<u>PRESS RELEASE</u>

FOR IMMEDIATE RELEASE

PAULSON & CO. INC. PROVIDES DOW CHEMICAL WITH STRATEGY TO ACQUIRE ROHM & HAAS AND REFINANCE BRIDGE LOAN

Suggests Utilizing Bridge Loan To Close Transaction; Cutting Dividend, Raising Equity and Selling Bonds to Pay-Off Financing

Cites Recent InBev Purchase of Anheuser Busch as Relevant Case Study

NEW YORK, NY, February 5, 2009– Paulson & Co. Inc. ("Paulson") (Bloomberg: 573991Z), today announced it has corresponded directly with Dow Chemical ("Dow") suggesting a strategy to complete the acquisition of Rohm & Haas and refinance the bridge financing. Paulson holds 18.9 million shares of Rohm & Haas, making it the firm's second largest shareholder.

In a letter sent directly to Andrew N. Liveris, President, CEO and Chairman of the Board at Dow, Paulson urged Dow to close the merger with Rohm & Haas, and suggests that Dow utilize the committed $13 billion bridge loan and $4 billion convertible preferred stock financing to close the transaction. Paulson further suggests that Dow cut its dividend, raise common equity and sell bonds to pay off the bridge financing.

A copy of the letter follows:

February 4, 2009

Andrew N. Liveris
President, CEO and Chairman of the Board
The Dow Chemical Company
2030 Dow Center
Midland, MI 48674

Dear Mr. Liveris,

Paulson & Co. Inc. on behalf of funds we manage is Rohm & Haas' second largest shareholder, currently owning 18.9 million shares. We strongly urge you to close the transaction with Rohm & Haas. Financing is available to you through the committed $13 billion bridge loan and the $4 billion convertible preferred stock financing. Subsequently, if you have concerns about retiring the bridge financing, we suggest that Dow pay it off through a combination of (i) cutting its dividend, (ii) raising common equity and (iii) selling bonds.

While we understand that this is a difficult environment for the chemical industry, current conditions do not have any effect on your obligation to purchase Rohm & Haas. We don't believe that by intentionally refusing to close the transaction that you are benefiting your shareholders. As you know, Dow's obligation to complete the merger is not conditioned on financing and Dow is required to take all action necessary to obtain financing. Dow currently has financing in place to complete the acquisition and the combined Dow Rohm & Haas will have numerous alternatives to refinance the bridge loan.

Several times we have made suggestions to senior executives at Dow. First, we suggest that Dow can temporarily reduce its dividend to one cent per share. By doing so, Dow would save around $1.6 billion per year. In just 4 1/2 years, the annual $1.6 billion of cash will effectively replace the $7 billion of net proceeds that Dow was to raise from the unresolved Kuwaiti joint venture.

Second, we suggest that Dow can sell, post closing, $4 billion of new common equity. Many companies, both in the U.S. and abroad, are raising common equity to strengthen their balance sheets and include Anheuser Busch InBev ($9.8 billion) and Xstrata (~$5.9 billion). **In this regard, in our conversations with Dow, we indicated that depending on the terms we would seriously consider participating in any equity offering you may make.**

Third, we suggest that Dow can further reduce the bank financing by issuing bonds. Currently, there is strong market demand for investment grade debt. In January alone, $100 billion was raised, the most ever in a single month. By cutting the dividend and raising common equity, Dow should be able to maintain its investment grade rating and access the credit markets. We suggest that Dow can raise $5 billion in this market.

By cutting the dividend, raising common equity and selling bonds, Dow could repay the bridge financing by $10 billion, easily facilitating the financing for the acquisition. If desired, Dow can also subsequently issue more common stock or hybrid securities such as convertible preferred and convertible debt to completely repay the bridge facility. In short, a combined Dow Rohm & Haas would have numerous opportunities to refinance all or part of the bridge loan in the equity, bond, term bank loan or hybrid security markets. Of course these refinancing alternatives would be in addition to any proceeds you may receive from the aborted Kuwaiti transaction or other joint venture or asset sales you may pursue.

Of particular note in this regard is InBev's acquisition of Budweiser which closed in 2008 in the midst of the credit crisis. Rather than complain about the status of the market, InBev drew down the bank financing and closed two business days after receiving antitrust clearance on November 18. Shortly thereafter, on December 16, Anheuser Busch InBev raised $9.8 billion in an equity offering (equivalent to 160% of its shares outstanding) and completely repaid the bridge financing. Furthermore, in January 2009 Anheuser Busch InBev sold approximately $7.5 billion in two debt offerings to repay short term indebtedness.

Interestingly, although Anheuser Busch InBev shares initially declined to a low of €10.31 on November 24, 2008, as a result of the repayment of the bridge loan with the equity and debt financings, the stock has risen 93% from its November low to close at €19.91 on January 30, 2009.

We suggest that Dow can follow the same strategy as InBev and close and refinance the Rohm & Haas acquisition. As we previously indicated, depending on the terms we would have a high interest in participating in any equity or hybrid security offerings. We also suggest that the Board act quickly in closing the transaction as you risk further damage to your shareholders by unnecessarily delaying the closing.

FOR FURTHER INFORMATION - Please contact

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Paulson & Co. is an investment management firm that specializes in merger arbitrage, event-driven and distressed investing. Paulson has approximately US$29 billion in assets under management and has offices in New York, London and Hong Kong.

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