



# **Wells Fargo Securities**

## **2015 Industrial and Construction Conference**

**May 5, 2015**

# Forward-Looking Statements

This communication includes forward-looking statements. These statements relate to analyses and other information that are based on management's beliefs, certain assumptions made by management, forecasts of future results, and current expectations, estimates and projections about the markets and economy in which Olin Corporation ("Olin") and The Dow Chemical Company's ("TDCC") chlorine products business operate. These statements may include statements regarding the proposed combination of TDCC's chlorine products business with Olin in a "Reverse Morris Trust" transaction, the expected timetable for completing the transaction, benefits and synergies of the transaction, future opportunities for the combined company and products and any other statements regarding Olin's and TDCC's chlorine products businesses' future operations, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies and competition.

The statements contained in this communication that are not statements of historical fact may include forward-looking statements that involve a number of risks and uncertainties. We have used the words "anticipate," "intend," "may," "expect," "believe," "plan," "estimate," "will," and variations of such words and similar expressions in this communication to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control. Therefore, actual outcomes and results may differ materially from those matters expressed or implied in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: factors relating to the satisfaction of the conditions to the proposed transaction, including regulatory approvals and the required approvals of Olin's shareholders; the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; the possibility that Olin may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all; the integration of the TDCC's chlorine products business being more difficult, time-consuming or costly than expected; the effect of any changes resulting from the proposed transaction in customer, supplier and other business relationships; general market perception of the proposed transaction; exposure to lawsuits and contingencies associated with TDCC's chlorine products business; the ability to attract and retain key personnel; prevailing market conditions; changes in economic and financial conditions of Olin and TDCC's chlorine products business; uncertainties and matters beyond the control of management; and the other risks detailed in Olin's Form 10-K for the fiscal year ended December 31, 2014. The forward-looking statements should be considered in light of these factors. In addition, other risks and uncertainties not presently known to Olin or that Olin considers immaterial could affect the accuracy of our forward-looking statements. The reader is cautioned not to rely unduly on these forward-looking statements. Olin and TDCC undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise.

# SEC Disclosure Rules

## Important Notices and Additional Information

In connection with the proposed transaction, Blue Cube Spinco Inc. (“Spinco”) will file a registration statement on Form S-4/S-1 containing a prospectus and Olin Corporation will file a proxy statement on Schedule 14A and a registration statement on Form S-4 containing a prospectus with the Securities and Exchange Commission (the “SEC”). INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE REGISTRATION STATEMENTS/PROSPECTUSES AND PROXY STATEMENT WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PARTIES AND THE PROPOSED TRANSACTION. Investors and security holders may obtain a free copy of the prospectuses and proxy statement (when available) and other documents filed by The Dow Chemical Company (“TDCC”), Spinco and Olin with the SEC at the SEC's web site at <http://www.sec.gov>. Free copies of these documents, once available, and each of the companies' other filings with the SEC may also be obtained from the respective companies by directing a written request to Olin at 190 Carondelet Plaza, Clayton, MO 63105 Attention: Investor Relations or TDCC or Spinco at The Dow Chemical Company, 2030 Dow Center, Midland, Michigan 48674, Attention: Investor Relations.

This communication is not a solicitation of a proxy from any investor or security holder. However, Olin, TDCC, and certain of their respective directors, executive officers and other members of management and employees, may be deemed to be participants in the solicitation of proxies from shareholders of Olin in respect of the proposed transaction under the rules of the SEC. Information regarding Olin directors and executive officers is available in Olin 2014 Annual Report on Form 10-K filed with the SEC on February 25, 2015, and in its definitive proxy statement for its annual meeting of shareholders filed March 4, 2015. Information regarding TDCC's directors and executive officers is available in TDCC's Annual Report on Form 10-K filed with the SEC on February 13, 2015, and in its definitive proxy statement for its annual meeting of shareholders, which was filed on March 27, 2015. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the registration statements, prospectuses and proxy statement and other relevant materials to be filed with the SEC when they become available.

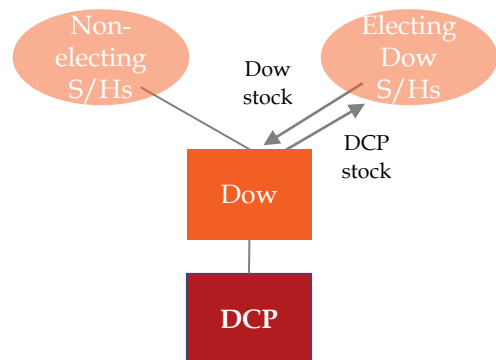
This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

# Olin to Acquire Dow Chemical's Chlorine Products

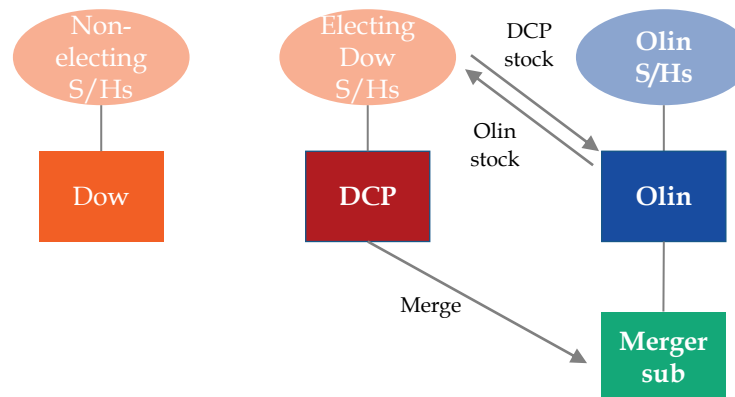
- Transaction Overview
  - Reverse Morris Trust structure
  - Total value of \$5B, consisting of approximately 1) \$2.2B in common stock, 2) \$2B in cash and cash equivalents, and 3) \$.8B in assumed debt and pension liabilities
  - Separate agreement on ethylene is additive and value-creating
  - Will create Chlorine Products leader with \$7B in revenue and \$1B in pre-synergy EBITDA
- Ownership
  - Dow shareholders approximately 50.5%, existing Olin shareholders approximately 49.5%
  - 80.6MM shares of “New Olin” shares to be issued, total post-close approximately 160MM
- Closing of Transaction
  - Olin shareholder vote – simple majority required
  - Customary closing conditions, relevant tax rulings and regulatory approvals
  - Closing expected to occur by year-end 2015

# Reverse Morris Trust Structure

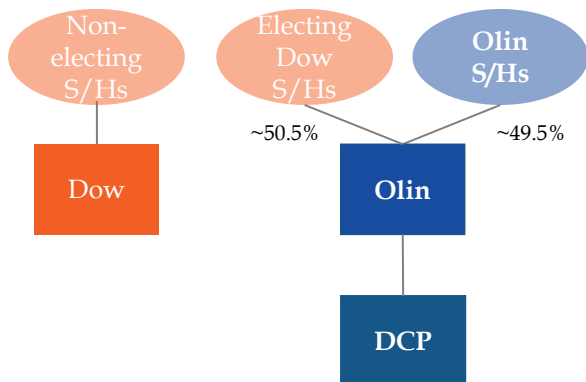
## Step 1: Split-off<sup>1</sup>



## Step 2: Merger



## Step 3: Final result



## Key considerations

- Approximately 80.6 million shares of Olin common stock issued to Dow's shareholders, which will be used to retire Dow shares via an exchange offer if Dow elects a split-off
- Transaction expected to be tax free to Dow with Olin shareholders owning approximately 49.5% of the combined equity following the merger
- Dow receives approximately \$2,030mm in the form of a special cash dividend and debt retirement
- Spin-off rules/tax agreement with Dow will limit Olin equity raising/M&A activity for 2 years following spin / split

<sup>1</sup> Dow has option of spin-off or split-off structure for this transaction; assumed Dow elects a split-off structure for illustrative purposes

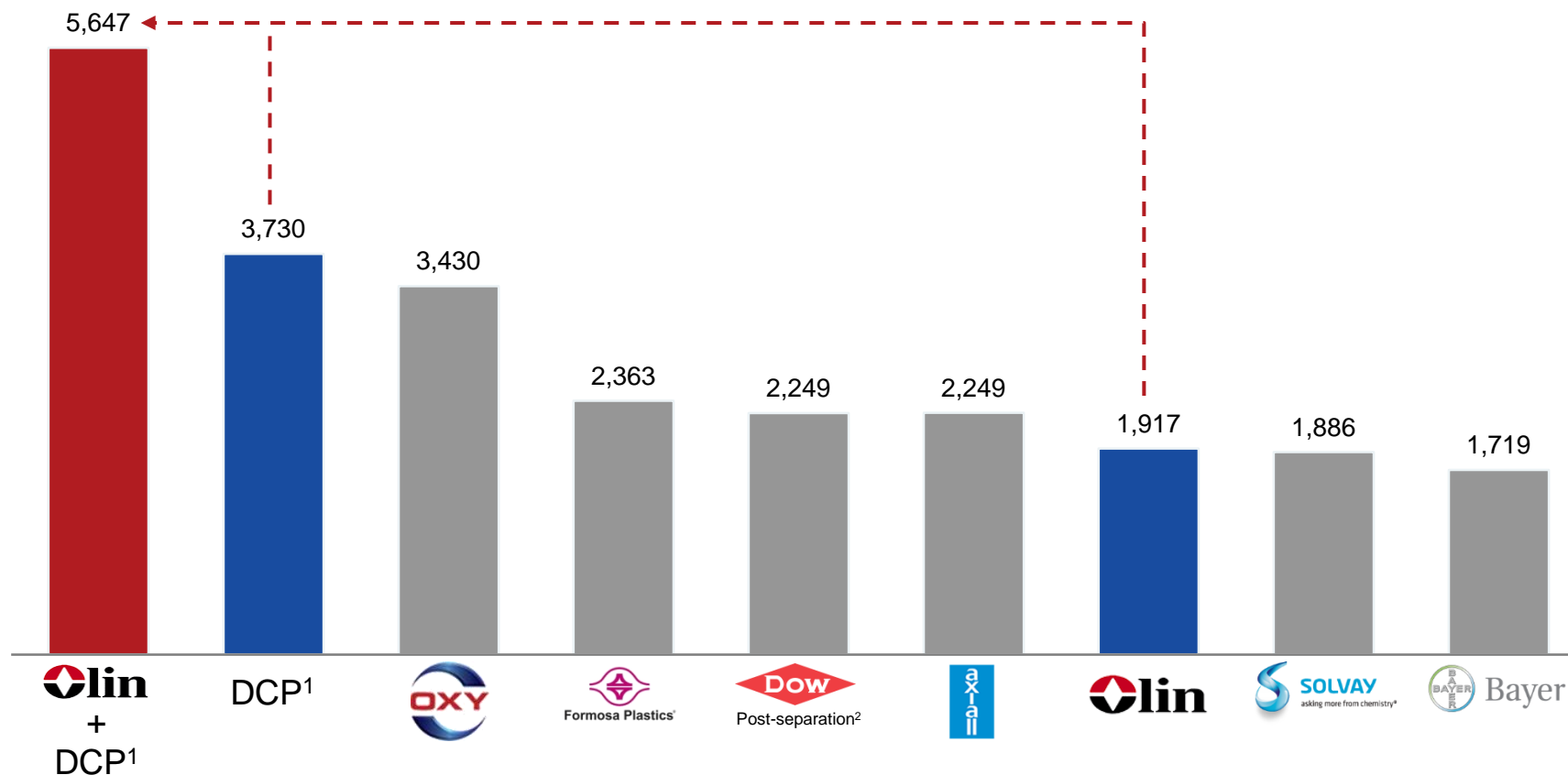
# Strategic Benefits

- **Creates Leading Producer of Chlorine Derivatives and Caustic Soda**
  - Leading global chlor alkali producer with 5.6 million tons of low cost chlorine capacity
  - #1 global seller of membrane caustic soda and chlorinated organics
  - #1 global supplier of epoxy materials
  - #1 North American seller of chlorine, bleach and on-purpose hydrochloric acid (HCl)
- **Olin Will Have Significant Scale and Product Diversity**
  - Operations in North America, Europe, Latin America and Asia
  - Downstream Chlorine derivatives increase to 19 end uses from 3
- **Strong Cash Flows and Significant Cost and Expansion Synergies**
  - Long-term contracts, geographic and product portfolio diversity, and low cost operations to provide higher level of earnings stability and cash flow generation
  - Expected synergies of at least \$200MM are expected by end of third year
  - Upside potential to \$300MM by accessing new segments and customers

# Creates Chlorine-Based Products Leader

Top chlorine producers worldwide (kMT)

Chlorine global capacity: ~90,000 kMT

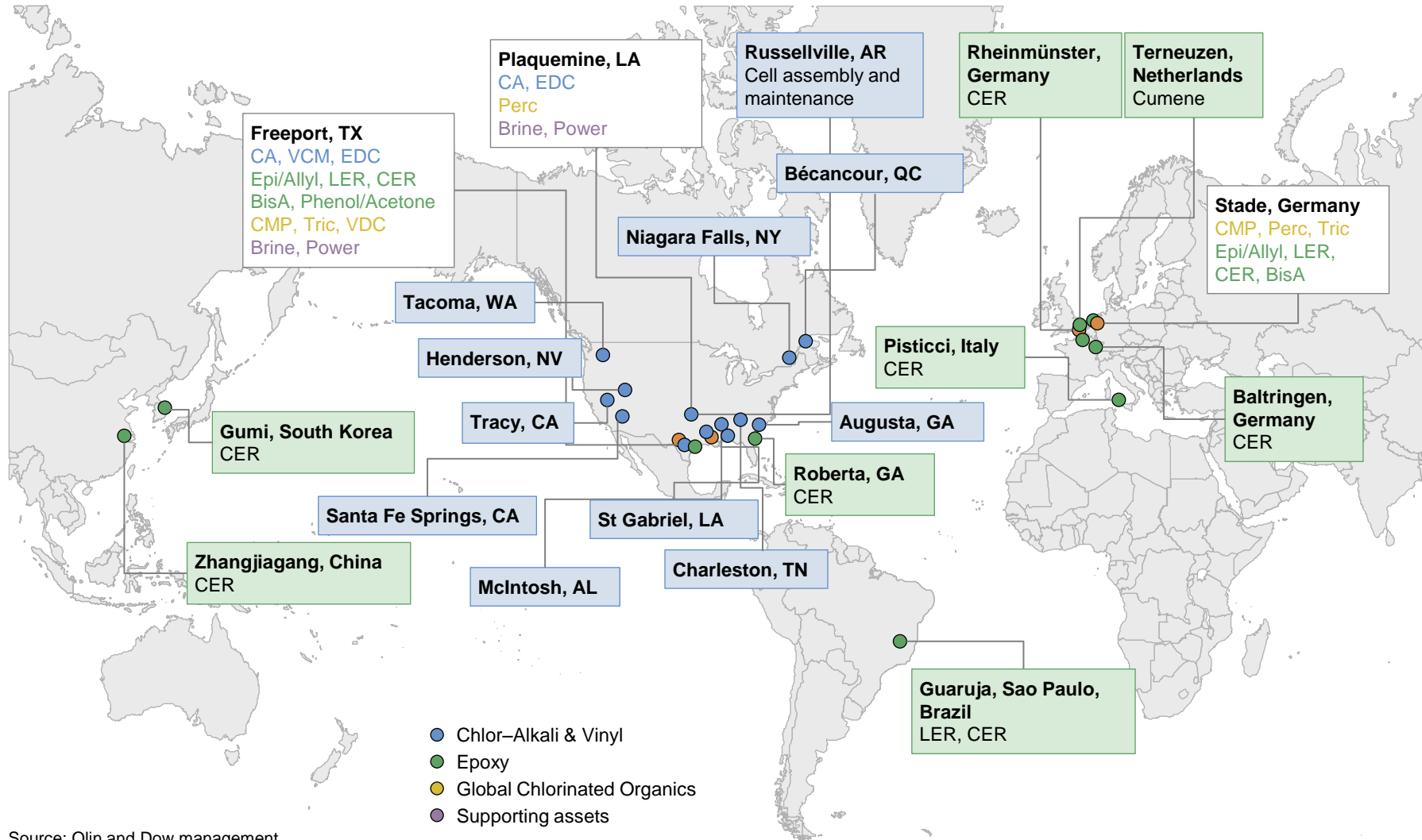


Source: CMAI 2014 average capacities in kMT

<sup>1</sup> Includes 50% of Dow Mitsui Chlor Alkali joint venture chlorine capacity

<sup>2</sup> Capacity in Brazil, Germany and Australia not in scope of transaction

# Diversified Geographic Footprint



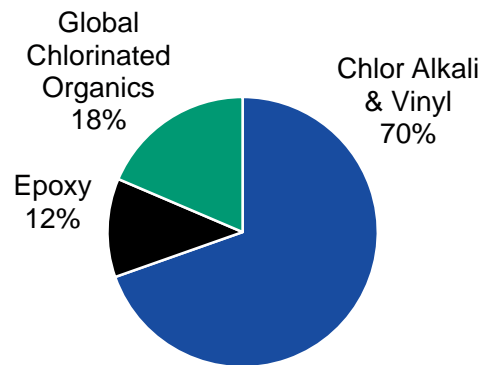
Source: Olin and Dow management



# Will Diversify Olin's Business Mix

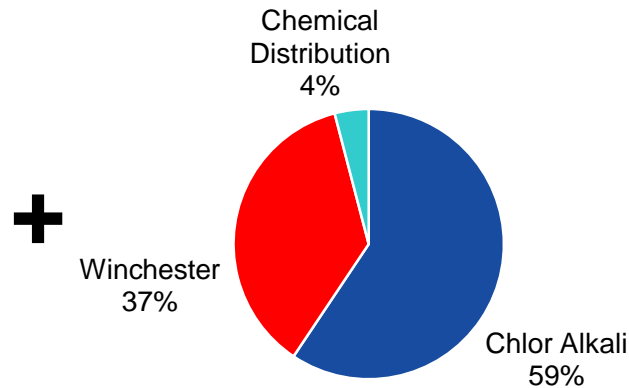
2014 pro forma EBITDA by business (\$bn)

Dow Chlorine Products



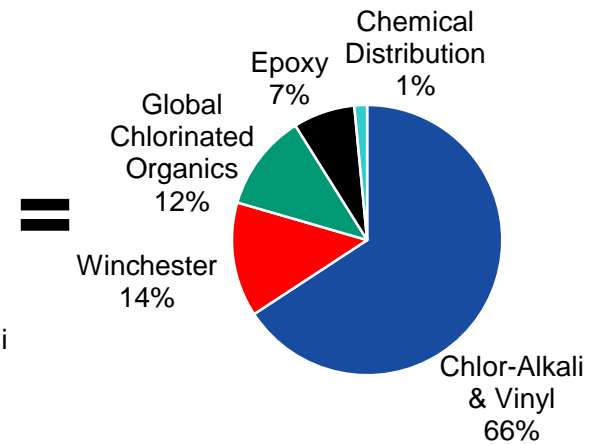
~\$0.64bn

Olin



\$0.34bn

Pro forma New Olin



~\$1.0bn

# Top Tier Low Cost Structure

- **Stable and Low Cost Raw Materials**
  - **Electricity** – 85% of the New Olin system’s energy to generate electricity will come from natural gas and hydroelectric sources
  - **Salt Brine** – 80% of brine requirements will be supplied from owned and operated mines that are connected to manufacturing facilities by pipeline
  - **Ethylene** – will be supplied through a 20-year co-investor agreement with Dow that will provide New Olin with co-producer integrated economics
- **Production Assets To Be Acquired**
  - The Freeport, Texas and Plaquemine, Louisiana facilities are two of the lowest cost chlor-alkali facilities in the world
  - The Freeport facility is the lowest cost producer of epoxies globally
  - Further cost improvements include operational efficiencies, asset optimization, logistics and procurement savings

# Significant Synergies

Synergies breakdown	Expected value
<b>Logistics &amp; procurement</b> <ul style="list-style-type: none"><li>■ Increased procurement efficiencies</li><li>■ Elimination of duplicate terminals and optimization of freight to terminals</li><li>■ Reduction of net acquisition cost for purchased caustic</li><li>■ Savings from trucking and rail fleet optimization</li><li>■ COGS reduction opportunities</li></ul>	<b>\$50mm</b>
<b>Operational efficiencies</b> <ul style="list-style-type: none"><li>■ SG&amp;A</li><li>■ Cost optimization</li><li>■ Energy utilization</li></ul>	<b>\$70mm</b>
<b>Asset optimization</b> <ul style="list-style-type: none"><li>■ Consolidation of select operations and facilities across the business</li><li>■ Installation of new capacity</li><li>■ Relocation of select manufacturing processes</li></ul>	<b>\$80mm</b>
<b>Total cost synergies expected to be achieved by end of third year</b>	<b>\$200mm</b>
<b>Accessing new segments and customers</b> <ul style="list-style-type: none"><li>■ Increased sales to new third-party customers</li><li>■ Access to new product segments</li></ul>	<b>Potential upside to \$300mm</b>



# Olin Stand Alone Performance

# Company Overview

## Olin Corporation

	Q1 2015	FY 2014	FY 2013
<b>Revenue:</b>	\$ 518	\$ 2,241	\$ 2,515
<b>Adj. EBITDA:</b>	\$ 71	344	\$ 425

### Chlor Alkali

A Leading North American Producer of Chlorine and Caustic Soda

	Q1'15	FY'14	FY'13
<b>Revenue:</b>	\$ 293	\$ 1,209	\$ 1,331
<b>EBITDA:</b>	\$ 48	\$ 234	\$ 306

### Chemical Distribution

A Leading Distributor of Caustic Soda and Midwest Bleach Producer

	Q1'15	FY'14	FY'13
<b>Revenue:</b>	\$ 70	\$ 294	\$ 406
<b>EBITDA:</b>	\$ 5	\$ 16	\$ 25

### Winchester

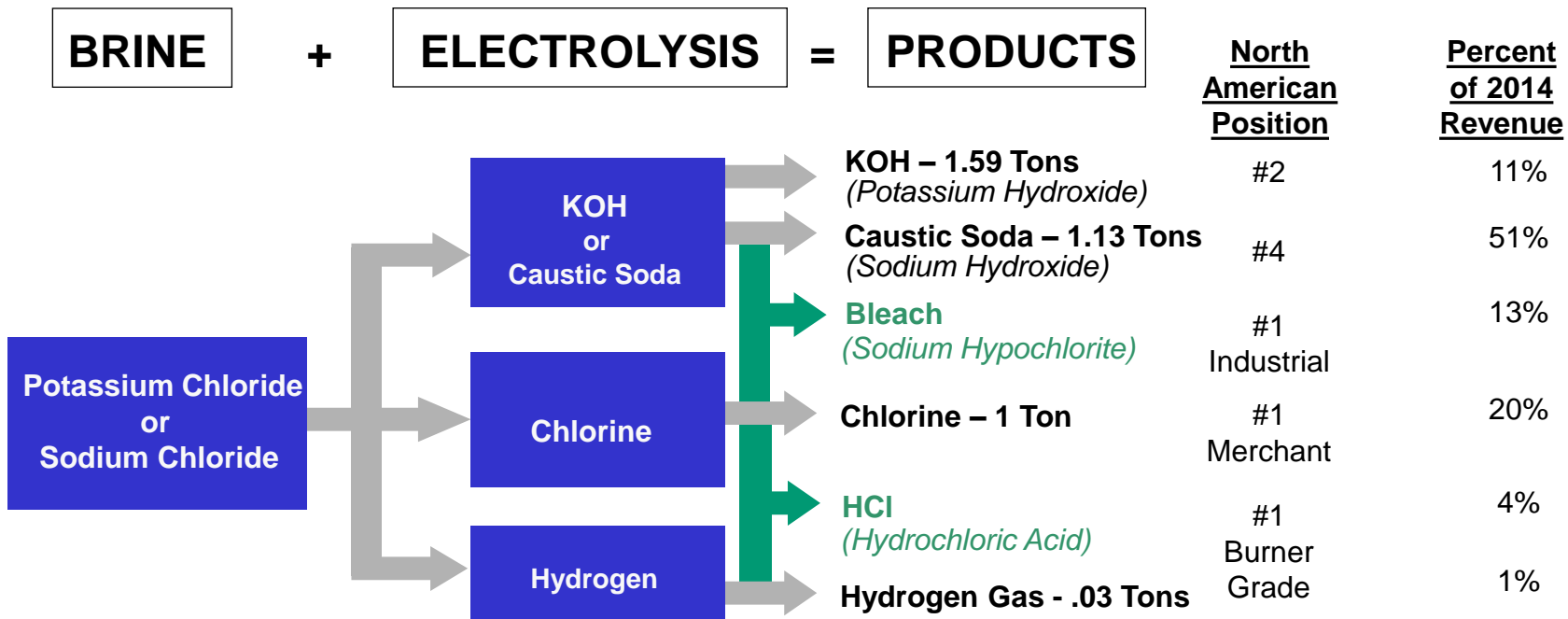
A Leading North American Producer of Small Caliber Ammunition

	Q1'15	FY'14	FY'13
<b>Revenue:</b>	\$ 179	\$ 738	\$ 778
<b>EBITDA:</b>	\$ 34	\$ 144	\$ 158

All financial data are for the 3 months ended March 31, 2015 and the 12 months ended December 31, 2014 and December 31, 2013. Data are presented in millions of U.S. dollars except for earnings per share.

# Chlor Alkali Process

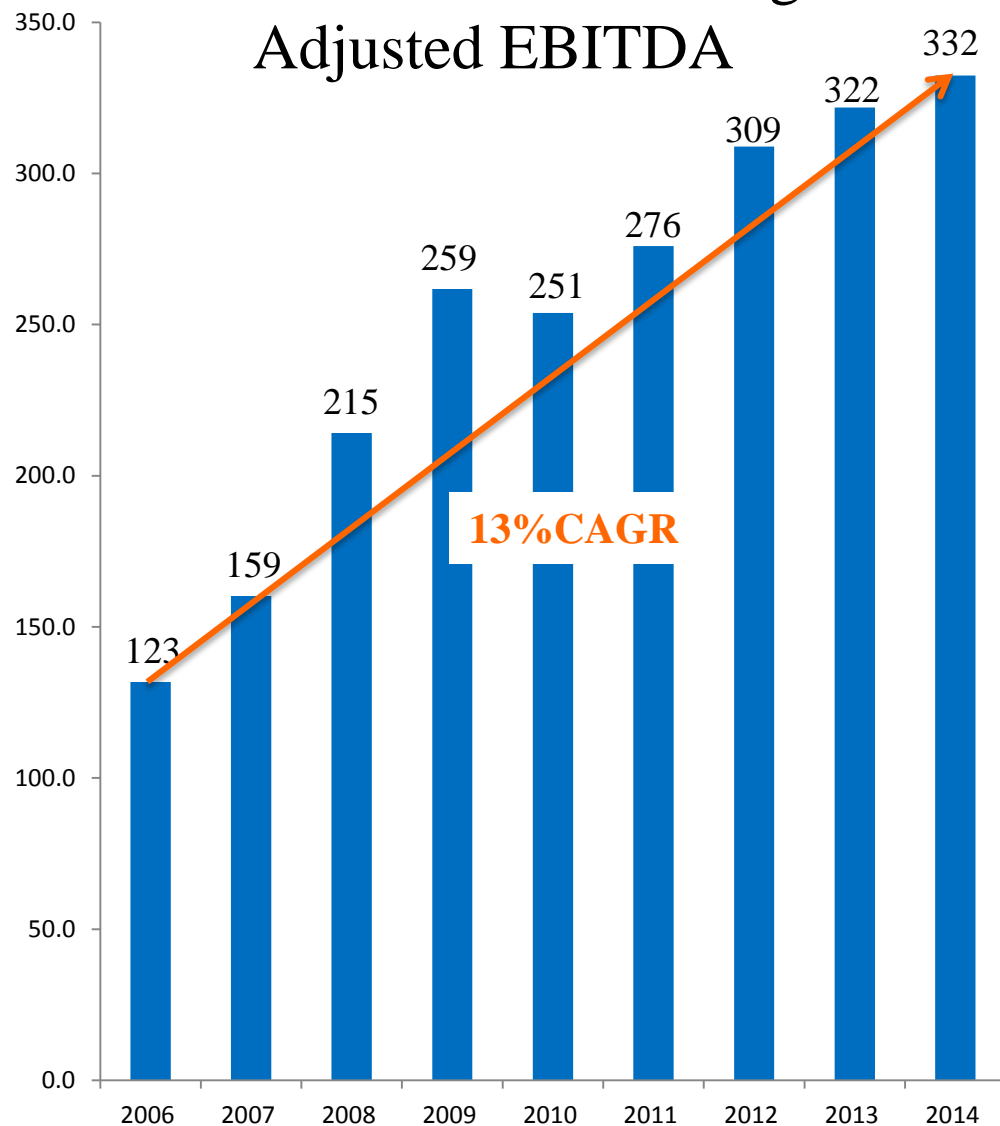
## Raw Materials



ECU = Electrochemical Unit; a unit of measure reflecting the chlor alkali process outputs of 1 ton of chlorine, 1.13 tons of 100% caustic soda and .03 tons of hydrogen.

# Growing EBITDA

## Olin Five Year Trailing Adjusted EBITDA



## Achieving Growth Through:

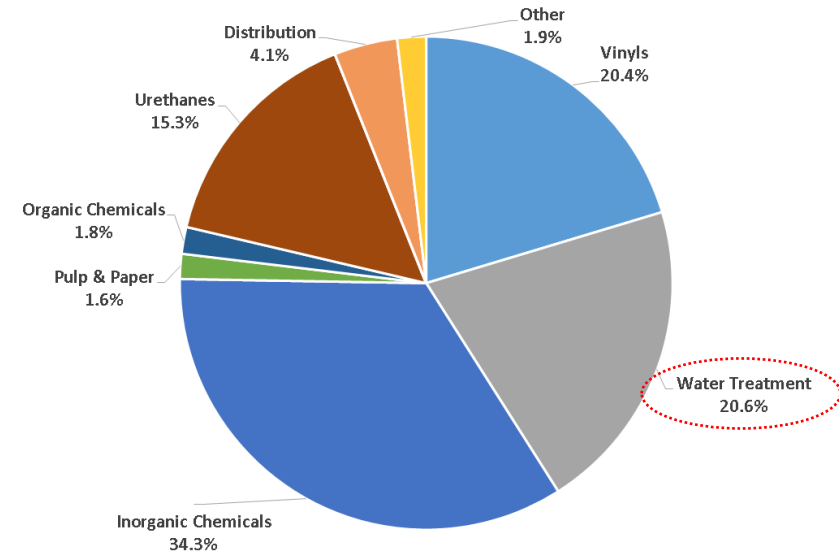
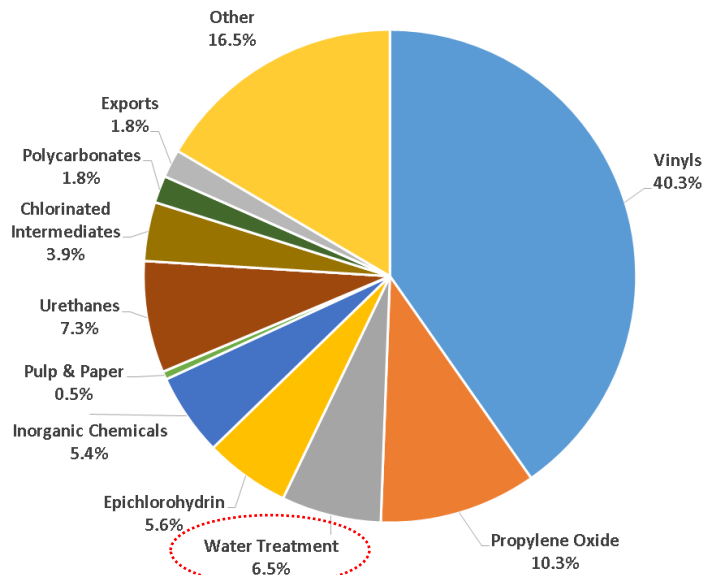
- Strategic Acquisitions
  - Pioneer, 2007
  - SunBelt JV, 2011
  - KA Steel, 2012
- Investments in less Cyclical Chlor Alkali Co-products
  - Sodium Hypochlorite (Bleach)
  - Hydrochloric Acid (HCl)
  - Potassium Hydroxide (KOH)
- Improved Winchester Profitability
  - Relocation of Centerfire operations to MS
  - Volume growth realized due to expanding base of sport shooters

# Diverse Customer Base

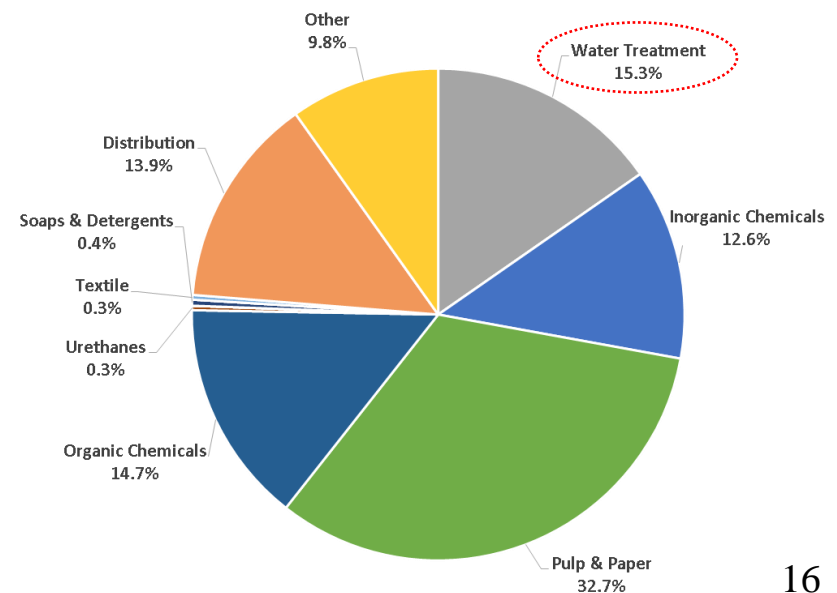
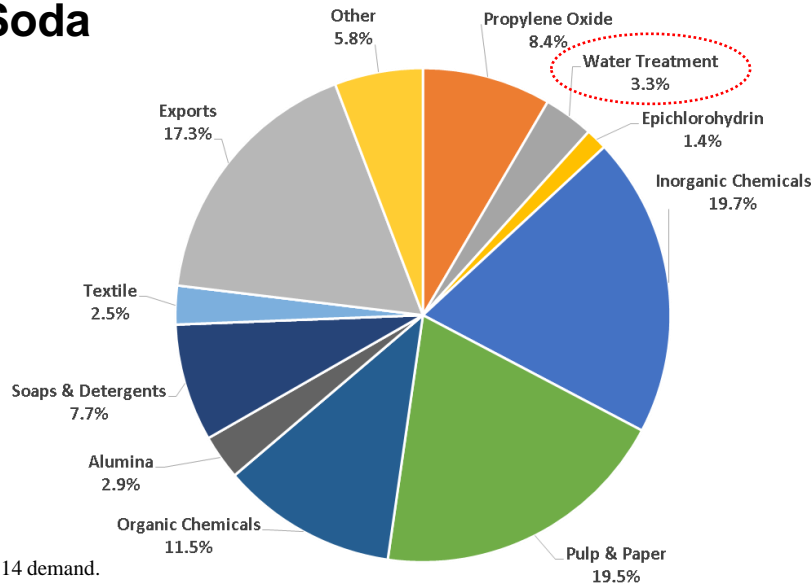
## North American Industry

## Olin Corporation

### Chlorine



### Caustic Soda



Source: IHS and Olin 2014 demand.

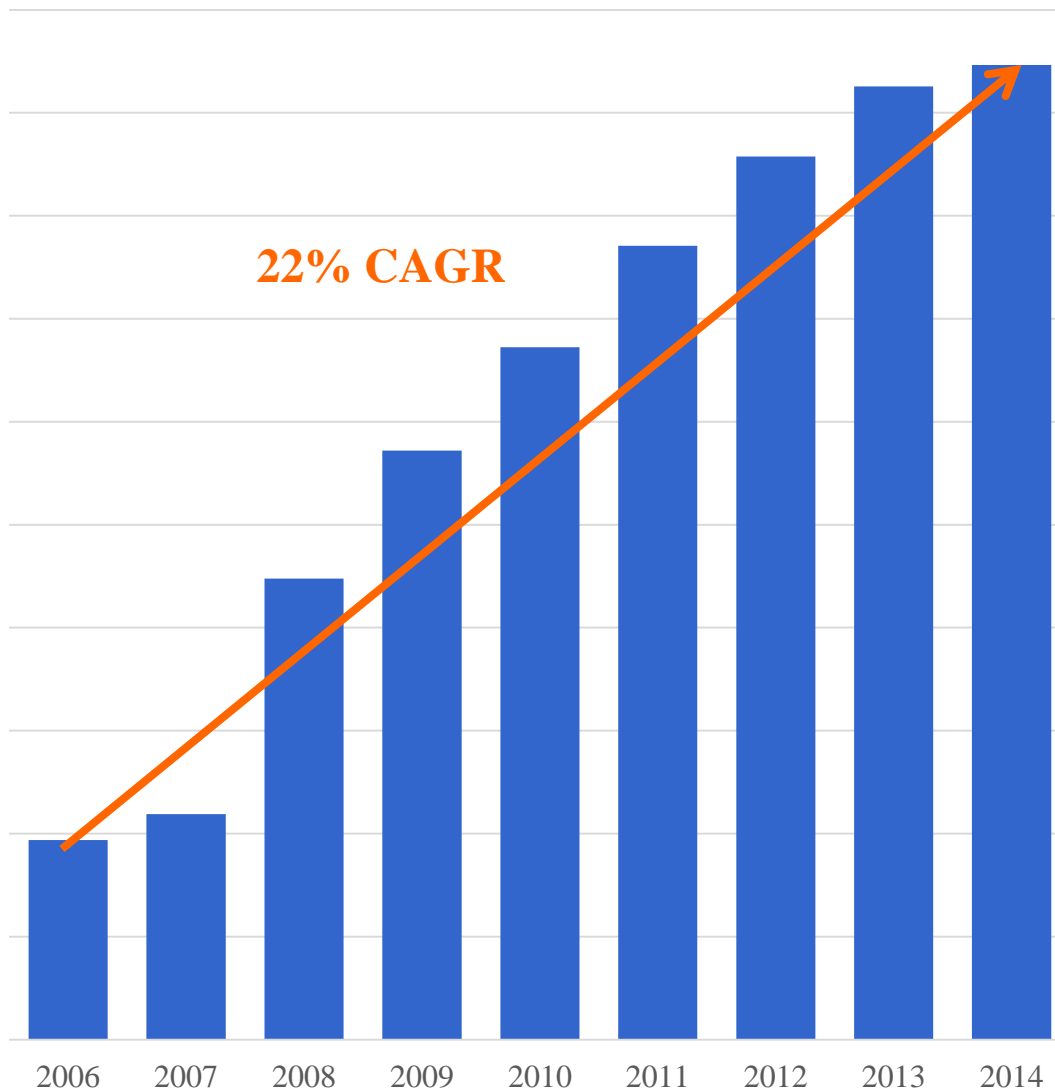
Chlorine: "Inorganics" includes: Titanium dioxide and bromine.

Caustic Soda: "Organics" includes: MDI, TDI, polycarbonates, synthetic glycerin, sodium formate, monosodium glutamate. "Inorganics" includes: titanium dioxide, sodium silicates, sodium cyanide.



# Bleach Growth is a Key Objective

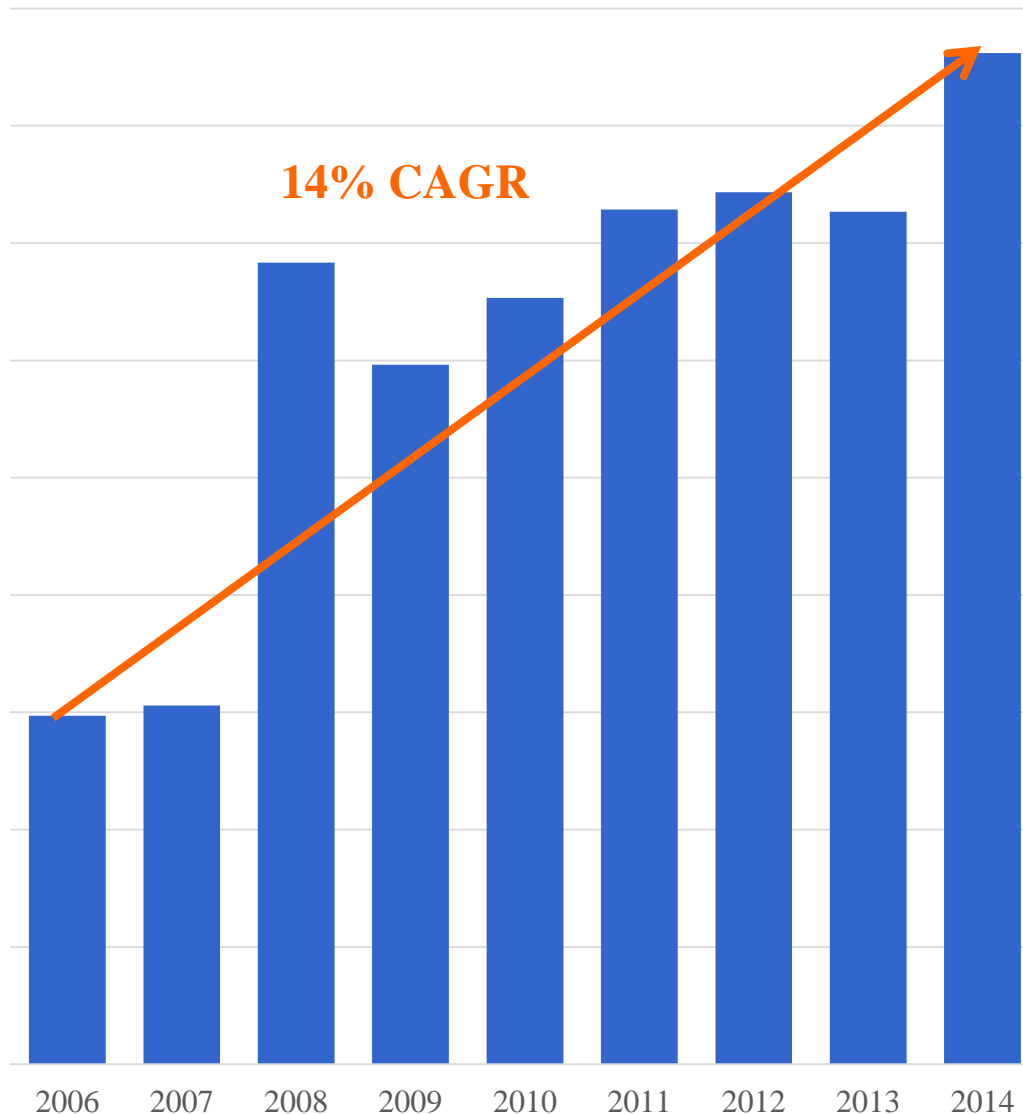
Olin Bleach Historical Sales Volume (DT)



- Bleach sells at a premium to the ECU and, while seasonal, is not cyclical
- Olin bleach volumes have delivered steady growth since 2006
- We expect additional growth to continue as bleach railcars extend our delivery range
- In 2014, Olin converted 10% of its ECUs into higher margin bleach
- Olin has the capacity to convert 20% of its ECUs to bleach
- Olin's geographic profile and utilization of Chemical Distribution provide opportunities to further enhance volumes

# Growing HCl Volumes

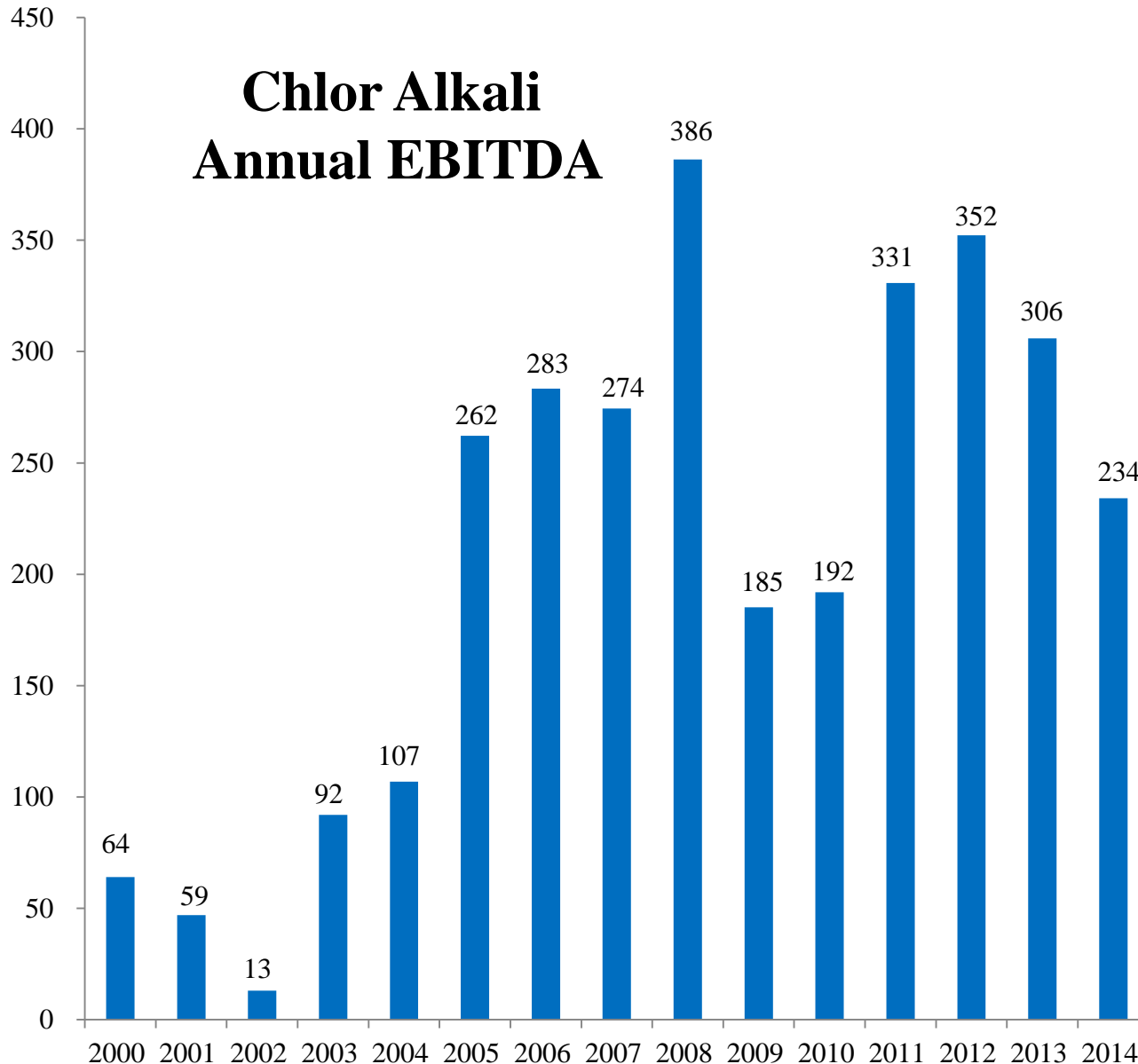
Olin HCl Historical Sales Volume (DT)



- Olin is the leading producer of burner-grade HCl with 5 production locations in North America
- Olin HCl volumes have grown steadily since 2006
- Distribution strategy is expected to increase volumes and raise netbacks
- We forecast that HCl volumes will continue to grow
- HCl continues to sell at a meaningful premium over chlorine
- Olin currently has the capacity to convert 13% of its chlorine capacity into HCl
- In 2014, Olin converted 8% of its chlorine into higher margin HCl

# EBITDA Improvement

## Chlor Alkali Annual EBITDA



## Higher Peaks and Higher Troughs

- Olin Bleach, HCl and KOH initiatives have reduced the cyclicity of our business, and at the same time, increased profit margins
- 2014 sales of co-products represented 32% of total Chlor Alkali sales
- Trough EBITDA levels have improved approximately \$200 million during the 2009-2010 trough period as compared to the 2002 trough period

# Chemical Distribution

- KA Steel, purchased in August 2012, established Olin as the largest caustic distributor in the U.S. with an infrastructure that provides a strong fit with Olin's chlor alkali assets:
  - Mature supply relationships
  - 90,000 tons of caustic storage in a network of 26 terminals
  - Expanded geographic coverage
  - Logistical savings through the use of a private truck fleet and barge shipments instead of shipping by rail
- With the expected growth of co-product sales and improving caustic returns, we forecast an increase in segment income of approximately \$15 million in the next 2 years
- Provides scale and flexibility
- Access to new customers, geographies and industry segments
- Combined network is capable of supporting higher caustic volumes and expansion of Bleach, HCl and KOH (“co-products”) sales
- We expect that the Chlor Alkali business will realize \$10 to \$15MM of annual benefit from producing those co-products and from logistics and infrastructure cost savings



# WINCHESTER<sup>®</sup>

A M M U N I T I O N

Hunters & Recreational Shooters

Products	Retail	Distributors	Mass Merchants	Law Enforcement	Military	Industrial
Rifle	✓	✓	✓	✓	✓	N/A
Handgun	✓	✓	✓	✓	✓	N/A
Rimfire	✓	✓	✓	✓	✓	✓
Shotshell	✓	✓	✓	✓	✓	✓
Components	✓	✓	✓	✓	✓	✓

## Winchester Strategy

- Centerfire relocation:
  - \$24 million of cost savings in 2014
  - Expect \$35 million of cost savings in 2015
  - Expect \$35-\$40 million lower annual operating costs beginning in 2016
- New product development:
  - Continue to develop new product offerings
  - Maintain reputation as a new product innovator
  - 10% of sales attributable to products developed in the past 5 years
- Provide returns in excess of cost of capital

## Brands



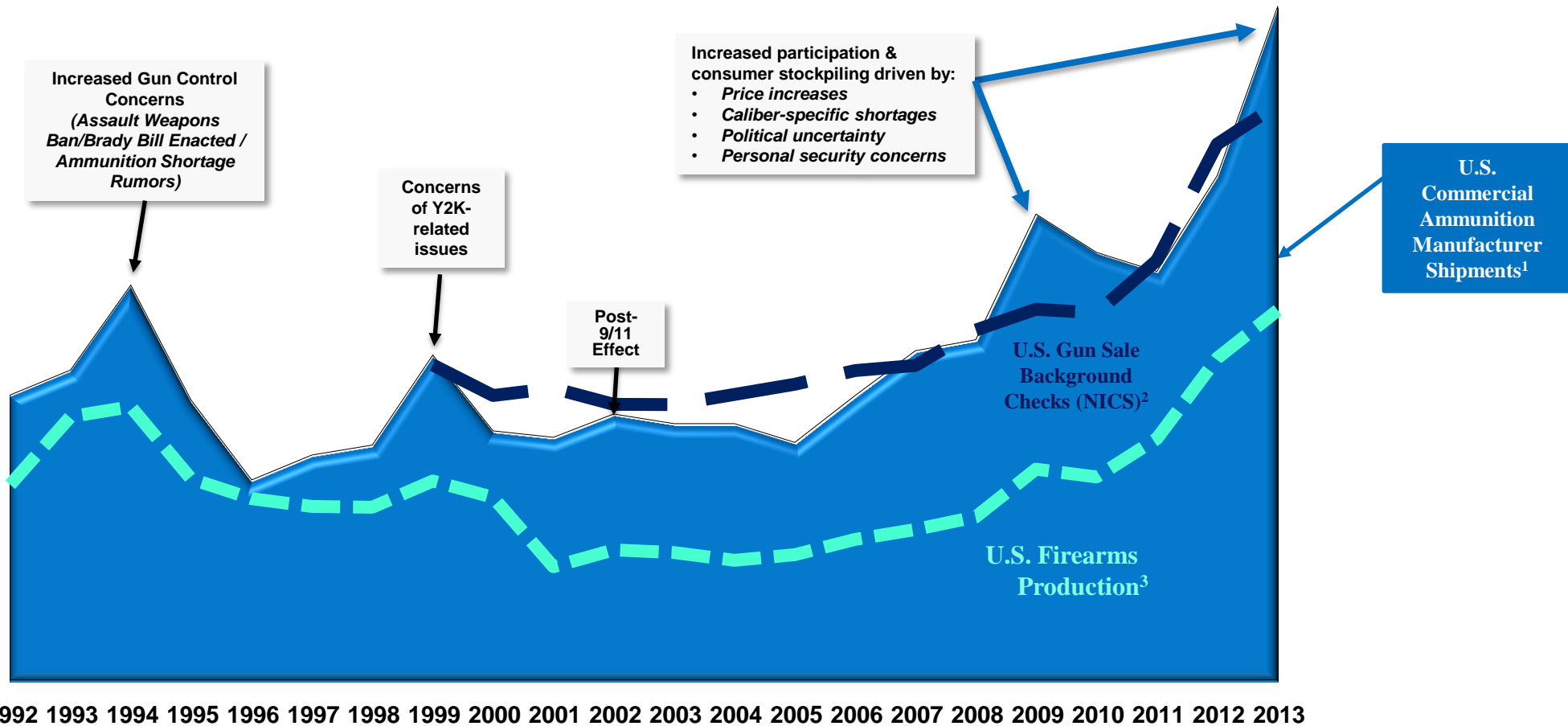
## New Products



# Strong Correlation Between Firearms & Ammunition Sales

## Data Correlations

- U.S. Commercial Ammunition Mfr. Shipments & NICS Checks: +94% (1999-2013)
- U.S. Commercial Ammunition Mfr. Shipments & U.S. Firearms Production: +82% (1992-2013)
- NICS Checks & U.S. Firearms Production: +96% (1999-2013)



<sup>1</sup>Estimated based on National Shooting Sports Foundation (NSSF) Trade Statistics Program Ammunition Manufacturer Surveys, Department of Commerce U.S. Import Statistics, and internal Winchester estimates.

<sup>2</sup>Reflect the FBI's National Instant Criminal background check System statistics (NICS).

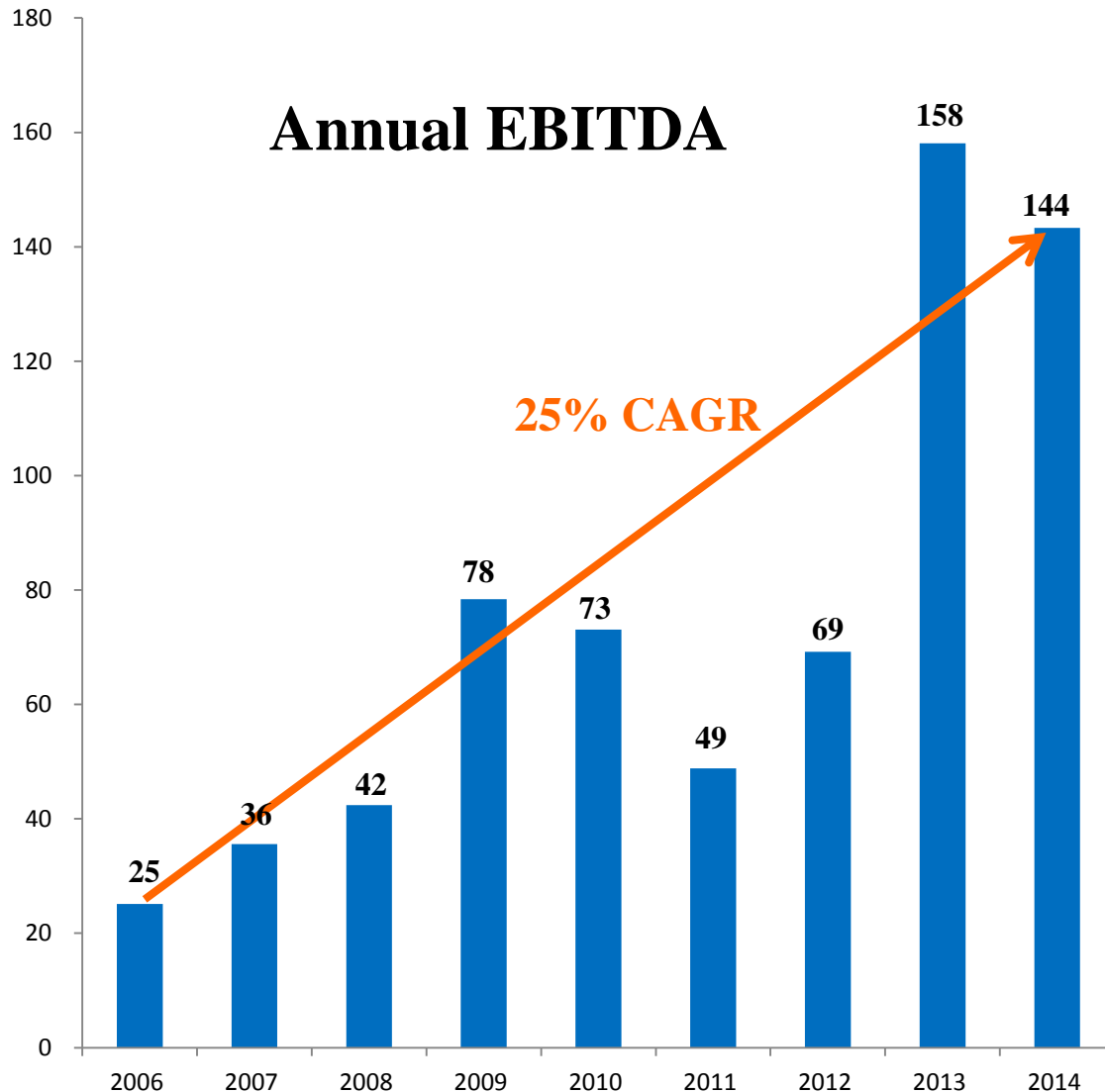
<sup>3</sup>Reflects production reported on Bureau of Alcohol, Tobacco, Firearms and Explosives' Annual Firearms Manufacturing and Export Reports. Latest data available for 2013.

# Growing Shooting Sports Participation Has Increased Installed Base



Data and Comparisons Courtesy NSSF report on U.S. Sport Shooting Participation in 2012.  
New Shooters defined as those 'taking first shots' between 2008 and 2012.

# Winchester Is Growing



- We expect Winchester's 2015 earnings to exceed 2014 earnings as a result of:
  - Cost savings from the centerfire relocation to Oxford, MS
  - A significant increase in the number of sport shooters
- Pistol and rimfire ammunition demand remains robust
- Commercial backlog at Q1 2015 was 2 times the Q1 2012 backlog
- Centerfire relocation cost savings contribution to earnings expected to continue increasing from 2015 to 2017



# Strong Balance Sheet

- Q1 2015 cash balance of \$197 million reflects a seasonal increase of \$53 million in working capital and the payment of transaction costs
- Q1 2015 CAPEX was \$23 million and D&A expense was \$34 million
- 2015 CAPEX is expected to be in the \$120 to \$130 million range
- 2015 D&A expense is expected to be in the \$140 to \$145 million range
- Debt to EBITDA is slightly over 2x and net debt to EBITDA is below 1.5 times as of March 31, 2015
- No material debt maturities until 2016, with total debt due between now and 6/1/16 of approximately \$16 million

# Profit Outlook

- Q1 2015 EBITDA was \$71.2 million
- Earnings improvements are expected in all three business segments in 2015 over 2014 results
- Chlor Alkali Products full year 2015 segment income is expected to improve compared to 2014 primarily due to higher cyclical ECU pricing and higher bleach, HCl and KOH volumes
- Chemical Distribution 2015 full year segment income is expected to improve compared to 2014 due to increased caustic soda, bleach, HCl and KOH volumes
- We expect Winchester's 2015 full year earnings to exceed 2014 earnings of \$127 million, primarily due to lower operating costs associated with our new centerfire operation in Oxford, MS