

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K



06040780

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

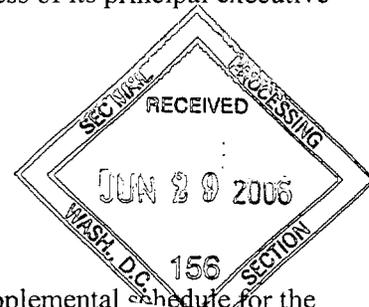
Commission file number 333-67414 1-3433

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

THE DOW CHEMICAL COMPANY  
2030 DOW CENTER  
Midland, Michigan 48674



**REQUIRED INFORMATION**

Financial statements for the years ended December 31, 2005 and 2004, supplemental schedule for the year ended December 31, 2005, and Report of Independent Registered Public Accountant

Exhibits

23 Consent of Independent Registered Public Accounting Firm



**SIGNATURES**

The Plan: Pursuant to the requirements of the Securities Exchange Act of 1934, the undersigned hereunto caused this annual report to be signed on its behalf by the undersigned hereunto

THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN

DATE: June 23, 2006

BY: [Signature]

Allan E. Fowler  
Chairman of the Retirement Board  
of The Dow Chemical Company



***The Dow Chemical  
Company Employees'  
Savings Plan***

*Financial Statements as of and for the  
Years Ended December 31, 2005 and 2004,  
Supplemental Schedule as of December 31,  
2005, and Report of Independent Registered  
Public Accounting Firm*

# THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN

## TABLE OF CONTENTS

---

	<b>Page</b>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004:	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4-12
SUPPLEMENTAL SCHEDULE:	13
Schedule H, Line 4i—Schedule of Assets (Held at End of Year)	14
NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employer Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Dow Chemical Company  
Employees' Savings Plan

We have audited the accompanying statements of net assets available for benefits of The Dow Chemical Company Employees' Savings Plan (the "Plan") as of December 31, 2005 and 2004, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. Such supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2005 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Deloitte & Touche LLP*

June 23, 2006

**THE DOW CHEMICAL COMPANY  
EMPLOYEES' SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2005 AND 2004**

	2005	2004
<b>ASSETS:</b>		
Investments—at fair value:		
Plan interest in Master Trust:		
Investments:		
Allocated LESOP fund	\$ 613,439,992	\$ 709,532,959
Other	4,958,020,012	4,963,292,373
Participant loans	106,301,541	101,384,201
The Dow Chemical Company common stock—		
LESOP unallocated fund shares	55,481,598	116,230,122
Temporary investments	<u>2,563,498</u>	<u>12,096,460</u>
Total investments	<u>5,735,806,641</u>	<u>5,902,536,115</u>
Receivables:		
Employer contributions		82,500
Employee contributions		3,197,312
Interest, dividends and other	<u>446,506</u>	<u>819,572</u>
Total receivables	<u>446,506</u>	<u>4,099,384</u>
Total assets	<u>5,736,253,147</u>	<u>5,906,635,499</u>
<b>LIABILITIES—Notes payable</b>	<u>568,503</u>	<u>12,375,116</u>
Total liabilities	<u>568,503</u>	<u>12,375,116</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$5,735,684,644</u>	<u>\$5,894,260,383</u>

See notes to financial statements.

**THE DOW CHEMICAL COMPANY  
EMPLOYEES' SAVINGS PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005	2004
<b>ADDITIONS:</b>		
Investment income:		
Plan interest in Master Trust investment income	\$ 133,178,612	\$ 628,333,765
Net (depreciation) in fair value of investments	(62,394,389)	(38,178,038)
Dividends	2,082,571	3,806,616
Interest	<u>226,787</u>	<u>143,363</u>
Net investment income	<u>73,093,581</u>	<u>594,105,706</u>
Contributions:		
Employer	53,628,387	64,211,507
Employee	<u>150,507,936</u>	<u>150,111,310</u>
Total contributions	204,136,323	214,322,817
Plan mergers	<u>                    </u>	<u>10,558,294</u>
Total additions	<u>277,229,904</u>	<u>818,986,817</u>
<b>DEDUCTIONS:</b>		
Distributions and withdrawals	431,057,378	480,591,471
Interest expense	444,363	2,369,155
Administrative expenses	<u>554,975</u>	<u>848,699</u>
Total deductions	<u>432,056,716</u>	<u>483,809,325</u>
TRANSFERS OUT—Net	<u>3,748,927</u>	<u>                    </u>
NET INCREASE (DECREASE)	(158,575,739)	335,177,492
<b>NET ASSETS AVAILABLE FOR BENEFITS:</b>		
Beginning of year	<u>5,894,260,383</u>	<u>5,559,082,891</u>
End of year	<u>\$5,735,684,644</u>	<u>\$5,894,260,383</u>

See notes to financial statements.

# THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN

## NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

---

### 1. DESCRIPTION OF THE PLAN

The following description of The Dow Chemical Company Employees' Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document or Summary Plan Description for a more complete description of the Plan's provisions.

**General**—The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and covers any person who is or becomes a regular employee of The Dow Chemical Company (the "Company" or "Dow") or of certain of the Company's subsidiaries. Union Carbide Corporation ("UCC") and Dow participants are not entitled to a Company matching contribution or any Company discretionary contributions until the participant completes one year of eligibility service. Certain participants (Dow salaried, ANGUS hourly, and UCC employees) are eligible to receive a Leveraged Employee Stock Ownership Plan ("LESOP") mandatory contribution when employed through December 31 of any given year. The determination of eligibility service for any individual who is covered under a collective bargaining agreement and who subsequently becomes a salaried employee is based on the original hire date. The Retirement Board of the Company administers the Plan.

**Employee Contributions**—Plan participants generally may elect to contribute from 1% to 40%, depending on the participant's base pay, limited to a 1% minimum contribution. Employees who do not exceed the gross compensation limits are limited to 40% of base pay in 0.5% increments, with a 1% minimum contribution. The maximum yearly gross compensation contribution made through payroll deductions was \$14,000 and \$13,000 in 2005 and 2004, respectively. Plan participants may elect to increase, decrease, suspend, or resume compensation deferrals at any time. New elections are effective as soon as practicable after the request is processed.

**Company Contributions**—Company contributions to the Plan are comprised of the LESOP mandatory contribution and a matching contribution. The LESOP mandatory contribution guarantees each Dow salaried and ANGUS hourly participant a total contribution of at least 1% of their annual base pay. The LESOP trustee releases the shares of common stock of the Company to Plan participants based on principal and interest repayments of the notes. If the release of Company common stock results in a contribution to Plan participants of less than 1% of base salary, an additional contribution of Company common stock will be made. No additional contributions were required for the years ended December 31, 2005 and 2004.

Dividends on the shares of stock held by the LESOP are used to meet principal and interest obligations of the LESOP notes. For the year end December 31, 2004, dividend income of the common stock was not adequate to offset the interest and principal payments of the notes of the LESOP fund. Accordingly, a contribution of \$7,660,048 was made by the Company to the LESOP in 2004. No additional contribution was required for the year ended December 31, 2005.

For certain participants, the Company matching contribution is calculated as 50% of the first 6% of annual base pay deferrals. Company contributions are made each pay period based on Plan participants'

contributions during that pay period. Company contributions are made in LESOP common stock, except contributions made for certain employees subject to bargaining agreements, which are made in cash, which were approximately \$1,978,000 and \$2,220,000 for the years ended December 31, 2005 and 2004 respectively.

**Temporary Investments**—Temporary investments are investments in short-term money market funds in the respective investment funds.

**Restricted Stock**—Participant balances in the Dow Stock Fund included in the Plan or Master Trust can be a combination of restricted and nonrestricted funds. Company mandatory contributions to the LESOP fund, including any stock rolled over from predecessor plans, are restricted and cannot be transferred to other funds. However, upon attaining age 50, a participant has the option of transferring the restricted stock into any fund with the exception of the Dow Stock Fund. Such transfers of restricted stock in the LESOP fund are limited to 1% increments under the following transfer schedules:

Age	Stock Eligible for Transfer
50–54	Up to 25% of the account balance each year
55–59	Up to 50% of the account balance each year
60 and over	Up to 100% of the account balance each year

Effective May 1, 2006, the restricted stock component has been eliminated.

**Account Valuation**—Participant account balances reflect the total contributions made to the Plan by employees and the Company, plus investment results (which are allocated on a pro rata basis) less expenses and withdrawals.

**Vesting**—Participants are immediately vested in all amounts credited to their Plan account, including employee contributions, the Company matching contribution, and investment earnings. In order to receive the LESOP mandatory contribution, participants must be eligible and cannot terminate employment before December 31 for any reason other than retirement, disability, or death. Participants who transfer from the Company's employment or from a participating employer to a subsidiary of the Company, which is at least 50% owned by the Company and which is not a participating employer, will participate in the LESOP mandatory contribution for the Plan in the year of the transfer.

**Benefits Distribution**—Benefits are generally distributable upon termination of employment as a lump sum payment or may be deferred until any future date. Eligible retirees age 65 or older, or age 50 and over with at least 10 years of eligibility service, may also request partial withdrawals from the Plan. Active employees can request in-service distribution upon the attainment of age 59 1/2. After-tax withdrawals are available once every six months. In certain limited hardship situations (as defined by Internal Revenue Service "IRS" regulations), participants may withdraw up to 100% of their employee contributions account balance.

**Participant Loans**—Active participants, retirees, and terminated participants, may borrow from their employee contributions, plus earnings on those contributions, with a minimum loan of \$1,000. Plan loans are limited to the smaller of:

- 50% of the total account balance, or
- \$50,000 less the highest outstanding loan balance in the preceding 12 months.

Loan repayments for active employees are made through payroll deductions, on an after-tax basis, with a minimum term of six months and a maximum of 54 months for any purpose other than the purchase of a primary residence; and a minimum term of six months and a maximum of 120 months for loans for the purpose of purchasing a primary residence. Repayments, both interest and principal, are credited to the participant's account and are allocated among the fund options according to the participant's current investment election. A fixed interest rate is applied to the loan. This rate is equal to the prime rate as listed in the Wall Street Journal-Eastern Edition on the last day of each calendar quarter before the loan is processed (February 2, 2001, forward) or the prime rate as listed by Bankers Trust Company in New York on the last working day of the month before the day the loan is processed (April 1, 1999 through February 2, 2001). The range of rates on loans outstanding at December 31, 2005 and 2004, was 4.0% to 11.5%.

**Investments**—Participants direct the investment of their contributions into various investment options offered by the Plan.

**Administration**—Administrative expenses of the trustee are charged to the Plan. The net assets of the Plan and Master Trust for the Plan and the Mycogen Corporation Deferred Savings Plan are held by Fidelity Management Trust Company ("Fidelity") who acts as independent trustee and custodian for all the investments in the Master Trust. Fidelity manages certain Plan investments in the Master Trust, such as shares of commingled funds.

**Amendment or Termination**—The Plan does not have an expiration date. The Company's Board of Directors, however, may at any time terminate, amend, or modify the Plan, subject to certain rights of the Plan participants. Upon termination of the Plan, each participant is entitled to receive the entire balance in his or her account in accordance with the terms of the Plan.

**Transfers Out—Net**—In certain circumstances participants are allowed to transfer funds from this plan to defined benefits plans of Dow.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The financial statements for the Plan have been prepared in accordance with accounting principles generally accepted in the United States of America. Investment transactions are accounted for on the trade date, and dividend and interest income are recorded when earned.

**Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

The Plan and Master Trust invest in common stock and various investment instruments including pooled funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**Investments**—Investments in the Plan and Master Trust consisting of common stock of the Company and pooled funds are stated at fair value. Investments in guaranteed investment contracts are stated at contract value. Common stock of the Company is stated at fair value based upon quoted market value of

such securities at year end. Temporary investments and participant loans receivable are stated at cost which approximates fair value.

Investments of the Interest Income Fund included in the Master Trust consist of bank Guaranteed Investment Contracts ("GICs") and synthetic investment contracts (see Note 4). Synthetic investment contracts operate similarly to a separate account investment contract, except that the assets are placed in a trust (with ownership by the Master Trust) rather than a separate account of the contract issuer. Investment contracts included in the Master Trust other than the synthetic arrangements are subject to fixed interest rates. The synthetic investment contracts provide for prospective crediting interest rate adjustments based on the interest earnings and fair value of the underlying trust assets. The crediting interest rates are reset monthly or quarterly, depending on the contract, and the contracts include wrappers that provide that the crediting interest rates cannot be less than zero. The average crediting interest rate of the synthetic investment contracts as of December 31, 2005 and 2004, was approximately 4.9% and 4.5%, respectively.

All investment contracts are considered benefit responsive and are therefore recorded at contract value in accordance with the American Institute of Certified Public Accountants' Statement of Position 94-4, *Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined Contribution Pension Plans*. The average yield for the Interest Income Fund was approximately 4.9% and 4.5% for the years ended December 31, 2005 and 2004, respectively. There are no reserves against the contract value for credit risk of the contract issuer or otherwise.

**Benefits Payable**—Amounts payable to persons who have withdrawn from participation are not recorded as a liability of the Plan. There were no benefits payable to participants who had withdrawn from participation in the Plan as of December 31, 2005 and 2004.

**Tax Status**—The IRS has determined and informed the Company by a letter dated October 17, 2003, that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the Internal Revenue Code (the "Code"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

**Derivative Instruments**—The Plan and Master Trust account for derivative instruments in accordance with Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended.

### 3. INVESTMENTS

The following table presents the Plan's investments as of December 31, 2005 and 2004. No investments exceed 5% or more of the Plan's net assets available for benefits.

Investments at Fair Market Value as Determined by Quoted Market Prices	2005	2004
Common stock of The Dow Chemical Company:		
*LESOP fund	\$ 55,481,598	\$ 116,230,122
Master Trust Investment Account	5,677,761,545	5,774,209,533
*Temporary investments	<u>2,563,498</u>	<u>12,096,460</u>
Total investments	<u>\$5,735,806,641</u>	<u>\$5,902,536,115</u>

\*Nonparticipant-directed

Net appreciation (depreciation) in the fair value of investments of the Plan for the years ended December 31, 2005 and 2004, was as follows:

	2005	2004
Common stock of The Dow Chemical Company:		
LESOP fund	\$ (62,394,389)	\$ (38,178,038)
Plan interest in Master Trust*	<u>133,178,612</u>	<u>628,333,765</u>
Total	<u>\$ 70,784,223</u>	<u>\$ 590,155,727</u>

\*Plan interest in Master Trust includes interest and dividends

### 4. MASTER TRUST

Effective August 29, 2003, the Company created the Master Trust for the purpose of commingling certain investments of the Plan and the Mycogen Corporation Deferred Savings Plan. The net assets of the Master Trust are held by Fidelity, who acts as the independent trustee, custodian and record keeper.

The net assets of the Master Trust as of December 31, 2005 and 2004, are as follows:

<b>Master Trust—Net Assets</b>	<b>2005</b>	<b>2004</b>
Investments at fair value as determined by quoted market prices—The Dow Chemical Company common stock:		
Dow Stock Fund	\$ 830,007,065	\$ 874,497,556
LESOP fund (allocated shares)	613,439,992	709,532,959
Pooled funds	2,577,044,399	2,434,276,355
Temporary investments	44,372,612	53,196,721
Participant loans	<u>106,301,541</u>	<u>101,384,201</u>
Total	<u>4,171,165,609</u>	<u>4,172,887,792</u>
Investments at contract value (current value—2005: \$1,546,458,496; 2004: \$1,686,787,225):		
Guaranteed Investment Contracts (“GICs”)		2,013,904
Synthetic GICs	<u>1,534,041,527</u>	<u>1,630,556,223</u>
Total	<u>1,534,041,527</u>	<u>1,632,570,127</u>
Other assets and liabilities of the Master Trust:		
Accrued interest and dividends receivable	12,331,855	13,855,980
Accrued liabilities	<u>(17,569,573)</u>	<u>(24,355,715)</u>
Total	<u>(5,237,718)</u>	<u>(10,499,735)</u>
Total	<u>\$5,699,969,418</u>	<u>\$5,794,958,184</u>

The total net investment income of the Master Trust for the years ended December 31, 2005 and 2004, was as follows:

<b>Master Trust—Net Investment Income</b>	<b>2005</b>	<b>2004</b>
Net appreciation as determined by quoted market prices:		
Common stock of The Dow Chemical Company:		
Dow Stock Fund	\$ (101,922,869)	\$ 145,476,107
LESOP fund	(80,001,312)	115,822,366
Pooled funds	<u>187,003,861</u>	<u>247,638,132</u>
Net appreciation	5,079,680	508,936,605
Dividends	46,055,056	42,682,035
Interest	<u>83,500,551</u>	<u>78,514,278</u>
Total Master Trust net investment income	<u>\$ 134,635,287</u>	<u>\$ 630,132,918</u>

As of December 31, 2005 and 2004, the plans participating in the Master Trust held the following interests in the Master Trust net assets:

Plan		2005	2004
The Dow Chemical Company Employees' Savings Plan	99.6 %	\$5,677,761,545	\$5,774,209,533
Mycogen Corporation Deferred Savings Plan	0.4	<u>22,207,873</u>	<u>20,748,651</u>
Total Master Trust net assets available for benefits	<u>100 %</u>	<u>\$5,699,969,418</u>	<u>\$5,794,958,184</u>

The net investment income relating to the Master Trust was allocated daily to the participating plans by the trustee based on the Plan's interest in the individual funds of the trust.

## 5. LEVERAGED EMPLOYEE STOCK OWNERSHIP PLAN AND NOTES PAYABLE

The Dow LESOP trust was established pursuant to an Employee Stock Ownership Plan Trust Agreement (the "Trust Agreement"). The Trust Agreement authorized the Dow LESOP trustee to borrow money, if so directed by the Board of Directors, upon such terms and conditions as permitted under ERISA and as advisable or proper to carry out the purposes of the LESOP trust. The proceeds of any such loan, and cash contributions by the Company to the LESOP trust not used to repay any such loan or to pay expenses of the LESOP trust, must be used to acquire shares of common stock of the Company.

Pursuant to a Preferred Stock Purchase Agreement between the Company and the Dow LESOP trust, the Dow LESOP trust initially purchased 1,602,322 shares of preferred stock for \$137,999,982. To finance the purchase of the preferred stock, the Dow LESOP trust borrowed the purchase price. The preferred stock was redeemable in whole or part at the Company's option any time after January 1, 2000, at \$86.125 per share plus an amount equal to all accrued and unpaid dividends. On February 9, 2000, the Company exercised its option to redeem the preferred stock. On that same date the trustee of the Dow LESOP trust elected to convert the preferred stock into common stock at a ratio of 1:1. The LESOP trustee now holds common stock of the Company.

The indenture governing the notes provides that the Company will make cash contributions to the LESOP trust on or prior to the date on which each payment of principal or interest on the notes is scheduled to become due in amounts which, when added to earnings received on such contributions and earnings (including dividends on the common or preferred stock) on the assets of the LESOP trust, together with any other assets lawfully available for this purpose, will be sufficient and lawfully available to timely make such principal, premium or interest payment, except to the extent inconsistent with the requirements of ERISA or the Code. Unless the Company shall itself make payments to satisfy the LESOP trust's other payment obligations under the indenture, the Company also agrees to make such additional cash contributions to the LESOP trust to enable the LESOP trust to satisfy its other obligations, except to the extent inconsistent with the requirements of ERISA or the Code. In order to comply with federal regulations applicable to certain loans to employee stock ownership plans, neither the indenture trustee (Continental Bank) nor holders of the notes will have any recourse against the LESOP trust for payments with respect to the notes.

Repayment of the notes was guaranteed by the Company. At December 31, 2003, notes payable included \$14,900,000 of 9.42% guaranteed amortizing LESOP notes which were due in 2004. On December 31, 2004, the remaining balance was paid.

UCC also had a LESOP trust as part of the UCC plan, which was merged with the Dow LESOP trust into one LESOP trust under the Plan on December 27, 2001. On November 16, 1990, UCC loaned the UCC LESOP \$325,000,000 at 10% per annum with a maturity date of December 31, 2005. The loan was used to purchase shares of UCC convertible preferred stock. Conversion of the preferred shares to common shares in 1992, together with a restructuring and special stock dividend associated with the spin-off of Praxair, resulted in a share repurchase and \$201,000,000 principal repayment of the UCC LESOP loan. UCC LESOP shares were converted into shares of Dow stock on February 6, 2001. On December 27, 2001, the LESOP note for the acquisition of the UCC LESOP shares was restructured with a new maturity date of December 31, 2023, and a new interest rate of 6.96%.

As part of the consideration for the restructuring of the note, UCC agreed to release its security interest in the LESOP shares and to an amortization schedule as follows: 10% of the outstanding balance shall be paid by December 31, 2005, an additional 15% of the outstanding balance shall be paid by December 31, 2010, an additional 25% of the outstanding balance shall be paid by December 31, 2015, and the remaining 50% of the outstanding balance shall be paid by December 31, 2023. As additional consideration, Dow agreed, in the event no other Plan contributions including Company matches are made by Dow, to contribute \$73,000,000 in new value into the Plan by December 31, 2023. As of December 31, 2005 and 2004, the principal amount outstanding on the restructured LESOP note was \$568,503 and \$12,375,116, respectively.

Dividends on shares held by the LESOP are paid to the LESOP and, together with Company contributions, are used, in part, by the LESOP to make debt service payments on the loans. Shares are released for allocation to participants based on the ratio of the current year's debt service to the sum of the principal and interest payments over the combined life of the two loans. The Company declared common stock dividends of \$1.34 and \$1.34 per share during 2005 and 2004, respectively.

## 6. NONPARTICIPANT-DIRECTED INVESTMENTS

Nonparticipant-directed investments as of December 31, 2005 and 2004, were as follows:

	2005	2004
Net assets available for benefits:		
Investments:		
The Dow Chemical Company common stock—LESOP unallocated	\$ 55,481,598	\$ 116,230,122
Temporary investments	4,932,078	12,096,460
Plan interest in net assets of Master Trust Allocated LESOP fund	613,439,992	709,532,959
Temporary investments and interest, dividends, and other receivables	2,674,877	3,566,713
Notes payable	<u>(568,503)</u>	<u>(12,375,116)</u>
Total net assets available for benefits	<u>\$ 675,960,042</u>	<u>\$ 829,051,138</u>

Changes in nonparticipant-directed investments of the Plan for the years ended December 31, 2005 and 2004, were as follows:

	2005	2004
Change in net assets:		
Investment income:		
Net (depreciation) in fair value	\$ (62,394,389)	\$ (38,178,038)
Plan interest in Master Trust Allocated LESOP fund		
investment income (loss)	(39,216,697)	172,893,626
Dividends	21,191,667	23,620,602
Interest	<u>320,015</u>	<u>181,316</u>
Total investment income (loss)	<u>(80,099,404)</u>	<u>158,517,506</u>
Contributions—employer		7,984,768
Distributions and withdrawals	(68,237,912)	(88,769,663)
Administrative expenses	(70,000)	(70,260)
Transfers from (to) other funds	<u>(4,683,780)</u>	<u>(2,332,531)</u>
Total change in net assets	(153,091,096)	75,329,820
Net assets available for benefits:		
Beginning of year	<u>829,051,138</u>	<u>753,721,318</u>
End of year	<u>\$675,960,042</u>	<u>\$829,051,138</u>

Investments in Dow's common stock are recorded at fair value based on the quoted fair value of such securities at year end. Temporary investments are recorded at cost which approximates fair value.

## 7. PLAN MERGERS

The Celanese Employee Savings Plan with net assets of \$10,558,294 was merged into the Plan on May 7, 2004.

## 8. RELATED-PARTY TRANSACTIONS

The contribution receivable from Dow was \$0 and \$82,500 as of December 31, 2005 and 2004, respectively. Receivables exist at the end of the 2004 Plan year due to the timing of payroll contributions to the trust.

All transactions with Fidelity qualify as party-in-interest transactions.

## 9. PROHIBITED TRANSACTIONS

Monies were deducted from one participant's paycheck in January, February, and March of 2004, but they were not deposited into the Plan due to an administrative error. The error has since been corrected.

The missing participant contributions of \$2,070.40 and company match of \$776.40 were deposited into the participant's account on April 23, 2004. An additional \$21.01 of earnings was also deposited into the participant's account on April 23, 2004. An excise tax of \$465.84 was paid to the IRS and the prohibited transaction was reported to the IRS on June 28, 2004.

\* \* \* \* \*

**SUPPLEMENTAL SCHEDULE**

# THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN

PLAN SPONSOR: THE DOW CHEMICAL COMPANY  
 EMPLOYER IDENTIFICATION NO. 38-1285128  
 PLAN NO. 002

## SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2005

---

(a) (b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost or Contract Value	(e) Current Value
* Common Stock of The Dow Chemical Company—LESOP fund			\$ 55,481,598
* Plan interest in Master Trust:			
Investments:			
Allocated LESOP fund			613,439,992
Other			4,958,020,012
Participant loans	(Interest rates ranging from 4% to 11.5%. Loan maturities up to 10 years.)		106,301,541
Temporary investments			2,563,498

\* Represents a party-in-interest to the Plan.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Dow Chemical Company:

We consent to the incorporation by reference in Registration Statement No. 333-67414 of The Dow Chemical Company on Form S-8 of our report dated June 23, 2006, appearing in this Annual Report on Form 11-K of The Dow Chemical Company Employees' Savings Plan for the year ended December 31, 2005.

*Deloitte & Touche LLP*

Midland, Michigan  
June 23, 2006