



# *SmartStax*<sup>™</sup> Agreement

Dow AgroSciences, Monsanto Trait Stacking Agreement

September 14, 2007

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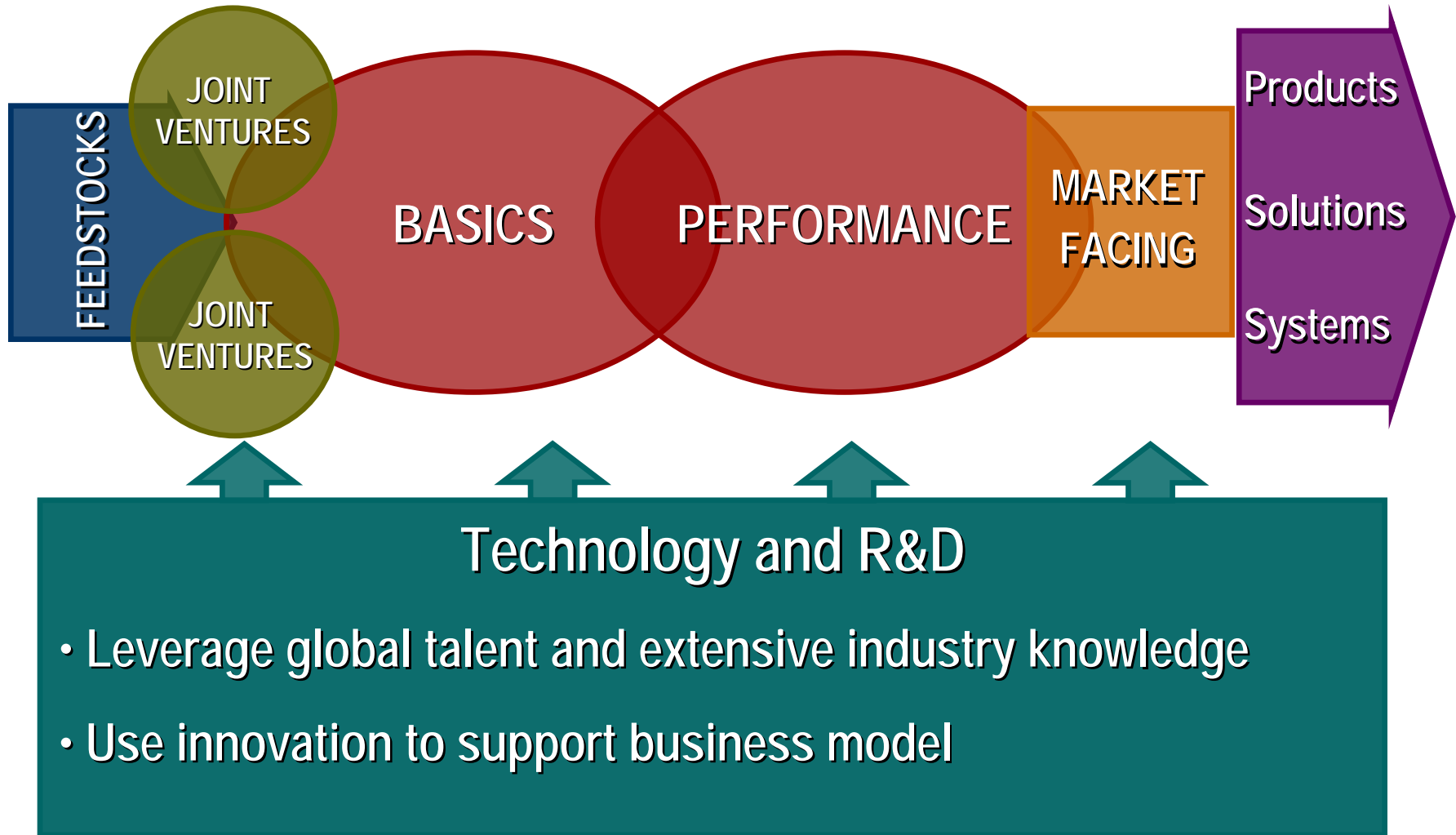
Some of our comments today may include statements about our expectations for the future. Those expectations involve risks and uncertainties. Dow cannot guarantee the accuracy of any forecasts or estimates, and we do not plan to update any forward-looking statements if our expectations change. If you would like more information on the risks involved in forward-looking statements, please see our annual report and our SEC filings.



*Agreement provides further endorsement of Dow strategy*

- Technology and innovation
- Disciplined use of resources
- Earnings growth and earnings consistency

**Delivering on our commitments**



- Leverage global talent and extensive industry knowledge
- Use innovation to support business model

*Creates opportunity to pursue step-change in performance for farmers*

Agreement redefines seeds and traits opportunity in corn by:

- Bringing together the technologies of the two companies that have developed and commercialized the biotech traits widely in use today
- Working together to create new value for farmers otherwise impossible for either company to achieve independently
- Leapfrogging potential generic trait offerings to create the first eight-way gene stack that defines the standard of performance, branded as *SmartStax*

*SmartStax creates platform with superior performance in one package*

## SmartStax

*Anatomy of first-ever eight-way gene stack*

### ABOVE-GROUND INSECT PROTECTION



### BELOW-GROUND INSECT PROTECTION



### WEED CONTROL SYSTEM



## New value and opportunity for farmers:

Durability. Combining multiple genes in a single package helps ensure sustainable insect protection and weed control year after year:

- Combined modes of action for insect protection guard against the development of insect resistance
- Combined herbicide tolerant traits that offer multiple modes of action for weed control

Performance. The complementary nature of the trait platforms converge to offer superior, season-long performance to farmers, notably:

- Enhanced control of a broader spectrum of above- and below-ground insects
- Most comprehensive protection against established and emerging secondary pests
- The industry's best weed control system

# Leapfrogs Competitive Products



*First-ever eight gene stack, boosting performance, creating new value for farmers*

## SmartStax - Anatomy of first-ever eight-way gene platform

TRAIT	GENES	FUNCTION	STATUS
<i>YieldGard VT Triple PRO</i>		Pending Regulatory Review	
COMPONENTS			
YieldGard VT Rootworm/RR2 <i>2<sup>nd</sup>-generation Rootworm Control</i>	1	Below-Ground Insect Control <i>Primary: Rootworm</i>	Commercial
Roundup Ready 2 Technology <i>Via Yieldgard Vt Rootworm/Rr2</i>	1	Weed Control <i>Mode: Glyphosate</i>	Commercial
YieldGard VT PRO <i>2<sup>nd</sup>-generation Yieldgard Corn Borer</i>	2	Above-Ground Insect Control <i>Primary: Corn Borer</i>	Phase IV Pending Reg. Rev.
<i>Herculex XTRA</i>			
COMPONENTS			
Herculex I	1	Above-Ground Insect Control <i>Primary: Corn Border</i>	Commercial
Herculex RW	2	Below-Ground Insect Control <i>Primary: Rootworm</i>	Commercial
Liberty Link	1	Weed Control <i>Mode: Glufosinate</i>	Commercial
<b>SmartStax</b> Industry-Standard Trait Platform <sup>1</sup>	<b>8</b>	Multiple modes of action above- and below-ground insect and weed control	Set for end-of-decade commercialization in U.S. Global roll-out follows



**Eight-way gene stack is in proof-of-concept testing, to establish:**

- Feasibility of full trait integration
- Viability of enhanced performance for insect and weed control

# Broadest Control Available



*The broadest control of primary and secondary pests available to farmers*

	Primary Pests					Secondary Pests		
	European Corn Borer	S'thwestern Corn Borer	Northern Corn Rootworm	Western Corn Rootworm	Fall Armyworm	Western Bean Cutworm	Black Cutworm	Corn Earworm
	Controlled	Controlled			Controlled	Controlled	Controlled	
			Controlled	Controlled				
	Controlled	Controlled			Controlled			Controlled
			Controlled	Controlled				
	Controlled	Controlled	Controlled	Controlled	Controlled	Controlled	Controlled	Controlled



*Delivers new opportunities for both companies globally*

AGREEMENT OVERVIEW		
<p>Cross licensing agreement enables development of first-ever eight-way gene stack – the <i>SmartStax</i> – that provides multiple sources of insect control and herbicide tolerance to improve performance for farmers</p>		
	DOW AGROSCIENCES*	MONSANTO
TECHNOLOGY CONTRIBUTIONS	<ul style="list-style-type: none"> <li>• Herculex I</li> <li>• Herculex RW</li> <li>• Liberty Link</li> </ul>	<ul style="list-style-type: none"> <li>• Roundup Ready 2 Technology</li> <li>• YieldGard VT Triple PRO  <small>2<sup>ND</sup> GEN ROOTWORM CONTROL                      2<sup>ND</sup> GEN YIELDGARD CORN BORER</small> </li> </ul>
MARKET APPROACH	<ul style="list-style-type: none"> <li>• Dow has ability to sell <i>SmartStax</i> in any Dow-owned brand</li> </ul>	<ul style="list-style-type: none"> <li>• Monsanto has ability to sell <i>SmartStax</i> in any Monsanto-owned brand, including <i>DEKALB</i> and <i>ASI</i></li> <li>• Monsanto is the representative for joint third-party licensing through Holden's/Corn States</li> </ul>
	<ul style="list-style-type: none"> <li>• Global deal, spanning all geographies where respective traits are registered</li> <li>• Dow and Monsanto agree to a 10-year germplasm cross license, offering inbreds for use by the other party to create new hybrid combinations to be sold in the respective brands</li> <li>• Dow and Monsanto will compete in the marketplace to sell respective hybrids containing <i>SmartStax</i> traits</li> <li>• Dow and Monsanto may independently stack additional traits with <i>SmartStax</i> in own brands</li> </ul>	

\*Dow AgroSciences includes Dow AgroSciences and relevant affiliates, including Mycogen Plant Sciences, Inc. as appropriate.



*Unleashes untapped potential of Dow AgroSciences technology*

- Increases market potential for Dow AgroSciences traits
- Allows the sharing of elite germplasm for 10 years
- Provides opportunity to stack additional Dow AgroSciences traits – e.g. Dow AgroSciences Herbicide Tolerance Trait (DHT)
- Creates new platform for future growth in biotechnology



# A Strong Plant Biotech Business – Recent Actions

1 Genes/Traits	<ul style="list-style-type: none"><li>• Unique and patentable intellectual property</li><li>• Source of new value/attributes for crops/plant</li></ul>	DAS Herbicide Tolerance Sangamo Exelixis
2 Capabilities	<ul style="list-style-type: none"><li>• Gene “inserted” into DNA of plant</li><li>• Gene “activated” to produce attribute</li><li>• Gene expresses in sufficient level to be effective</li><li>• Trait must pass significant country regulatory hurdles</li></ul>	Sangamo Exelixis
3 Freedom to Operate	<ul style="list-style-type: none"><li>• Key intellectual property licenses for enabling technology in place for future development of genes and traits</li></ul>	Chlorogen <i>SmartStax</i>
4 Genetics (Breeding)	<ul style="list-style-type: none"><li>• Hybrids with best agronomic factors (maturity/yield)</li><li>• Expertise to create elite lines</li><li>• Capability to produce hybrids efficiently</li></ul>	MTI Duo Maize Agromen <i>SmartStax</i>
5 Channel Strength	<ul style="list-style-type: none"><li>• Access to grower (market-facing)</li><li>• Brand recognition</li><li>• Credible customer relationships</li></ul>	Agromen <i>SmartStax</i>

