

Dow Corning 2009 Sustainability Update

Environment, Health and Safety Goals

Dow Corning invested significant efforts in 2009 to make good progress toward improved results in safety, waste reduction, energy efficiency, and environmental compatibility.

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

- Energy efficiency: Reduce average greenhouse gas (GHG) emissions through energy efficiency improvements, renewable energy and sequestration efforts
- 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
- Waste reduction and value recovery: Drive toward zero waste and emissions through reduction, conversion, recycle, re-use and recovery

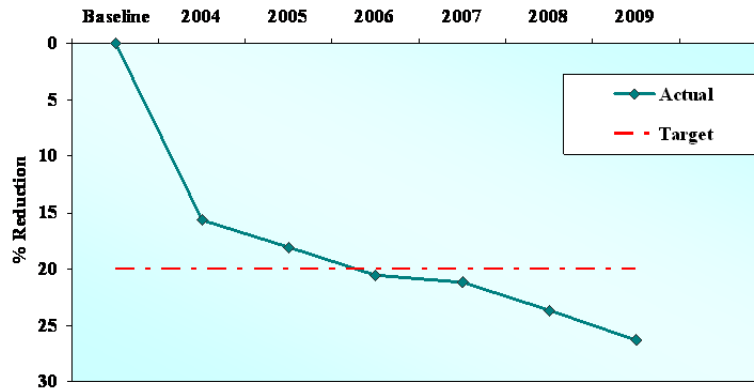
Dow Corning has continued to improve upon most of our performance measures as demonstrated in the following information. While not all of the numeric goals have been reached, Dow Corning remains committed to succeeding in these areas through innovation, hard work and the dedication of our employees around the world.

“Our businesses and functions have invested continued efforts to achieve our current position, recognizing the value of sustainability,” said Peter Cartwright, vice president, Environment, Health & Safety. “The overall progress made toward our aggressive environmental, health, and safety goals is encouraging and reflects the critical importance of sustainability in the future.”

Energy Efficiency

Dow Corning set a goal of a 20% reduction in greenhouse gas per kilogram of product by the end of 2009. This was to be achieved mostly by energy efficiency gains, and we set out to reduce our energy consumption per kilogram of product by the same percentage. By the end of 2008, we had achieved the goal through joint efforts between the sites and the energy group. In 2009, during an economic slowdown and recovery, we maintained focus and ended the year by exceeding our goal.

Timeline of Progress toward Greenhouse Gas Reduction



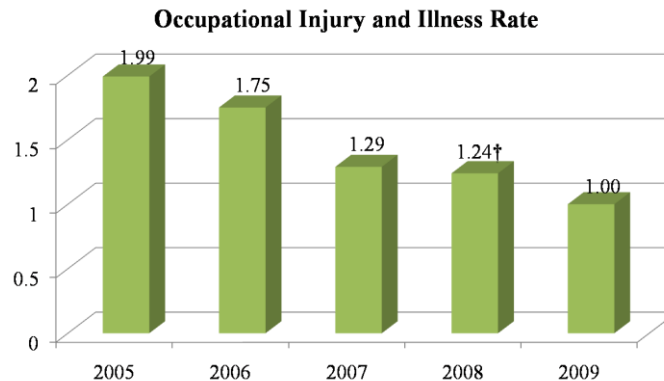
This graph shows the percent reduction in the amount of GHG per kilogram of material produced compared to an average baseline between 1998 and 2001.

Employee Health and Safety

Dow Corning's corporate safety value is based on us striving for 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 Occupational Injury and Illness Rate



OIIR (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.

Process Safety

Our corporate safety value also includes our efforts 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 emphasis 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.

The Process Incident Rate (PIR) remained statistically in control during 2009. Various projects have been established to focus on ensuring major accident hazards remain properly managed, and it is believed that these efforts will bring continual and sustainable improvement in the PIR in future years.

Process Safety: Total Process Incident Rate



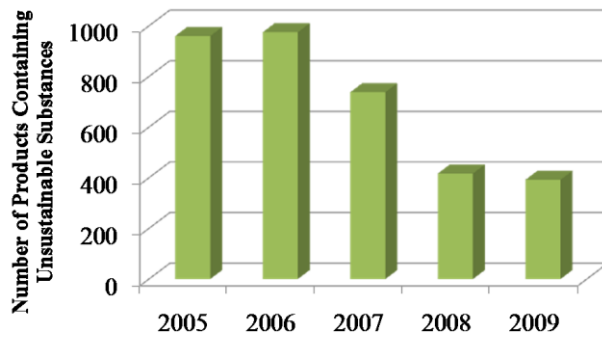
PIR (Process Incident Rate) is a measurement that represents recordable property incidents (such as spills, releases, fires and explosions), per 100 employees.

Environmental Compatibility and Waste Reduction

Dow Corning has been working on an effort to reduce the health and environmental impact, or 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; optimizing our processes for maximum value; and championing the development and implementation of products and processes that are more environmentally compatible. However, as shown in the graphs below, the economic slowdown in 2009 resulted in increased waste per unit of production, as processes were unable to run as efficiently as normal.

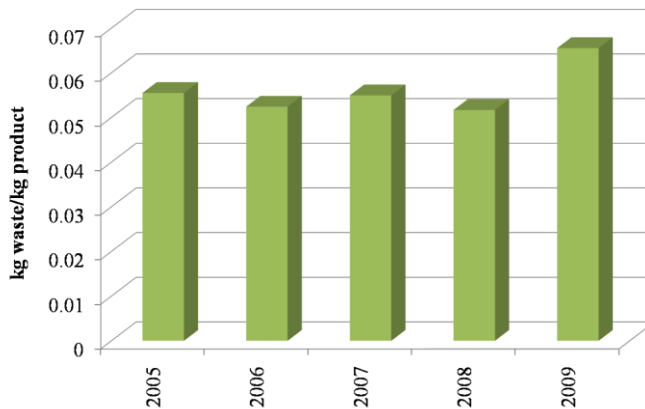
- Dow Corning is on target to remove nearly sixty chemicals in eight families from approximately 1,500 of our products over five years. While these chemicals are available for commercial use, we have chosen to increase our environmental compatibility by eliminating them from our product line.

Product Sustainability Improvement

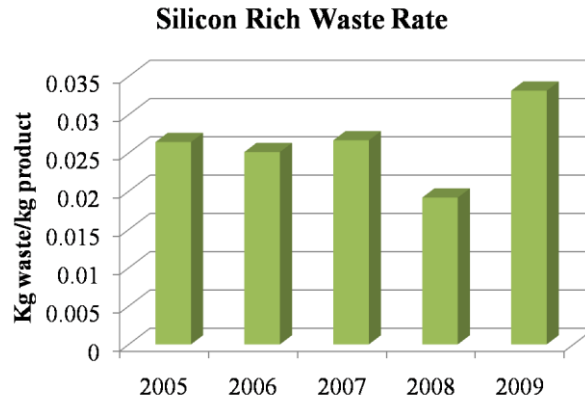


- The progress on product sustainability will continue through 2010, as old stocks are consumed and some temporary exemptions to the sustainability standard expire.
- Dow Corning is also championing the development of environmentally-friendly products and alternative processes with our customers by taking 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 approximately 30% per unit of production. Meeting these goals has proved challenging, and we did not meet the goals by the end of 2009. Nevertheless, a number of projects have been completed which have significantly reduced waste generation.

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, Kentucky plant.

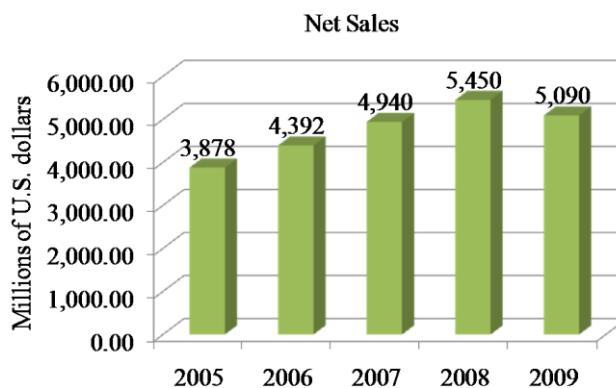


- A new plasma gasification process has been built at our Midland, Michigan plant to convert some of our hazardous waste streams into inert glass and recover hydrochloric acid and fuel gas. The unit will be fully operational in 2011.

Financial Performance

Dow Corning reported another year of record sales and profits in 2009, despite a weakening global economy.

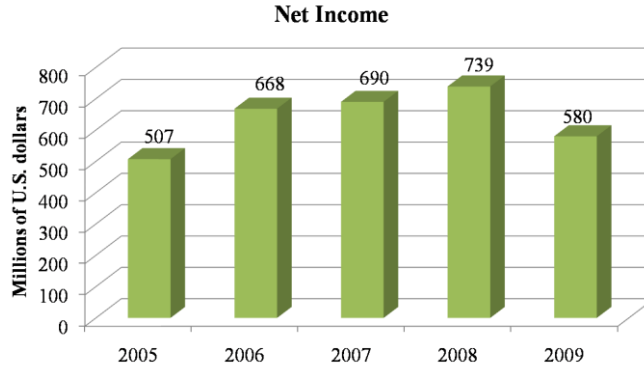
“Dow Corning saw a significant recovery in its silicones business in the second half of the year, as our two-brand strategy allowed us to get the right products and solutions into the hands of our customers,” said Dow Corning’s Vice President and Chief Financial Officer J. Donald Sheets. “2010 will be another active year for Dow Corning as major capital expansions in China will be completed and Hemlock Semiconductor Group’s expansions in the United States will continue to bring new capacity online. We’ll also focus on expanding our markets by investing in our diverse innovation portfolio and by continuing to expand our geographic footprint.”



Dow Corning remains committed to focusing on providing our customers with access to affordable, reliable silicone products and innovative solutions to meet their needs.

“While it’s still a volatile economic environment, the year ended with many positive signs. Dow Corning’s fourth quarter sales performance is another significant step in the global

recovery of our business. Our 2010 first quarter results showed Dow Corning’s silicones business is returning to the peak performance we experienced prior to the global recession,” said Sheets. “It is encouraging that we’re seeing this recovery in demand in nearly every industry and geography we serve.”



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 equally owned by The Dow Chemical Company and Corning, Incorporated. More than half of Dow Corning’s annual sales are outside the United States.