

DOW CHEMICAL CO /DE/

Form 424B2

May 02, 2008

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**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee (1)</b>
5.70% Notes due 2018	\$ 800,000,000	\$ 31,440

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

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**Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-140859**

PROSPECTUS SUPPLEMENT

(To Prospectus dated February 23, 2007)

**\$800,000,000**

**The Dow Chemical Company**

**5.70% Notes due 2018**

The notes will bear interest at the rate of 5.70% per year. Interest on the notes is payable on May 15 and November 15 of each year, beginning November 15, 2008. The notes will mature on May 15, 2018. We may redeem the notes in whole or in part at any time at the applicable redemption prices set forth under Description of the Notes Optional Redemption. If we experience a change of control repurchase event, we may be required to offer to purchase the notes from holders as described under Description of the Notes Repurchase at the Option of Holders Upon a Change of Control Repurchase Event.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other senior unsecured indebtedness from time to time outstanding. The notes will be issued only in registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Investing in the notes involves risks that are described under Risk Factors beginning on page S-9.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	<b>Per Note</b>	<b>Total</b>
Public offering price	99.553%	\$ 796,424,000

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Underwriting discount	0.450%	\$ 3,600,000
Proceeds, before expenses, to us	99.103%	\$ 792,824,000
Interest on the notes will accrue from May 6, 2008 to date of delivery.		

The underwriters expect to deliver the notes to purchasers in book-entry form only through The Depository Trust Company for the accounts of its participants, including Clearstream and Euroclear, on or about May 6, 2008.

*Joint Book-Running Managers*

**Merrill Lynch & Co.**

**HSBC**

**RBS Greenwich Capital**

**Citi**

**Banc of America Securities LLC**

**Mizuho Securities USA Inc.**

**BNP PARIBAS**

**Fortis Securities**

**KBC Financial Products**

**Mitsubishi UFJ Securities**

**Santander Investment**

May 1, 2008.

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date after the dates on the front of this prospectus supplement or the accompanying prospectus, as applicable, or for information incorporated by reference, as of the dates of that information.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which contains the terms of this offering of notes. The second part is the prospectus dated February 23, 2007, which is part of our Registration Statement on Form S-3 (No. 333-140859).

This prospectus supplement may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with information in the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in [Where You Can Find More Information](#) in the accompanying prospectus.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or the underwriters or any of them, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See [Underwriting](#).

In this prospectus supplement, unless otherwise stated or the context otherwise requires, references to [we](#), [us](#), [our](#), [Dow](#) and [Company](#) refer to The Dow Chemical Company and its consolidated subsidiaries. If we use a capitalized term in this prospectus supplement and do not define the term in this document, it is defined in the accompanying prospectus.

**CAUTIONARY STATEMENTS RELATING TO FORWARD-LOOKING INFORMATION**

This prospectus supplement and the accompanying prospectus, and the documents incorporated herein by reference, may contain [forward looking statements](#) within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Additionally, we or our representatives may, from time to time, make other written or verbal forward-looking statements. Those statements relate to developments, results, conditions or other events we expect or anticipate will occur in the future. We intend words such as [believes](#), [anticipates](#), [may](#), [should](#), [could](#), [plans](#), [expects](#) and similar expressions to identify forward-looking statements. The forward looking statements 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 the documents incorporated herein by reference. 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.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information about us and this offering. It may not contain all of the information that is important to you in deciding whether to purchase notes. We encourage you to read the entire prospectus supplement, the accompanying prospectus and the documents that we have filed with the SEC that are incorporated by reference prior to deciding whether to purchase notes.*

**The Dow Chemical Company**

Dow is a diversified chemical company that combines the power of science and technology with the Human Element to constantly improve what is essential to human progress. The Company delivers a broad range of products and services to customers in approximately 160 countries, connecting chemistry and innovation with the principles of sustainability to help provide everything from fresh water, food and pharmaceuticals to paints, packaging and personal care products. In 2007, Dow had annual sales of \$53.5 billion and employed approximately 45,900 people worldwide. The Company has 150 manufacturing sites in 35 countries and produces approximately 3,100 products. Below are descriptions of the Company's operating segments.

***Performance Plastics***

**Dow Automotive** serves the global automotive market and is a leading supplier of plastics, adhesives, sealants and other plastics-enhanced products for interior, exterior, under-the-hood, vehicle body structure and acoustical management technology solutions. With offices and application development centers around the world, Dow Automotive provides materials science expertise and comprehensive technical capabilities to its customers worldwide.

**Dow Building Solutions** manufactures and markets an extensive line of insulation, weather barrier, and oriented composite building solutions and adhesives. The business is the recognized leader in extruded polystyrene (XPS) insulation, known industry-wide by its distinctive blue color and the Dow STYROFOAM brand for more than 50 years.

**Dow Epoxy** is a leading global producer of epoxy resins, intermediates and specialty resins for a wide range of industries and applications such as coatings, electrical laminates, civil engineering, adhesives and composites. With plants strategically located across four continents, the business is focused on providing customers around the world with differentiated solution-based epoxy products and innovative technologies and services.

The **Polyurethanes and Polyurethane Systems** business is a leading global producer of polyurethane raw materials and polyurethane systems. Differentiated by its ability to globally supply a high-quality, consistent and complete product range, this business emphasizes both existing and new business developments while facilitating customer success with a global market and technology network.

**Specialty Plastics and Elastomers** is a business portfolio of specialty products including a broad range of engineering plastics and compounds, performance elastomers and plastomers, specialty copolymers, synthetic rubber, polyvinylidene chloride resins and films (PVDC), and specialty film substrates. The business serves such industries as automotive, civil construction, wire and cable, building and construction, consumer electronics and appliances, food and specialty packaging, and footwear.

The **Technology Licensing and Catalyst** business includes licensing and supply of related catalysts, process control software and services for the UNIPOL polypropylene process, the METEOR process for ethylene oxide (EO) and ethylene glycol (EG), the LP OXO process for oxo alcohols, the QBIS bisphenol A

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process, and Dow's proprietary technology for production of purified terephthalic acid (PTA). Licensing of the UNIPOL polyethylene process and sale of related catalysts, including metallocene catalysts, are handled through Univation Technologies, LLC, a 50:50 joint venture of Union Carbide Corporation.

### ***Performance Chemicals***

**Designed Polymers** is a business portfolio of products and systems characterized by unique chemistry, specialty functionalities, and people with deep expertise in regulated industries. Within Designed Polymers, Dow Water Solutions offers world-class brands and enabling component technologies designed to advance the science of desalination, water purification, trace contaminant removal and water recycling. Also in Designed Polymers, businesses such as Dow Wolff Cellulosics, Dow Biocides and ANGUS Chemical Company (a wholly owned subsidiary of Dow), develop and market a range of products that enhance or enable key physical and sensory properties of end-use products in applications such as food, pharmaceuticals, oil and gas, paints and coatings, personal care, and building and construction.

The **Dow Latex** business is a major global supplier of latexes, for a wide range of industries and applications. It provides the broadest line of styrene/butadiene (S/B) products supporting customers in paper and paperboard (for magazines, catalogues and food packaging) applications, and the carpet and floor covering industry. UCAR Emulsion Systems (UES) manufactures and sells acrylic, vinyl acrylic, vinyl acetate ethylene (VAE), and S/B and styrene acrylic latexes and NEOCAR branched vinyl ester latexes for use in the architectural and industrial coatings, adhesives, construction products such as caulks and sealants, textile, and traffic paint. It also offers the broadest product range in the dispersion area and produces and markets UCAR POLYPHOBE rheology modifiers.

The **Specialty Chemicals** business provides products and services used as functional ingredients or processing aids in the manufacture of a diverse range of products. Applications include agricultural and pharmaceutical products and processing, building and construction, chemical processing and intermediates, electronics, food processing and ingredients, gas treating solvents, fuels and lubricants, oil and gas, household and institutional cleaners, coatings and paints, pulp and paper manufacturing, metal degreasing and dry cleaning, and transportation. Dow Haltermann Custom Processing provides contract and custom manufacturing services to other specialty chemical, agricultural chemical and biodiesel producers.

The Performance Chemicals segment also includes the results of Dow Corning Corporation, and a portion of the results of the OPTIMAL Group of Companies and the SCG-Dow Group, all joint ventures of the Company.

### ***Agricultural Sciences***

**Dow AgroSciences** is a global leader in providing pest management, agricultural and crop biotechnology products and solutions. 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 agricultural seeds, traits, healthy oils, and animal health.

### ***Basic Plastics***

The **Polyethylene** business is the world's leading supplier of polyethylene-based solutions through sustainable product differentiation. Through the use of multiple catalyst and process technologies, the business offers customers one of the industry's broadest ranges of polyethylene resins via a strong global network of local experts focused on partnering for long-term success.

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The **Polypropylene** business, a major global polypropylene supplier, provides a broad range of products and solutions tailored to customer needs by leveraging Dow's leading manufacturing and application technology, research and product development expertise, extensive market knowledge and strong customer relationships.

The **Polystyrene** business, the global leader in the production of polystyrene resins, is uniquely positioned with geographic breadth and participation in a diversified portfolio of applications. Through market and technical leadership and low cost capability, the business continues to improve product performance and meet customer needs.

The Basic Plastics segment also includes the results of Equipolymers and a portion of the results of EQUATE Petrochemical Company K.S.C. and the SCG-Dow Group, all joint ventures of the Company.

### ***Basic Chemicals***

The **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.

The **Ethylene Oxide/Ethylene Glycol** business is a key supplier of ethylene glycol to MEGlobal, a 50:50 joint venture and a world leader in the manufacture and marketing of merchant monoethylene glycol and diethylene glycol. Dow also supplies ethylene oxide to internal derivatives businesses. Ethylene glycol is used in polyester fiber, polyethylene terephthalate (PET) for food and beverage container applications, polyester film and antifreeze.

The Basic Chemicals segment also includes the results of MEGlobal and a portion of the results of EQUATE Petrochemical Company K.S.C. and the OPTIMAL Group of Companies, all joint ventures of the Company.

### ***Hydrocarbons and Energy***

The **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 principally for use in Dow's global operations. The business regularly sells its byproducts; the business also buys and sells products in order to balance regional production capabilities and derivative requirements. The business also sells products to certain Dow joint ventures. Dow is the world leader in the production of olefins and aromatics.

The Hydrocarbons and Energy segment also includes the results of Compañía Mega S.A. and a portion of the results of the SCG-Dow Group, both joint ventures of the Company.

**Unallocated and Other** includes the results of New Ventures (which includes new business incubation platforms focused on identifying and pursuing new commercial opportunities); Venture Capital; the Company's insurance operations and environmental operations; and certain overhead and other cost recovery variances not allocated to the operating segments.

### **Corporate Information**

Dow's principal executive offices are located at 2030 Dow Center, Midland, Michigan 48674, and our telephone number is (989) 636-1000. Our Internet website address is [www.dow.com](http://www.dow.com). The information contained on our website is not incorporated by reference in this prospectus supplement or the accompanying prospectus, and you should not consider them to be a part of this prospectus supplement or the accompanying prospectus.



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**The Offering**

Issuer	The Dow Chemical Company
Securities Offered	\$800,000,000 5.70% Notes due 2018
Maturity	The notes will mature on May 15, 2018.
Interest	Interest on the notes will accrue at the rate of 5.70% per year from May 6, 2008. Interest on the notes will be payable semi-annually in arrears on May 15 and November 15 of each year, beginning November 15, 2008.
Optional Redemption	<p>We may redeem the notes at our option, at any time in whole or from time to time in part at a redemption price equal to the greater of:</p> <p style="padding-left: 40px;">100% of the principal amount of the notes being redeemed; and</p> <p style="padding-left: 40px;">the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus 30 basis points.</p> <p>We will also pay the accrued and unpaid interest on the notes to the redemption date.</p>
Repurchase at the Option of Holders Upon a Change of Control Repurchase Event	If we experience a Change of Control Repurchase Event (as defined in this prospectus supplement), we will be required, unless we have exercised our right to redeem the notes, to offer to purchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest.
Ranking	The notes will be our senior unsecured obligations and will rank equal in right of payment to our other senior unsecured debt from time to time outstanding. At March 31, 2008, we had approximately \$8,219 million in principal amount of long-term indebtedness outstanding on a consolidated basis, of which \$1,346 million of subsidiary indebtedness would be structurally senior to the notes.
Use of Proceeds	The proceeds from this offering will be used for general corporate purposes, which may include funding capital expenditures, pursuing growth initiatives, whether through acquisitions, joint ventures or otherwise, repaying or refinancing indebtedness or other obligations, and financing working capital. See Use of Proceeds.

Further Issues

We may from time to time, without notice to or the consent of the holders of the notes of any series, create and issue additional debt securities having the same terms (except for the issue date, the public

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offering price and the first interest payment date) and ranking equally and ratably with the notes offered hereby in all respects, as described under Description of the Notes General. Any additional debt securities having such similar terms, together with the notes offered hereby, will constitute a single series of securities under the indenture.

Denomination and Form

We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, societe anonyme and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositories, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Risk Factors

Investing in the notes involves risks. See Risk Factors for a description of certain risks you should particularly consider before investing in the notes.

Trustee

The Bank of New York Trust Company, N.A.

Governing Law

New York

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The following table sets forth our summary consolidated financial and other data. You should read the following information in conjunction with our consolidated financial statements and related notes and the other financial and statistical information that we include or incorporate by reference in this prospectus supplement and the accompanying prospectus.

	Three Months Ended		Year Ended December 31,				
	March 31, 2008	2007	2007	2006	2005	2004	2003
(dollars in millions)							
<b>Summary of Operations Data:</b>							
Net sales	\$ 14,824	\$ 12,432	\$ 53,513	\$ 49,124	\$ 46,307	\$ 40,161	\$ 32,632
Cost of sales	12,908	10,605	46,400	41,526	38,276	34,244	28,177
Research and development expenses	331	302	1,305	1,164	1,073	1,022	981
Selling, general and administrative expenses	498	418	1,864	1,663	1,545	1,436	1,392
Amortization of intangibles	22	11	72	50	55	81	63
Purchased in-process research and development charges			57				
Special charges, merger-related expenses, and restructuring charges			578	591	114	543	
Asbestos-related charge (credit)				(177)			
Other income	320	343	1,446	1,096	1,719	1,622	468
Interest expense net	121	106	454	431	564	661	736
Income before income taxes and minority interests	1,264	1,333	4,229	4,972	6,399	3,796	1,751
Provision (Credit) for income taxes	299	335	1,244	1,155	1,782	877	(82)
Minority interests share in income	24	25	98	93	82	122	94
Income (Loss) before cumulative effect of changes in accounting principles	941	973	2,887	3,724	4,535	2,797	1,739
Cumulative effect of changes in accounting principles					(20)		(9)
Net income (Loss) available for common stockholders	\$ 941	\$ 973	\$ 2,887	\$ 3,724	\$ 4,515	\$ 2,797	\$ 1,730
<b>Balance Sheet Data (end of period):</b>							
Total assets	\$ 50,657	\$ 46,030	\$ 48,801	\$ 45,581	\$ 45,934	\$ 45,885	\$ 41,891
Working capital	6,732	6,919	6,209	6,608	6,741	5,384	3,578
Property gross	49,044	44,818	47,708	44,381	41,934	41,898	40,812
Property net	14,545	13,644	14,388	13,722	13,537	13,828	14,217
Long-term debt	7,392	7,975	7,581	8,036	9,186	11,629	11,763
Total debt	10,333	9,649	9,715	9,546	10,706	12,594	13,109
Net stockholders equity	20,179	17,325	19,389	17,065	15,324	12,270	9,175
<b>Financial Ratios:</b>							
Research and development expenses as percent of net sales	2.2%	2.4%	2.4%	2.4%	2.3%	2.5%	3.0%
Income before income taxes and minority interests as percent of net sales	8.5%	10.7%	7.9%	10.1%	13.8%	9.5%	5.4%
Return on stockholders equity							