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COMP/M.5312 - DOW / PIC / JV

SECTION 1.2

Description of the concentration

This notification concerns the proposed formation of a 50/50 joint venture (“K-Dow”) in the petrochemicals sector between The Dow Chemical Company (“TDCC”) and Petrochemical Industries Company K.S.C. of Kuwait (“PIC”).

TDCC will set up a new JV to be called “K-Dow Petrochemicals (KDP)”, initially headquartered in the United States. TDCC will in essence contribute its global polyethylene, polypropylene, polycarbonate, ethyleneamines, and ethanolamines businesses to the JV. TDCC will also contribute certain ethylene and propylene production assets (which the JV will predominantly use for captive consumption). The Parties will also transfer to the JV their existing MEGlobal joint venture, which is active in ethylene glycol. The JV will have no additional activities beyond those areas in which TDCC’s businesses to be transferred are currently active. The 2007 sales of the businesses that will be contributed to the JV by TDCC were above USD 11 billion.

The K-Dow JV’s activities will relate to (i) the research, development, manufacture, distribution, marketing and sale of polyethylene, polypropylene, polycarbonate, including compounds and blends, ethanolamines, ethyleneamines; and, with the inclusion of MEGlobal, ethylene glycol; (ii) the licensing of technology, and the research, production and sale of catalysts used in the manufacture of these products (other than ethylene glycol); and (iii) the production and purchase of ethylene and propylene (as input materials) for the manufacture of these products.