

Dow Corning 2008 Sustainability Update

Environment, Health and Safety Goals

In 2005, Dow Corning launched the following five-year environment, health and safety performance improvement goals:

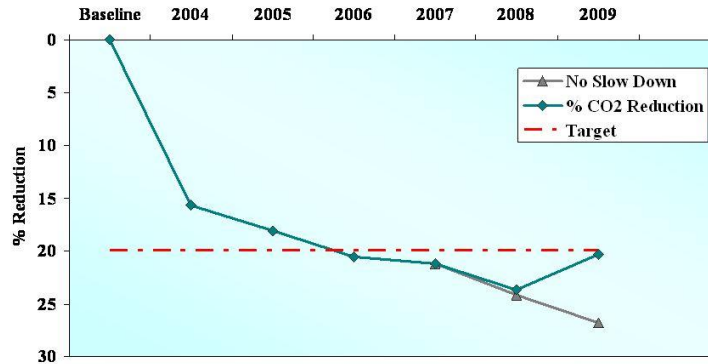
- Employee and process safety: Aggressive reduction in injuries, occupational illnesses and process incidents
- Environmental compatibility: Reduce the environmental impact of our processes, products and technology
- Value recovery: Drive toward zero waste and emissions through reduction, conversion, recycle, re-use and recovery
- Energy efficiency: Reduce average greenhouse gas (GHG) emissions through energy efficiency improvements, renewable energy and sequestration efforts

Dow Corning has continued to improve upon each of our performance measures as, demonstrated in the following information. Despite nearing the end of the time period covered by these goals, we realize there is much more work to be done not only to accomplish these goals, but the next set as well. Dow Corning is committed to succeeding in these areas through innovation, hard work and the dedication of our employees around the world.

“I am delighted with our overall progress toward our environmental, health, and safety goals in the last five years,” said Peter Cartwright, vice president, Environment, Health & Safety. “We have invested significant efforts in our businesses and functions to achieve our current position, while still fully recognizing our sustainability value, which will continue to be of critical importance in the future.”

Energy Efficiency

Dow Corning has set challenging five year energy and greenhouse gas (GHG) intensity goals. We aim to reduce the amount of GHG emissions per kilogram of material we produce in our silicone, silicon, and semiconductor businesses by 20% by the end of 2009 (from an average baseline between 1998 and 2001). As a result of the hard work and commitment of our workforce, we met this goal one year early.



This graph shows the percent reduction in the amount of GHG per kilogram of material produced compared to an average baseline between 1998 and 2001. The graph also shows projected results had there been no economic slowdown.

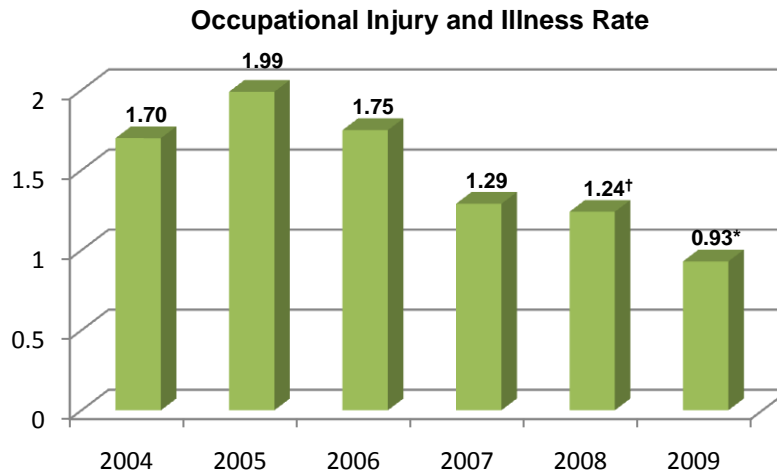
The economic slowdown caused decreased production volumes, which in turn lead to lower efficiency rates due to fixed energy consumption by many processes that use the same energy no matter the production rate (i.e. building heating).

Employee Health and Safety

Dow Corning’s corporate safety value is based on our commitment to an injury-free work environment for all of our employees. Our focus is on preventing situations that cause injury or illness. We have significantly increased attention on the issue of personal safety.

Our safety vision, Safe Work is Our Job™, has shown success through focusing on five key elements that define good safety practices. Emphasis on these key elements, combined with employee and leadership engagement, is crucial to our safety success.

Employee Health & Safety: total number of incidents



OIRR (Occupational Injury and Illness Rate) is a measurement that represents all injuries and illnesses, per 100 employees, that occur on the job and require more than first-aid treatment.

[†]Includes a single case of food poisoning affecting 24 people as one incident to reflect the underlying safety performance.

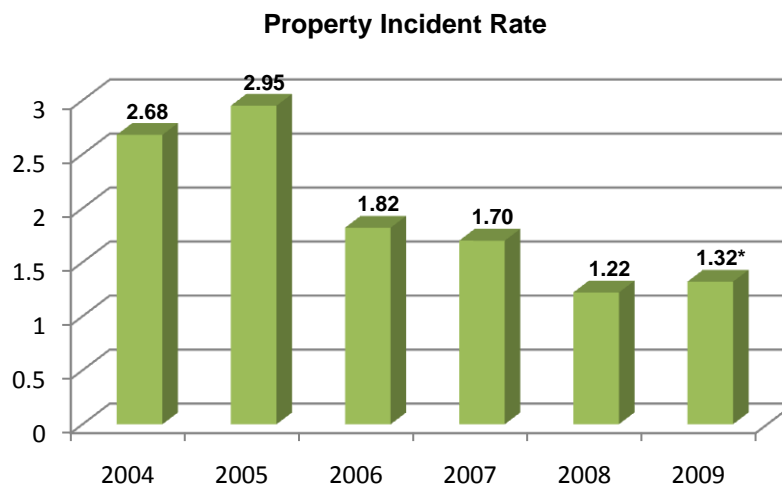
^{*}Data through end of September, 2009.

Process Safety

Our corporate safety value also includes our commitment to provide a safe environment for our neighbors and the communities in which we work and live. Dow Corning is committed to improving the safety of our chemical processes.

Over the past several years, we have placed substantial importance on incident reduction through a determined effort to identify and eliminate unsafe practices and procedures. This increased emphasis, plus the implementation of our internal safety improvement plans, is making a real difference in our performance measures.

Process Safety: total number of incidents



PIR (Property Incident Rate) is a measurement that represents recordable property incidents (such as spills, releases, fires and explosions), per 100 employees.

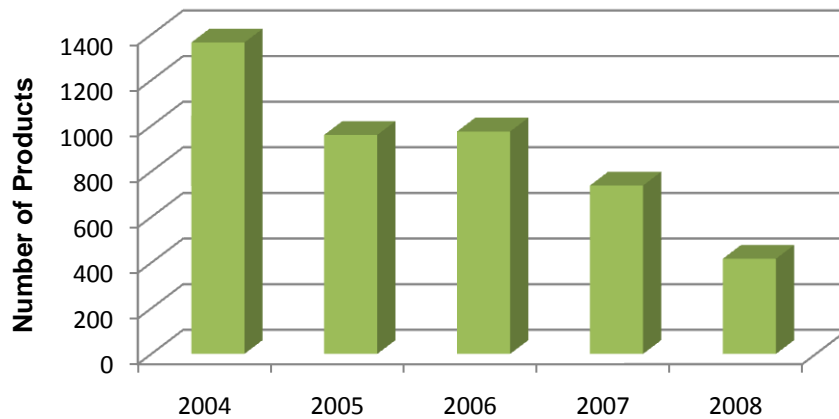
* Data through end of September, 2009.

Environmental Compatibility and Waste Reduction

Dow Corning has been working on an effort to reduce the health and environmental impact, or the environmental footprint, of our processes and products as part of our ongoing commitment to sustainability. This effort has taken many forms including: reducing the use and occurrence of certain chemicals in our products and processes; championing the development and implementation of products and processes that are more environmentally compatible.

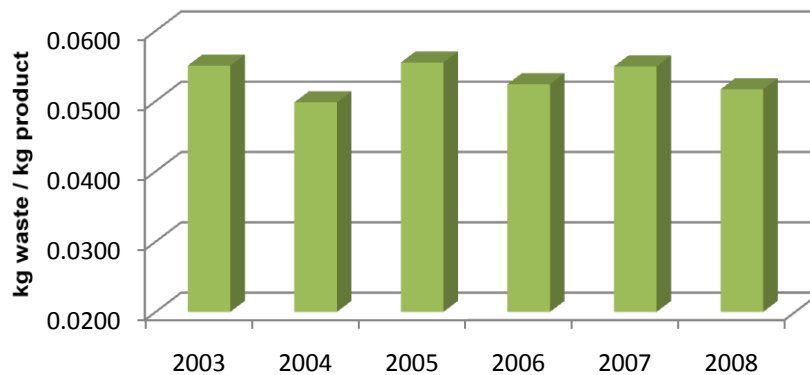
- Dow Corning has identified nearly sixty chemicals in eight families considered unsustainable. We are on target to remove these substances from approximately 1500 of our products over five years.

Product Sustainability Improvement



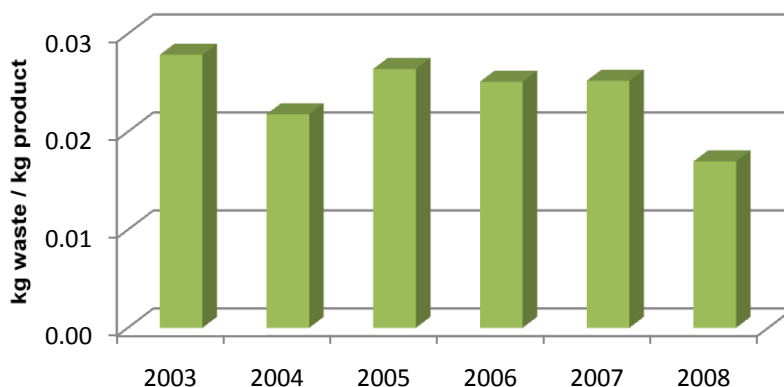
- Dow Corning is also championing the development of environmentally-friendly products and alternative processes with our customers by taking a life cycle approach to development. Our science and technology colleagues are also deeply involved in education and knowledge sharing projects to increase the number of Dow Corning employees familiar with life cycle thinking.
- Dow Corning set ambitious five year goals in 2004 to reduce the amount of waste generated in different categories by between 25% and 33% per unit of production. Meeting these goals has proved challenging, and we will not meet the goals by the end of 2009. Nevertheless, progress has been made as shown by the graphs below. Our overall waste per unit of production for silicone operations has reduced by over 5% compared with our 2003 base year.

Total Waste Rate



- We have invested in new technology at our Barry plant in the UK to increase the internal recovery of silicon rich waste, and further improvements are planned for our Carrollton, Ky. plant.

Silicon Rich Waste Rate

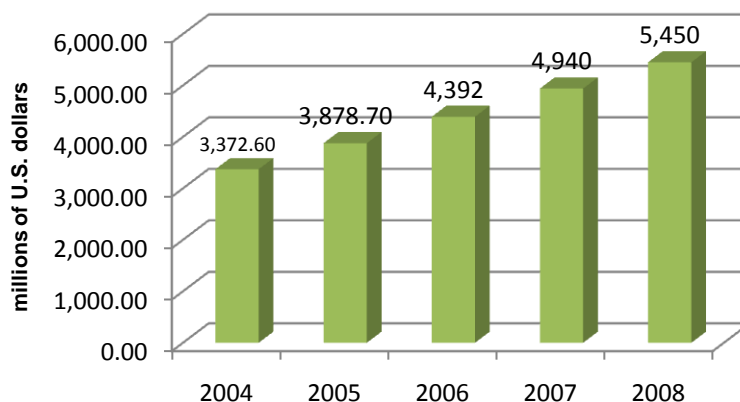


- A new plasma gasification process has been built at our Midland, Mich. plant to convert some of our hazardous waste streams into inert glass and recover hydrochloric acid and fuel gas.

Financial Performance

Dow Corning reported another year of record sales and profits in 2008, despite a deteriorating global economy in the fourth quarter. “Our joint venture Hemlock Semiconductor had another strong year, helping Dow Corning post increases in both sales and income,” said Dow Corning’s Vice President and Chief Financial Officer J. Donald Sheets. “Other highlights from 2008 include the opening of the Dow Corning Solar Solutions Application Center in Freeland, Mich. and the beginning of production for the first stage of our new silica and siloxane site in Zhangjiagang, China.”

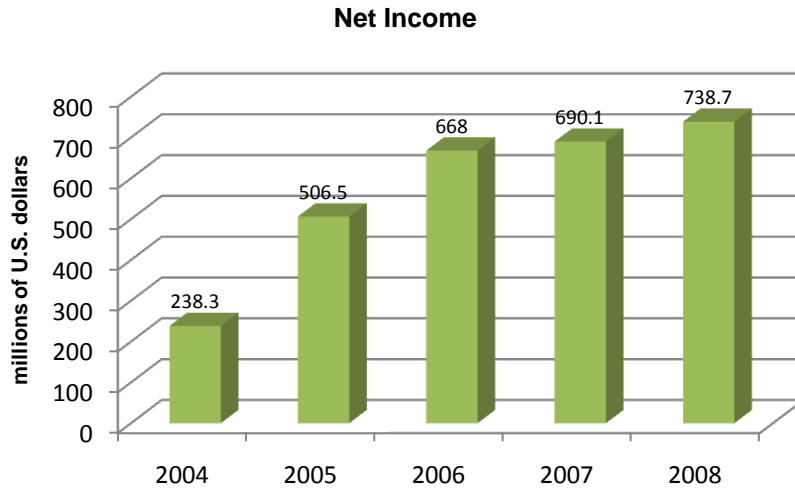
Net Sales



Despite the difficult business climate, Dow Corning remains committed to ensuring our customers have efficient access to both affordable, reliable silicone products and innovative solutions.

“Dow Corning has taken decisive actions to weather this economic downturn and ensure we have the necessary resources to implement our strategy and focus on our key initiatives.

While we need to meet the challenges of today, we are firmly focused on positioning ourselves for the future and the economic recovery to come,” said Sheets.



About Dow Corning

Dow Corning www.dowcorning.com provides performance-enhancing solutions to serve the diverse needs of more than 25,000 customers worldwide. A global leader in silicones, silicon-based technology and innovation, Dow Corning offers more than 7,000 products and services via the company’s *Dow Corning*® and XIAMETER® brands. Dow Corning is a joint venture equally owned by The Dow Chemical Company and Corning, Incorporated. More than half of Dow Corning’s annual sales are outside the United States.