# 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 As such, this metric is no longer applicable to Dow, however, the reconciliation to operating earnings per share for historical periods has been included for informational purposes.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 reconcilation 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.

| *In millions* | 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*** | | | | | | | | | | | | | [redacted] | [redacted] |
| Gain from K-Dow arbitration | - | - | 2,161 | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Goodwill impairment losses | - | (220) | - | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Asset impairments and related costs | (77) | - | (194) | (73) | (144) | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Restructuring plan implementation costs | - | (22) | (44) | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Restructuring (charges) credit | - | (1,343) | 22 | - | (415) | - | (454) | - | - | (454) | - | 12 | [redacted] | [redacted] |
| Acquisition - related integration expenses | (31) | - | - | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Asbestos-related credit (charge) | - | - | - | (78) | - | - | - | - | (1,113) | (1,113) | - | - | [redacted] | [redacted] |
| Environmental charges | - | - | - | - | - | - | - | - | (295) | (295) | - | - | [redacted] | [redacted] |
| Charge for termination of terminal use agreement | - | - | - | - | - | - | - | - | (117) | (117) | - | - | [redacted] | [redacted] |
| Implant liability adjustment | - | - | - | - | - | - | - | - | 27 | 27 | - | - | [redacted] | [redacted] |
| Charges related to AgroFresh | - | - | - | - | - | - | - | - | (163) | (163) | - | - | [redacted] | [redacted] |
| Dow Corning ownership restructure | - | (89) | - | - | - | - | - | (212) | - | (212) | - | - | [redacted] | [redacted] |
| Charge for Sadara related development and other costs | - | (73) | - | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Impact of Argentine peso devluation | - | - | - | - | (98) | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Urethanes Matters legal settlements | - | - | - | - | - | (1,235) | - | - | - | (1,235) | - | - | [redacted] | [redacted] |
| Obligation related to prior period divestiture | - | - | - | - | - | - | - | (33) | - | - | - | - | [redacted] | [redacted] |
| Joint venture actions | - | - | - | (93) | (36) | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain on collection of impaired note receivable | 86 | - | - | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain (Loss) on sale of a contract manufacturing business | (42) | 8 | - | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain on 2015 divestitures | - | - | - | - | 1,320 | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Univation step acquisition | - | - | - | - | 349 | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain on MEGlobal Sale | - | - | - | - | 723 | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain on split-off of chlorine value chain | - | - | - | - | 2,233 | - | 6 | - | - | 6 | - | 7 | [redacted] | [redacted] |
| Costs associated with transactions and productivity actions | - | - | - | (49) | (194) | (65) | (107) | (163) | (176) | (511) | (135) | (158) | [redacted] | [redacted] |
| Bayer CropScience arbitration matter | - | - | - | - | - | - | - | - | - | - | (469) | - | [redacted] | [redacted] |
| Nova patent infringement award | - | - | - | - | - | - | - | - | - | - | - | 137 | [redacted] | [redacted] |
| Warranty accrual adjustment of exited business | (60) | - | - | (100) | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain related to Dow Corning ownership restructure | - | - | - | - | - | - | 2,318 | - | - | 2,318 | - | - | [redacted] | [redacted] |
| Loss on early extinguishment of debt | (482) | (123) | (326) | - | (8) | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain on sale of Dow Polypropylene Licensing and Catalysts business | - | - | 451 | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain on sale of 7.5 percent ownership interest in Freeport LNG Development, LP | - | - | 87 | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| Gain on sale of ownership interest in Dow Kokam LLC | - | - | 26 | - | - | - | - | - | - | - | - | - | [redacted] | [redacted] |
| **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 | [redacted] | [redacted] |
| **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 | [redacted] | [redacted] |
| **Operating EBITDA Margin[2] (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% | [redacted] | [redacted] |

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 reconcilation to Operating EBITDA for historical periods has been included for informational purposes.

| *In millions* | 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 DERAKANE 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 Margin[2] (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 |
|---|---|---|---|---|---|---|---|---|
| **Cash Flow from Operations (GAAP)** | **$ 4,711** | **$ 2,075** | **$ 4,102** | **$ 3,879** | **$ 4,075** | **$ 7,823** | **$ 6,502** | **$ 7,516** |
| Capital Expenditures | 2,276 | 1,410 | 2,130 | 2,687 | 2,614 | 2,302 | 3,572 | 3,703 |
| **Free Cash Flow (non-GAAP)** | **$ 2,435** | **$ 665** | **$ 1,972** | **$ 1,192** | **$ 1,461** | **$ 5,521** | **$ 2,930** | **$ 3,813** |
| | | | | | | | | |
| **Cash Flow from Operations (GAAP)** | **$ 4,711** | **$ 2,075** | **$ 4,102** | **$ 3,879** | **$ 4,075** | **$ 7,823** | **$ 6,502** | **$ 7,516** |
| K-Dow Award [2] | - | - | - | - | - | 1,731 | - | - |
| Costs Associated with Transactions and Productivity Actions [2] | - | - | - | - | - | - | - | (153) |
| Bayer Settlement [2] | - | - | - | - | - | - | - | - |
| Urethanes Settlements [2] | - | - | - | - | - | - | - | - |
| **Operating Cash Flow (non-GAAP)** | **$ 4,711** | **$ 2,075** | **$ 4,102** | **$ 3,879** | **$ 4,075** | **$ 6,092** | **$ 6,502** | **$ 7,669** |
| Capital Expenditures | 2,276 | 1,410 | 2,130 | 2,687 | 2,614 | 2,302 | 3,572 | 3,703 |
| **Operating Free Cash Flow (non-GAAP)** | **$ 2,435** | **$ 665** | **$ 1,972** | **$ 1,192** | **$ 1,461** | **$ 3,790** | **$ 2,930** | **$ 3,966** |

| *In millions* | 1Q16 [1] | 2Q16 [1] | 3Q16 | 4Q16 | 2016 | 1Q17 [1, 2] | 2Q17 [1, 2] | 3Q17 [1, 2] | 4Q17 [1, 2] | 2017 [1, 2] | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash Flow from Operations (GAAP)** | **$ 139** | **$ 2,228** | **$ 1,352** | **$ 1,881** | **$ 5,600** | **$ (1,522)** | **$ (1,497)** | **$ 807** | **$ (2,746)** | **$ (4,958)** | **$ (158)** | **$ 1,708** | **$ 647** | **$ 1,697** | **$ 3,894** |
| Capital Expenditures | 820 | 997 | 1,060 | 927 | 3,804 | 754 | 795 | 660 | 935 | 3,144 | 423 | 564 | 663 | 888 | 2,538 |
| **Free Cash Flow (non-GAAP)** | **$ (681)** | **$ 1,231** | **$ 292** | **$ 954** | **$ 1,796** | **$ (2,276)** | **$ (2,292)** | **$ 147** | **$ (3,681)** | **$ (8,102)** | **$ (581)** | **$ 1,144** | **$ (16)** | **$ 809** | **$ 1,356** |
| | | | | | | | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| **Cash Flow from Operations (GAAP)** | **$ 139** | **$ 2,228** | **$ 1,352** | **$ 1,881** | **$ 5,600** | **$ (1,522)** | **$ (1,497)** | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| K-Dow Award [2] | - | - | - | - | - | - | - | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| Costs Associated with Transactions and Productivity Actions [2] | (46) | (87) | (129) | (132) | (394) | (91) | (105) | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| Bayer Settlement [2] | - | - | - | - | - | - | (305) | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| Urethanes Settlements [2] | - | (252) | (526) | - | (778) | - | - | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| **Operating Cash Flow (non-GAAP)** | **$ 185** | **$ 2,567** | **$ 2,007** | **$ 2,013** | **$ 6,772** | **$ (1,431)** | **$ (1,087)** | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| Capital Expenditures | 820 | 997 | 1,060 | 927 | 3,804 | 754 | 795 | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| **Operating Free Cash Flow (non-GAAP)** | **$ (635)** | **$ 1,570** | **$ 947** | **$ 1,086** | **$ 2,968** | **$ (2,185)** | **$ (1,882)** | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |

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

2. Presented in accordance with newly implemented Accounting Standards Update 2016-15.

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

*Cash Flows from Operating Activities Excluding Impact of ASU 2016-15 and Additional Interpretive Guidance*

| *In millions* | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 2017 | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cash Flow from Operations (GAAP)** [1] | $ (1,522) | $ (1,497) | $ 807 | $ (2,746) | $ (4,958) | $ (158) | $ 1,708 | $ 647 | $ 1,697 | $ 3,894 |
| Impact of ASU 2016-15 and additional interpretive guidance | 1,997 | 2,835 | 2,157 | 2,473 | 9,462 | 445 | 211 | 1 | - | 657 |
| **Cash Flow from Operations - Excluding impact of ASU 2016-15 and additional interpretive guidance (non-GAAP)** | $ 475 | $ 1,338 | $ 2,964 | $ (273) | $ 4,504 | $ 287 | $ 1,919 | $ 648 | $ 1,697 | $ 4,551 |

1. Data for 2017 reflects the retrospective adoption of ASU 2016-15 and ASU 2016-18.

## 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.

| *In millions* | 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.

| *Dollar amounts in millions* | **YE08** | **YE09** | **YE10** | **YE11** | **YE12** | **YE13** | **YE14** | **YE15** | **YE16** | **1Q17** | **2Q17** | **3Q17** | **YE17** | **1Q18** | **2Q18** | **3Q18** | **YE18** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Notes payable | $ 2,360 | $ 2,139 | $ 1,467 | $ 541 | $ 396 | $ 443 | $ 551 | $ 454 | $ 272 | $ 383 | $ 480 | $ 584 | $ 484 | $ 792 | $ 862 | $ 910 | $ 305 |
| 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 | 17,122 | 17,085 | 19,254 |
| 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 | 2,837 | 2,605 | 340 |
| **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 | $ 20,821 | $ 20,600 | $ 19,899 |
| | | | | | | | | | | | | | | | | | |
| 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 | $ 20,821 | $ 20,600 | $ 19,899 |
| 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 | 4,823 | 3,403 | 2,669 |
| Less: Marketable securities and interest bearing deposits | - | - | - | 2 | - | - | - | - | - | - | - | - | 4 | 11 | 133 | 106 | 100 |
| **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 | $ 15,865 | $ 17,091 | $ 17,130 |
| | | | | | | | | | | | | | | | | | |
| 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 | $ 20,821 | $ 20,600 | $ 19,899 |
| 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 | 1,152 | 1,181 | 1,138 |
| 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 | 26,865 | 27,157 | 26,831 |
| **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 | $ 48,838 | $ 48,938 | $ 47,868 |
| | | | | | | | | | | | | | | | | | |
| 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 | $ 15,865 | $ 17,091 | $ 17,130 |
| 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 | 1,152 | 1,181 | 1,138 |
| 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 | 26,865 | 27,157 | 26,831 |
| **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 | $ 43,882 | $ 45,429 | $ 45,099 |
| | | | | | | | | | | | | | | | | | |
| **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% | 42.6% | 42.1% | 41.6% |
| | | | | | | | | | | | | | | | | | |
| **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% | 36.2% | 37.6% | 38.0% |
| | | | | | | | | | | | | | | | | | |
| **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.

| *In millions* | 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.

| *Dollar amounts in millions* | **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.