Company (GAAP)	\$ (385)	\$ (338)	\$ 1,730	\$ 2,797	\$ 4,515	\$ 3,724	\$ 2,887	\$ 579	\$ 648	\$ 2,310
Cumulative effect of change in accounting principle	32	67	(9)	-	(20)	-	-	-	-	-
Income before cumulative effect of changes in accounting principles	(417)	(405)	1,739	2,797	4,535	3,724	2,887	579	648	2,310
Net income attributable to noncontrolling interests	32	63	94	122	82	93	98	75	28	11
Income from discontinued operations, net of income taxes	-	(11)	(17)	(17)	(23)	(21)	(23)	(28)	(110)	-
Provision (Credit) for income taxes	(228)	(287)	(92)	867	1,769	1,142	1,230	651	(97)	481
Income from Continuing Operations Before Income Taxes (GAAP)	\$ (613)	\$ (640)	\$ 1,724	\$ 3,769	\$ 6,363	\$ 4,938	\$ 4,192	\$ 1,277	\$ 469	\$ 2,802
+ Depreciation and Amortization (GAAP)	1,815	1,825	1,903	2,088	2,079	2,074	2,190	2,236	2,827	2,962
- Interest income	85	66	92	86	138	185	130	86	39	37
+ Interest expense and Amortization of debt discount	733	774	828	747	702	616	584	648	1,571	1,473
Earnings before interest, income taxes, depreciation and amortization (EBITDA) (GAAP)	\$ 1,850	\$ 1,893	\$ 4,363	\$ 6,518	\$ 9,006	\$ 7,443	\$ 6,836	\$ 4,075	\$ 4,828	\$ 7,200
Adjustments for certain items, before tax										
UCC-related expenses and restructuring	(1,487)	(225)	-	-	-	-	-	-	-	-
Union Carbide asbestos-related charge	-	(828)	-	-	-	-	-	-	-	-
DuPont Dow Elastomers restructuring	-	(8)	-	-	-	-	-	-	-	-
Gain on sale of Oasis Pipe Line	-	63	-	-	-	-	-	-	-	-
One-time increase in cost of sales related to fair valuation of Rohm and Haas inventories	-	-	-	-	-	-	-	-	(209)	-
Impact of Hurricanes Gustav and Ike	-	-	-	-	-	-	-	(181)	-	-
K-Dow related expenses	-	-	-	-	-	-	-	(69)	-	-
Goodwill impairment losses	-	-	-	-	-	-	-	(239)	(7)	-
Asset impairments and related costs	(11)	-	-	-	-	-	-	-	-	(91)
Restructuring plan implementation costs	-	-	-	-	-	-	-	-	-	-
Restructuring (charges) credit	(11)	-	-	(543)	(114)	(591)	(578)	(839)	(689)	(26)
Purchased in-process research and development (charges) credit	(69)	-	-	-	-	-	(57)	(44)	(7)	-
Gain/(losses) on disposition of assets	266	-	-	-	-	-	-	-	-	-
Acquisition - related integration expenses	-	-	-	-	-	-	-	(49)	(226)	(143)
Asbestos-related credit (charge)	-	-	-	-	-	177	-	54	-	54
Dow Corning ownership restructure	-	-	-	-	-	-	-	-	(29)	-
Gain on collection of impaired note receivable	-	-	-	-	-	-	-	-	(65)	-
Loss contingency related to European Commission fine	-	-	-	-	-	(85)	-	-	-	-
Gain (Loss) on divestiture of Styron	-	-	-	-	-	-	-	-	-	27
Gain on asset divestitures related to formation of nonconsolidated affiliates	-	-	-	563	-	-	-	-	-	-
Obligation related to past divestiture	-	-	-	-	-	-	-	-	-	(47)
Gain on sale of EQUATE shares	-	-	-	-	70	-	-	-	-	-
Gain on sale of TRN	-	-	-	-	-	-	-	-	457	-
Gain on sale of OPTIMAL	-	-	-	-	-	-	-	-	339	-
Labor-related litigation matter	-	-	-	-	-	-	-	-	-	(50)
Loss on early extinguishment of debt	-	-	-	-	(31)	-	-	-	(56)	(46)
Gain on sale of interest in UOP LLC	-	-	-	-	637	-	-	-	-	-
Gain on sale of DERA KANE epoxy vinyl ester resin business	-	-	-	90	-	-	-	-	-	-
Cash donation for Aid to Education and community development	-	-	-	-	(100)	-	-	-	-	-
Operating EBITDA (non-GAAP)¹	\$ 3,162	\$ 2,891	\$ 4,363	\$ 6,408	\$ 8,544	\$ 7,942	\$ 7,471	\$ 5,442	\$ 5,320	\$ 7,522
Net sales (GAAP)	\$ 27,988	\$ 27,545	\$ 32,536	\$ 40,161	\$ 46,307	\$ 49,124	\$ 53,375	\$ 57,361	\$ 44,875	\$ 53,674
Operating EBITDA Margin² (non-GAAP)	11.3%	10.5%	13.4%	16.0%	18.5%	16.2%	14.0%	9.5%	11.9%	14.0%

1. Operating EBITDA was defined as EBITDA (which Dow defined as earnings (i.e., "Net Income") before interest, income taxes, depreciation and amortization) excluding the impact of certain items.

2. Operating EBITDA margin was Operating EBITDA as a percentage of net sales.

The Dow Chemical Company
Non-GAAP Adjustments to Net Income

Due to the Merger with DuPont on August 31, 2017, Dow no longer computes operating net income beginning with the third quarter of 2017. As such, this metric is no longer applicable to Dow, however, the reconciliation to operating net income for historical periods has been included for informational purposes.

In millions	2008	2009	2010	2011	2012	2013	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	2017
Net Income Available for The Dow Chemical Company Common Stockholders (GAAP)	\$ 579	\$ 336	\$ 1,970	\$ 2,402	\$ 842	\$ 4,447	\$ 3,432	\$ 7,345	\$ 169	\$ 3,123	\$ 719	\$ (33)	\$ 3,978	\$ 888	\$ 1,321	\$ 2,209
Adjustments for certain items, after tax																
One-time increase in cost of sales related to fair valuation of Rohm and Haas inventories	-	(132)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact of Hurricanes Gustav and Ike	(115)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K-Dow related expenses	(44)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain from K-Dow arbitration	-	-	-	-	-	1,647	-	-	-	-	-	-	-	-	-	-
Goodwill impairment losses	(230)	(7)	-	-	(220)	-	-	-	-	-	-	-	-	-	-	-
Asset impairments and related costs	-	-	(72)	(51)	-	(132)	(47)	(123)	-	-	-	-	-	-	-	-
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	(205)	(205)	-	-	-
Charge for termination of terminal use agreement	-	-	-	-	-	-	-	-	-	-	-	(74)	(74)	-	-	-
Implant liability adjustment	-	-	-	-	-	-	-	-	-	-	-	17	17	-	-	-
Charges related to AgroFresh	-	-	-	-	-	-	-	-	-	-	-	(103)	(103)	-	-	-
Restructuring plan implementation costs	-	-	-	-	(14)	(32)	-	-	-	-	-	-	-	-	-	-
Restructuring (charges) credits	(628)	(466)	(14)	-	(951)	21	-	(274)	-	(308)	-	-	(308)	-	8	8
Purchased in-process R&D charges	(44)	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition-related integration expenses	(43)	(170)	(93)	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Asbestos-related credit (charge)	34	-	34	-	-	-	(49)	-	-	-	-	(701)	(701)	-	-	-
Joint Venture Actions	-	-	-	-	-	-	-	(26)	-	-	-	-	-	-	-	-
Dow Corning ownership restructure	-	(27)	-	-	(82)	-	-	-	-	-	-	-	-	-	-	-
Dow Corning implant liability adjustment	-	-	-	-	-	-	378	-	-	-	-	-	-	-	-	-
Charge related to Dow Corning's Clarksville, TN site	-	-	-	-	-	-	(465)	-	-	-	-	-	-	-	-	-
Charge for Sadara related development and other costs	-	-	-	-	(70)	-	-	-	-	-	-	-	-	-	-	-
Gain on collection of impaired note receivable	-	(65)	-	86	-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on divestiture of Styron	-	-	(56)	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligation related to past divestiture	-	-	(30)	-	-	-	-	-	-	-	(40)	-	(40)	-	-	-
Gain (Loss) on sale of a contract manufacturing business	-	-	-	44	8	-	-	-	-	-	-	-	-	-	-	-
Gain on 2015 business divestitures	-	-	-	-	-	-	-	823	-	-	-	-	-	-	-	-
Univation step acquisition	-	-	-	-	-	-	-	351	-	-	-	-	-	-	-	-
Gain on split-off of chlorine value chain	-	-	-	-	-	-	-	2,215	-	6	-	-	6	-	5	5
Gain on sale of MEGlobal	-	-	-	-	-	-	-	589	-	-	-	-	-	-	-	-
Costs associated with transactions and productivity actions	-	-	-	-	-	-	(31)	(153)	(46)	(87)	(129)	(132)	(394)	(91)	(105)	(196)
Warranty accrual adjustment of exited business	-	-	-	(38)	-	-	(63)	-	-	-	-	-	-	-	-	-
Impact of Argentine peso devaluation	-	-	-	-	-	-	-	(106)	-	-	-	-	-	-	-	-
Urethanes Matters legal settlements	-	-	-	-	-	-	-	-	(778)	-	-	-	(778)	-	-	-
Gain on sale of EQUATE shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of TRN	-	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of OPTIMAL	-	198	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain related to Dow Corning ownership restructure	-	-	-	-	-	-	-	-	-	2,494	(144)	-	2,350	-	-	-
Labor-related litigation matter	-	-	(33)	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on early extinguishment of debt	-	(36)	(29)	(314)	(78)	(205)	-	(5)	-	-	-	-	-	-	-	-
German tax law change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in EQUATE legal ownership structure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of interest in UOP LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of DERAKANE epoxy vinyl ester resin business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of Dow Polypropylene Licensing and Catalysts business	-	-	-	-	-	356	-	-	-	-	-	-	-	-	-	-
Gain on sale of 7.5 percent ownership interest in Freeport LNG Development, LP	-	-	-	-	-	69	-	-	-	-	-	-	-	-	-	-
Gain on sale of ownership interest in Dow Kokam LLC	-	-	-	-	-	18	-	-	-	-	-	-	-	-	-	-
Tax Valuation allowance	-	-	-	(264)	-	-	-	-	-	-	-	-	-	-	-	-
Uncertain tax position adjustments	-	-	-	-	-	(276)	-	-	-	(57)	-	44	(13)	-	-	-
Nova patent infringement award	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90	90
Bayer CropScience arbitration matter	-	-	-	-	-	-	-	-	-	-	-	-	-	(295)	(10)	(305)
Operating Net Income Available for The Dow Chemical Company Common Stockholders (non-GAAP)	\$ 1,649	\$ 725	\$ 2,263	\$ 2,959	\$ 2,249	\$ 2,981	\$ 3,709	\$ 4,054	\$ 993	\$ 1,075	\$ 1,032	\$ 1,121	\$ 4,221	\$ 1,274	\$ 1,333	\$ 2,607

The Dow Chemical Company
Non-GAAP Free Cash Flow

Due to the Merger with DuPont on August 31, 2017, Dow no longer computes operating cash flow or operating free cash flow beginning with the third quarter of 2017. As such, these metrics are no longer applicable to Dow, however, the reconciliation to these metrics has been included for informational purposes. Dow still computes free cash flow, which is included in the table below for the current period.

In millions																			
	2008	2009	2010	2011	2012	2013	2014	2015	1Q16 ¹	2Q16 ¹	3Q16	4Q16	2016	1Q17 ¹	2Q17 ¹	3Q17 ¹	4Q17 ¹	2017	1Q18
Cash Flow from Operations (GAAP)	\$ 4,711	\$ 2,075	\$ 4,102	\$ 3,879	\$ 4,075	\$ 7,823	\$ 6,502	\$ 7,516	\$ 139	\$ 2,228	\$ 1,352	\$ 1,881	\$ 5,600	\$ 476	\$ 1,339	\$ 2,964	\$ (277)	\$ 4,502	\$ (158)
Capital Expenditures	2,276	1,410	2,130	2,687	2,614	2,302	3,572	3,703	820	997	1,060	927	3,804	754	795	660	935	2,209	423
Free Cash Flow (non-GAAP)	\$ 2,435	\$ 665	\$ 1,972	\$ 1,192	\$ 1,461	\$ 5,521	\$ 2,930	\$ 3,813	\$ (681)	\$ 1,231	\$ 292	\$ 954	\$ 1,796	\$ (278)	\$ 544	\$ 2,304	\$ (1,212)	\$ 2,570	\$ (581)
Cash Flow from Operations (GAAP)	\$ 4,711	\$ 2,075	\$ 4,102	\$ 3,879	\$ 4,075	\$ 7,823	\$ 6,502	\$ 7,516	\$ 139	\$ 2,228	\$ 1,352	\$ 1,881	\$ 5,600	\$ 476	\$ 1,339				
K-Dow Award ²	-	-	-	-	-	1,731	-	-	-	-	-	-	-	-	-				
Costs Associated with Transactions and Productivity Actions ²	-	-	-	-	-	-	-	(153)	(46)	(87)	(129)	(132)	(394)	(91)	(105)				
Bayer Settlement ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(305)				
Urethanes Settlements ²	-	-	-	-	-	-	-	-	-	(252)	(526)	-	(778)	-	-				
Operating Cash Flow (non-GAAP)	\$ 4,711	\$ 2,075	\$ 4,102	\$ 3,879	\$ 4,075	\$ 6,092	\$ 6,502	\$ 7,669	\$ 185	\$ 2,567	\$ 2,007	\$ 2,013	\$ 6,772	\$ 567	\$ 1,749				
Capital Expenditures	2,276	1,410	2,130	2,687	2,614	2,302	3,572	3,703	820	997	1,060	927	3,804	754	795				
Operating Free Cash Flow (non-GAAP)	\$ 2,435	\$ 665	\$ 1,972	\$ 1,192	\$ 1,461	\$ 3,790	\$ 2,930	\$ 3,966	\$ (635)	\$ 1,570	\$ 947	\$ 1,086	\$ 2,968	\$ (187)	\$ 954				

1. Presented in accordance with newly implemented Accounting Standards Update 2016-09.

2. Reflects the after-tax cash impact of these items to Operating Cash Flow (non-GAAP).

The Dow Chemical Company

Dividend Payout Ratio

Due to the Merger with DuPont on August 31, 2017, Dow no longer has publically traded common stock and therefore no longer declares and pays dividends on such stock beginning with the third quarter of 2017. As such, this metric is no longer applicable to Dow, however, the calculation of Dow's dividend payout ratio for historical periods has been included for informational purposes.

<i>In millions</i>	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Dividends Declared Per Common Share TTM*	\$ 1.00	\$ 1.07	\$ 1.14	\$ 1.21	\$ 1.28	\$ 1.28	\$ 1.28	\$ 1.28	\$ 1.33	\$ 1.38	\$ 1.43	\$ 1.53	\$ 1.58	\$ 1.63	\$ 1.68	\$ 1.72	\$ 1.76	\$ 1.80	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84
Operating Earnings Per Share TTM* (non-GAAP) ¹	\$ 2.33	\$ 2.03	\$ 1.83	\$ 0.97	\$ 1.05	\$ 1.14	\$ 1.22	\$ 2.48	\$ 2.58	\$ 2.68	\$ 2.90	\$ 3.10	\$ 3.15	\$ 3.32	\$ 3.42	\$ 3.50	\$ 3.55	\$ 3.59	\$ 3.68	\$ 3.74	\$ 3.89	\$ 4.02
Dividend Payout Ratio TTM*	42.9%	52.7%	62.3%	124.7%	121.9%	112.3%	104.9%	51.6%	51.6%	51.5%	49.3%	49.4%	50.2%	49.1%	49.1%	49.1%	49.6%	50.1%	50.0%	49.2%	47.3%	45.8%

*Trailing twelve months

1. This measure of income excluded certain items that Dow did not consider part of ongoing operations for the periods presented.

The Dow Chemical Company
Calculation of Net Debt to Capital

The table below reflects Dow's debt and capital structure and related ratios on a stand-alone basis for the historical and current periods. Due to the Merger with DuPont on August 31, 2017, Dow no longer calculates net debt to operating EBITDA on a stand-alone basis beginning with the third quarter of 2017 and as such, this metric is no longer available. However, the calculation of this metric for historical periods has been included for informational purposes.

<i>Dollar amounts in millions</i>	YE08	YE09	YE10	YE11	YE12	YE13	YE14	YE15	YE16	1Q17	2Q17	3Q17	YE17	1Q18
Notes payable	\$ 2,360	\$ 2,139	\$ 1,467	\$ 541	\$ 396	\$ 443	\$ 551	\$ 454	\$ 272	\$ 383	\$ 480	\$ 584	\$ 484	\$ 792
Long-Term Debt	8,042	19,152	20,605	18,310	19,919	16,820	18,838	16,215	20,456	20,471	20,072	20,004	19,765	19,596
Long-term debt due within one year	1,454	1,082	1,755	2,749	672	697	394	541	635	616	955	578	752	920
Total Debt	\$ 11,856	\$ 22,373	\$ 23,827	\$ 21,600	\$ 20,987	\$ 17,960	\$ 19,783	\$ 17,210	\$ 21,363	\$ 21,470	\$ 21,507	\$ 21,166	\$ 21,001	\$ 21,308
Total debt	\$ 11,856	\$ 22,373	\$ 23,827	\$ 21,600	\$ 20,987	\$ 17,960	\$ 19,783	\$ 17,210	\$ 21,363	\$ 21,470	\$ 21,507	\$ 21,166	\$ 21,001	\$ 21,308
Less: Cash and cash equivalents	2,800	2,846	7,039	5,444	4,318	5,940	5,654	8,577	6,607	5,848	6,218	8,394	6,188	5,186
Less: Marketable securities and interest bearing deposits	-	-	-	2	-	-	-	-	-	-	-	-	4	11
Net Debt	\$ 9,056	\$ 19,527	\$ 16,788	\$ 16,154	\$ 16,669	\$ 12,020	\$ 14,129	\$ 8,633	\$ 14,756	\$ 15,622	\$ 15,289	\$ 12,772	\$ 14,809	\$ 16,111
Total debt	\$ 11,856	\$ 22,373	\$ 23,827	\$ 21,600	\$ 20,987	\$ 17,960	\$ 19,783	\$ 17,210	\$ 21,363	\$ 21,470	\$ 21,507	\$ 21,166	\$ 21,001	\$ 21,308
Redeemable Noncontrolling Interest	-	-	-	147	147	156	202	-	-	-	-	-	-	-
Noncontrolling interests	69	569	803	1,010	990	1,026	931	809	1,242	1,274	1,168	1,189	1,186	1,190
Preferred Securities of Subsidiaries	500	-	-	-	-	-	-	-	-	-	-	-	-	-
The Dow Chemical Company's stockholders' equity	13,511	20,555	21,839	22,281	20,877	26,898	22,423	25,374	25,987	27,060	28,421	29,082	25,823	26,781
Total Capital	\$ 25,936	\$ 43,497	\$ 46,469	\$ 45,038	\$ 43,001	\$ 46,040	\$ 43,339	\$ 43,393	\$ 48,592	\$ 49,804	\$ 51,096	\$ 51,437	\$ 48,010	\$ 49,279
Net debt	\$ 9,056	\$ 19,527	\$ 16,788	\$ 16,154	\$ 16,669	\$ 12,020	\$ 14,129	\$ 8,633	\$ 14,756	\$ 15,622	\$ 15,289	\$ 12,772	\$ 14,809	\$ 16,111
Redeemable Noncontrolling Interest	-	-	-	147	147	156	202	-	-	-	-	-	-	-
Noncontrolling interests	69	569	803	1,010	990	1,026	931	809	1,242	1,274	1,168	1,189	1,186	1,190
Preferred Securities of Subsidiaries	500	-	-	-	-	-	-	-	-	-	-	-	-	-
The Dow Chemical Company's stockholders' equity	13,511	20,555	21,839	22,281	20,877	26,898	22,423	25,374	25,987	27,060	28,421	29,082	25,823	26,781
Net Capital	\$ 23,136	\$ 40,651	\$ 39,430	\$ 39,592	\$ 38,683	\$ 40,100	\$ 37,685	\$ 34,816	\$ 41,985	\$ 43,956	\$ 44,878	\$ 43,043	\$ 41,818	\$ 44,082
Total Operating EBITDA for Last Four Quarters	\$ 5,442	\$ 5,320	\$ 7,522	\$ 8,391	\$ 7,453	\$ 8,362	\$ 9,337	\$ 9,596	\$ 9,808	\$ 10,259	\$ 10,554			
Debt to Capital Ratio	45.7%	51.4%	51.3%	48.0%	48.8%	39.0%	45.6%	39.7%	44.0%	43.1%	42.1%	41.1%	43.7%	43.2%
Net Debt to Net Capital Ratio	39.1%	48.0%	42.6%	40.8%	43.1%	30.0%	37.5%	24.8%	35.1%	35.5%	34.1%	29.7%	35.4%	36.5%
Net Debt to Operating EBITDA*	1.7	3.7	2.2	1.9	2.2	1.4	1.5	0.9	1.5	1.5	1.4			

*Trailing four QTR's Operating EBITDA

The Dow Chemical Company
Non-GAAP Return on Equity Calculation

Due to the Merger with DuPont on August 31, 2017, Dow no longer computes operating return on equity beginning with the third quarter of 2017. As such, this metric is no longer applicable to Dow, however, the calculation of operating return on equity for historical periods has been included for informational purposes.

<i>In millions</i>	2009	2010	2011	2012	2013	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17
Operating Net Income Available for The Dow Chemical Company Common Stockholders (non-GAAP) ¹	\$ 725	\$ 2,263	\$ 2,959	\$ 2,249	\$ 2,981	\$ 3,709	\$ 4,054	\$ 993	\$ 1,075	\$ 1,032	\$ 1,121	\$ 4,221	\$ 1,274	\$ 1,333
The Dow Chemical Company's stockholders' equity (GAAP)	\$ 20,555	\$ 21,839	\$ 22,281	\$ 20,877	\$ 26,898	\$ 22,423	\$ 25,374	\$ 25,599	\$ 28,936	\$ 29,035	\$ 25,987	\$ 25,987	\$ 27,060	\$ 28,421
Preferred stock	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	-	-	-	-
Stockholders' equity attributable to common stockholders	\$ 16,555	\$ 17,839	\$ 18,281	\$ 16,877	\$ 22,898	\$ 18,423	\$ 21,374	\$ 21,599	\$ 24,936	\$ 25,035	\$ 25,987	\$ 25,987	\$ 27,060	\$ 28,421
Operating Return on Equity*	4.4%	12.7%	16.2%	13.3%	13.0%	20.1%	19.0%	18.9%	16.4%	16.6%	16.2%	16.2%	16.6%	16.7%

**Trailing four QTR's Adjusted Net Income Available for The Dow Chemical Company Common Stockholders (non-GAAP)*
 1. This measure of return excluded from income/loss certain items which Dow did not consider part of ongoing operations.

The Dow Chemical Company
Non-GAAP Return on Capital Calculation

Due to the Merger with DuPont on August 31, 2017, Dow no longer computes operating return on capital beginning with the third quarter of 2017. As such, this metric is no longer applicable to Dow, however, the calculation of operating return on capital for historical periods has been included for informational purposes.

<i>Dollar amounts in millions</i>	2008	2009	2010	2011	2012	2013	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17
Operating Net Income Available for The Dow Chemical Company Common Stockholders (non-GAAP)	\$ 1,649	\$ 725	\$ 2,263	\$ 2,959	\$ 2,249	\$ 2,981	\$ 3,709	\$ 4,054	\$ 993	\$ 1,075	\$ 1,032	\$ 1,121	\$ 4,221	\$ 1,274	\$ 1,333
Preferred stock dividends	-	312	340	340	340	340	340	340	85	85	85	85	340	-	-
Net income attributable to noncontrolling interests	75	28	11	42	(82)	29	67	98	21	19	14	32	86	27	38
Gross interest expense	745	1,632	1,545	1,431	1,353	1,179	1,108	1,164	261	272	280	289	1,102	285	299
Tax on gross interest expense	(267)	(240)	(363)	(327)	(434)	(324)	(306)	(318)	(69)	(70)	(71)	(72)	(282)	(71)	(73)
Operating Net Operating Profit After Tax (non-GAAP)	\$ 2,202	\$ 2,457	\$ 3,796	\$ 4,445	\$ 3,426	\$ 4,205	\$ 4,918	\$ 5,338	\$ 1,291	\$ 1,381	\$ 1,340	\$ 1,455	\$ 5,467	\$ 1,515	\$ 1,597
Total debt (GAAP)	11,856	22,373	23,827	21,600	20,987	17,960	19,783	17,210	16,976	21,346	21,292	21,363	21,363	21,470	21,507
The Dow Chemical Company's stockholders' equity (GAAP)	13,511	20,555	21,839	22,281	20,877	26,898	22,423	25,374	25,599	28,936	29,035	25,987	25,987	27,060	28,421
Total debt plus The Dow Chemical Company's stockholders' equity (non-GAAP)	\$ 25,367	\$ 42,928	\$ 45,666	\$ 43,881	\$ 41,864	\$ 44,858	\$ 42,206	\$ 42,584	\$ 42,575	\$ 50,282	\$ 50,327	\$ 47,350	\$ 47,350	\$ 48,530	\$ 49,928
Redeemable Noncontrolling interest	-	-	-	147	147	156	202	-	-	-	-	-	-	-	-
Noncontrolling interests	69	569	803	1,010	990	1,026	931	809	835	1,298	1,314	1,242	1,242	1,274	1,168
Preferred Securities of Subsidiaries	500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital (non-GAAP)	\$ 25,936	\$ 43,497	\$ 46,469	\$ 45,038	\$ 43,001	\$ 46,040	\$ 43,339	\$ 43,393	\$ 43,410	\$ 51,580	\$ 51,641	\$ 48,592	\$ 48,592	\$ 49,804	\$ 51,096
Average Total Capital (non-GAAP)	\$ 28,227	\$ 38,143	\$ 43,906	\$ 45,196	\$ 44,815	\$ 43,427	\$ 45,712	\$ 43,946	\$ 43,991	\$ 44,927	\$ 46,664	\$ 48,156	\$ 48,156	\$ 49,605	\$ 50,344
Trailing Twelve Months Operating Return on Capital (non-GAAP) ¹	7.8%	6.4%	8.6%	9.8%	7.6%	9.7%	10.8%	12.1%	12.1%	11.9%	11.5%	11.4%	11.4%	11.5%	11.7%

1. This measure of return excluded from income certain items which Dow did not consider part of ongoing operations, and also excluded after-tax costs related to financing, such as interest expense and preferred stock dividends.