

Dow Rebuffs Third Point

Associated Press

NEW YORK (AP) — Dow Chemical is rejecting a push by a major shareholder to break off its petrochemicals division.

Dan Loeb's Third Point LLC revealed a significant stake last month in the Midland, Mich., company and immediately advocated for a separation of the division from others that have fared better, like Dow's agricultural science and electronics and functional materials businesses.

Dow completed an internal review and in a filing Tuesday with the Securities and Exchange Commission said that such measures would reduce the company's value.

Dow said its structure allows it to benefit from scale, minimized integration costs and enhanced technological capabilities across a wide variety of its businesses.

Third Point said last month that Dow's stock had performed poorly compared to other chemical stocks and the S&P 500, arguing that a spinoff of the petrochemicals business would deliver more value for shareholders.

Dow underwent a major restructuring after the recession, closed dozens of plants and slashed thousands of jobs. Its shares outpaced most other chemical companies in the past year. Shares have easily outpaced the sector since the beginning of the year and on Tuesday, they traded at levels not seen in more than six years.

But shares did edge down 39 cents in premarket trading Wednesday to \$46.45.

In its Tuesday filing, Dow didn't specifically mention Third Point, but said its review outlined a series of other measures designed to boost the company's value.

"Dow believes that the specific actions it has taken to transition Dow from a commodity-based model into a vertically integrated science company focused on specialty materials, agriculture, and specialty plastics, is the right strategy to maximize value for all of our shareholders in the short and long term," the filing said.

Third Point did not immediately respond to a request for comment early Wednesday.

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