News Center

Dow to Divest Calcium Chloride Business and Interests in TRN Refinery

Company's plans to pay down debt and enhance cash flow progressing ahead of schedule

Midland, MI - May 20, 2009 Share this:

The Dow Chemical Company (NYSE: DOW) announced today that it has signed two separate sale agreements totaling in excess of $900 million as part of its de-leveraging plan designed to pay down debt, preserve financial flexibility, streamline its portfolio and improve cash flow. Sales of non-strategic assets announced so far this year now total in excess of $2.6 billion, well ahead of the Company's original divestment plan.

The Company announced that it has signed an agreement to sell its Calcium Chloride business to a strategic chemical industry buyer for a value in excess of $210 million. At the closing of the transaction, employees of the Calcium Chloride business will transition to the buyer's business. In addition, the Company announced a definitive agreement for the sale by Dow Europe GbmH and Dow Benelux BV of their interests in Total Raffinaderij Nederland N.V. (TRN), Dow's joint venture with Total S.A., to Valero Energy Corporation (NYSE: VLO) for an enterprise value expected to be approximately $725 million.

"These asset sales at valuations that result in significant de-leveraging represent another major step in the acceleration of Dow's divestiture and de-levering plans despite a challenging economic environment," said Andrew N. Liveris, Chairman and CEO of Dow. "We are delivering on our commitments ahead of schedule and creating the momentum needed to strengthen our financial position and create a faster path to earnings growth."

The transaction for the Calcium Chloride business will include the calcium chloride assets associated with Dow's Ludington, Michigan operations; Dow-owned calcium chloride terminals; and the nationally-known brands PELADOW™ premium ice-melt, LIQUIDOW™ calcium chloride solution, COMBOTHERM™ blended deicer, BRINER'S CHOICE™ calcium chloride, and DOWFLAKE™ Xtra calcium chloride flake. The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close by the end of June 2009.

TRN is a crude oil refinery located in the Zeeland region of The Netherlands on the river Scheldt and has approximately 400 employees. The change in ownership is not expected to have any immediate impact on operations or employment. The TRN transaction remains subject to regulatory and other approvals and is expected to close during or before the third quarter of 2009.
These planned divestitures follow other actions by Dow designed to increase the Company's financial flexibility, improve its cash flow, and pay down its bridge loan by year-end. Recent actions include:

- Announced the $1.7 billon sale of Morton Salt, a transaction expected to close in mid-2009;
- Issued $6 billion of new long-term debt; and
- Issued $2.25 billion of new equity.

As a result of the actions announced to date by the Company, the retirement of the bridge loan is substantially ahead of plan.

About The Dow Chemical Company (parent company of Dow Europe GmbH and Dow Benelux NV)

With sales of $58 billion in 2008 and 46,000 employees worldwide, 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 around 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. On April 1, 2009, Dow acquired Rohm and Haas Company, a global specialty materials company with sales of $10 billion in 2008 and 15,000 employees worldwide. References to “Dow” or the “Company” mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted.

About Valero

Valero Energy Corporation is a Fortune 500 company based in San Antonio with approximately 22,000 employees and 2008 revenues of $119 billion. The company owns and operates 16 refineries throughout the United States, Canada and the Caribbean with a combined throughput capacity of approximately 3 million barrels per day, making it the largest refiner in North America. Valero also owns and operates seven ethanol plants in the Midwest with a combined capacity of 780 million gallons per year, and is one of the nation's largest retail operators with approximately 5,800 retail and branded wholesale outlets in the United States, Canada and the Caribbean under various brand names including Valero, Diamond Shamrock, Shamrock, Ultramar, and Beacon. Please visit www.valero.com for more information.

For Editorial Information:

David Winder
The Dow Chemical Company
+1 989 636 0626

Eric Fisher
Valero Energy Corporation
+1 210 345 2896

Dow Home : *News Center*

Privacy Statement | **Terms of Use** | **Accessibility Statement** | **Site Map**