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Dow to Divest Ownership in OPTIMAL Group of Companies to PETRONAS for \$660 Million

Corporate Advertising

Midland, MI and Kuala Lumpur, Malaysia - July 30, 2009

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Awards & Accolades

The Dow Chemical Company (NYSE: DOW) and Petroliaam Nasional Berhad (PETRONAS) today announced that they have reached an agreement for Dow's Union Carbide Corporation subsidiary to sell its entire shares of ownership in the OPTIMAL Group of Companies (OPTIMAL) to PETRONAS for \$660 million. PETRONAS would fund this acquisition through internally generated funds. The transaction, subject to customary conditions and approvals, is expected to close by the end of the third quarter of 2009.

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Dow and PETRONAS have agreed to enter into a commercial supply agreement allowing the two companies to continue serving the current customer base with products manufactured by OPTIMAL. Dow will market OPTIMAL's basic and performance chemicals products to Dow's existing customer base in Asia Pacific.

"OPTIMAL has been a great investment, thanks to the dedication and hard work of our joint venture employees and our partner PETRONAS," said Andrew N. Liveris, Dow Chairman and Chief Executive Officer. "With this transaction, we hand over the management of these businesses to PETRONAS, while at the same time remaining committed to our customers in the region. This divestiture and commercial arrangement demonstrate Dow's ability to increase its financial flexibility and to continue to de-leverage the balance sheet."

"Our purchase of Dow's equity in OPTIMAL would enable us to strengthen our presence in Olefins and reinforce the growth of the Malaysian petrochemical industry," said Mohd Hassan Marican, President and Chief Executive Officer of PETRONAS. "We have had an excellent working relationship with Dow over the years in OPTIMAL, and we expect that will continue, with Dow now becoming one of OPTIMAL's largest customers."

The change in ownership is not expected to have any immediate effect on employment in the region. OPTIMAL's focus continues to be operating safely, responsibly and effectively while providing world-class products for customers throughout Asia.

Today's announcement of Dow's divestiture of OPTIMAL follows other actions designed to increase Dow's financial flexibility, improve its cash flow, and pay down its bridge loan. Recent actions include:


- ▶ Announced the \$1.7 billion sale of Morton Salt, a transaction expected to close in the second half of 2009
- ▶ Sold the Company's Calcium Chloride business to Occidental Petroleum for a value in excess of \$210 million
- ▶ Announced a definitive agreement for the sale of interests in Total Raffinaderij Nederland N.V. (TRN) for an enterprise value expected to be approximately \$725 million, also expected to close in the second half of 2009
- ▶ Issued \$6 billion of new long-term debt
- ▶ Issued \$2.25 billion of new equity
- ▶ Eliminated \$3 billion of perpetual preferred securities from the capital structure.

Dow Completes Acquisition of Rohm and Haas [FIND OUT MORE](#)

As a result of these actions, the Company is ahead of all of its financial milestones, including the paydown of the bridge loan utilized to acquire Rohm and Haas.

About The OPTIMAL Group of Companies


Established in July 1998, the OPTIMAL Group of Companies currently comprises three joint ventures involving PETRONAS, Malaysia's national petroleum corporation, and Union Carbide Corporation, a wholly owned subsidiary of The Dow Chemical Company: OPTIMAL Olefins (Malaysia) SDN. BHD. (PETRONAS: 64.25%, UCC: 23.75%, Sasol: 12%), OPTIMAL Glycols (Malaysia) SDN. BHD. (PETRONAS: 50%, UCC: 50%) and OPTIMAL Chemicals (Malaysia) SDN. BHD. (PETRONAS: 50%, UCC: 50%).

Headquartered in Kuala Lumpur, OPTIMAL manufactures more than 70 products and serves key markets in the Asia-Pacific region from its world-scale petrochemical facility located in Kerteh, Terengganu, Malaysia. Products include ethylene and propylene feedstocks, Ethylene Oxide, Ethylene Glycol, Butanol, various Ethylene Oxide derivatives, basic chemicals and specialty chemicals. For more information, visit <http://www.optimal.com.my/> 

About The Dow Chemical Company (parent company of Union Carbide Corporation)

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 2008, Dow had annual sales of \$57.5 billion and employed approximately 46,000 people worldwide. The Company has 150 manufacturing sites in 35 countries and produces approximately 3,300 products. On April 1, 2009, Dow acquired Rohm and Haas Company, a global specialty materials company with sales of \$10 billion in 2008, 98 manufacturing sites in 30 countries and approximately 15,000 employees worldwide.

About PETRONAS

PETRONAS was incorporated in 1974. It is wholly-owned by the Malaysian government and is vested with the entire ownership and control of the petroleum resources in Malaysia. Over the years, PETRONAS has grown to become a fully-integrated oil and gas corporation and is ranked among FORTUNE® Global 500's largest corporations in the world. For the fiscal year ending March 31, 2009, PETRONAS had a consolidated revenue of RM264.2 billion. PETRONAS has four subsidiaries listed on the Bursa Malaysia and has ventured globally into more than 30 countries worldwide in its aspiration to be a leading oil and gas multinational of choice. For more information, visit www.petronas.com.my 

Note: The forward-looking statements contained in this document involve risks and uncertainties that may affect the Company's operations, markets, products, services, prices and other factors as discussed in filings with the Securities and Exchange Commission. 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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