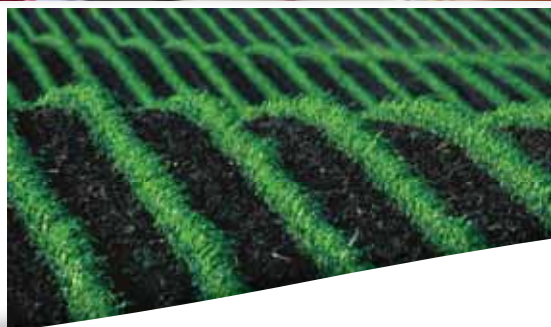


*Market-Driven Science*  
2008 DuPont Annual Review



*The miracles of science™*

## To DuPont Shareholders



Chad Holliday

Ellen Kullman

We anticipated economic headwinds in 2008, but the year evolved in unexpected ways. The people of DuPont demonstrated remarkable flexibility and adaptability in a turbulent business climate. In the face of economic developments, we remained confident in our market-leading global businesses, our cash-generating ability, and our prudent financial discipline. We quickly assessed the changing environment and took swift actions to address the challenges and to protect shareholder value.

We are keenly aware of the impact current, unprecedented economic conditions are having on our customers, suppliers and DuPont colleagues. We will conduct the business of our company in a way that highly values all our stakeholders. We know in the long run that is the best way to serve our shareholders.

### An unprecedented year

During the year, we contended with dramatic increases in the prices of energy and raw materials. Hurricanes in the U.S. severely damaged several plants, resulting in significant business impact. Global economic shifts became seismic with the credit crisis and the deepening global recession.

DuPont employees seized opportunities in new geographies and emerging markets and focused on energy conservation and yield improvement. They strengthened our connection to our customers. We performed exceptionally well through the third quarter—underlying sales increased 10 percent and earnings per share 13 percent compared to the first three quarters of the prior year.

When the credit crisis intensified in October, we took immediate steps to preserve our strong financial position. We established cash generation as our primary objective. We put in place ambitious metrics and rigorous monitoring and accountability requirements. These actions paid off. We ended the year with a strong balance sheet and delivered solid cash performance against our goals.

Despite the economic turmoil, our accomplishments were many in 2008:

- Our Agriculture & Nutrition segment sales grew 16 percent and underlying pretax operating income grew 24 percent. We laid the groundwork for our Y Series soybeans, which will be the largest product launch in Pioneer history.
- For the full year, 64 percent of total sales were generated outside the U.S. As we further diversified our geographic mix of businesses, emerging markets grew 13 percent, representing 29 percent of total sales.
- We delivered \$400 million in variable cost reductions. Benefits from our fixed cost reduction programs were about \$425 million—surpassing our goal of \$400 million. We are well on our way to completing our \$1.7 billion cost productivity program one year ahead of schedule.
- For the year, local prices more than offset an increase of about 14 percent for energy, raw materials, and transportation. We achieved our fifth consecutive year of local pricing gains.
- We advanced products in our R&D pipeline, such as next-generation refrigerants, and we had successful commercial launches, such as Rynaxypyr® insecticide.
- DuPont Danisco and the University of Tennessee broke ground for an innovative pilot-scale biorefinery to produce cellulosic ethanol from nonfood biomass feedstocks.

### Clear priorities for 2009

In this volatile time we are focusing on the elements within our control—staying close to customers and dramatically reducing costs—all directed toward driving for cash. We have clear priorities for 2009, which we entered with a strong balance sheet, excellent liquidity, and a favorable cost of borrowing. We intend to emerge from the global recession stronger, faster, and more agile than our competitors.

To that end, our actions in 2009 will be guided by four directives:

- **Maximize Variable Contribution Dollars.** Revenue-driven earnings are the key source of cash, and it has become something of a mantra at DuPont that we will fight for every customer order, while ensuring that we get paid for the value we deliver with our unique science-based products, including the 901 new products we introduced in 2008.
- **Dramatically Reduce Spending.** We plan to deliver \$1.1 billion in cost reductions in 2009. Our restructuring program is on track to deliver at least a \$130 million benefit in 2009. We have momentum in our productivity efforts with goals to deliver \$600 million in fixed cost projects. We also are implementing a wide range of projects aimed at \$400 million in variable cost reductions. Our goal is to generate more free cash flow in 2009 than in 2008.

- **Zero-Base All Capital Expenditures.** Capital spending in 2009 will be reduced by about 20 percent versus 2008. We continue to assess each project to determine whether further cuts are warranted, using a “zero-based” approach and raising the bar on project justification.
- **Aggressively Reduce Working Capital.** More than 200 new projects aimed at reducing working capital were staffed and launched early in 2009. The DuPont Production System (DPS), a standardized operational process designed to strengthen our production capability, was operating at 18 sites by the end of 2008. Plans are for DPS to be in place at 300 sites by 2011. This will contribute to a reduction of \$1 billion in working capital in 2009.

Meanwhile, we are sticking with our basic strategies for growth, particularly in areas that offer opportunity even in the current downturn. In Agriculture & Nutrition, market fundamentals remain strong. While some currency headwind is expected in 2009, we see continued growth for this segment. Strong demand also continues for our photovoltaic products and Nomex® aramid fibers. We continue to invest in our R&D pipeline, particularly in our high growth, high margin opportunities.

### Where we're headed

When we come out of the current recession, we believe the world is going to look very different than it did before. Demand for natural resources is increasing, while availability is decreasing. Longer term, continued growth in demand for consumer durables, coupled with infrastructure needs in large, formerly constrained economies, will have an impact on both natural resources and food. At DuPont, we call this the New Reality.

The underlying factors creating the New Reality are population growth, demand for food, climate change, and energy use. To deal successfully with these challenges

will require innovation in a host of technologies across many industries. As a market-driven science company, we have factored these trends into the market-back approach we take in our research and innovation. The current global crisis is reshaping many opportunities, but we expect these fundamental needs to persist. So while we devote maximum effort to dealing with the economic downturn, we also are making real changes that will enable us to take full advantage of a changed global economy when the upturn comes.

#### DUPONT CORE VALUES

- Safety & Health
- Environmental Stewardship
- Highest Ethical Behavior
- Respect for People

### A proud heritage with steadfast core values

Now in our 207th year of operation, DuPont has confronted extraordinary challenges in the past two centuries. We have paid 417 consecutive quarterly dividends to our shareholders—every quarter since the company's first dividend in the fourth quarter of 1904.

The people of our company are inspired by this heritage of success. They confronted every obstacle and rose to every challenge in 2008, while continuing to live out the core values that define who we are. They know that in the midst of change, our core values are the bedrock for everything we do at DuPont. Our mission remains sustainable growth, and we are absolutely committed to creating value for our shareholders.

*Chad Holliday*

Chad Holliday  
Chair of the Board

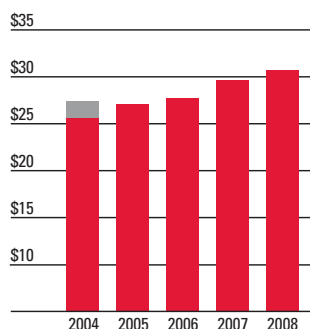
*Ellen Kullman*

Ellen Kullman  
Chief Executive Officer

March 1, 2009

#### Net Sales

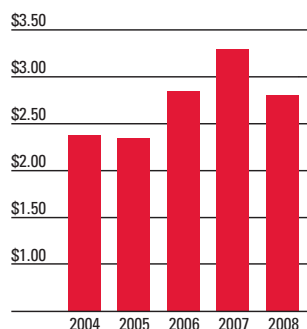
(dollars in billions)



■ Textiles & Interiors, which was divested in 2004.

#### Earnings Per Share<sup>1</sup>

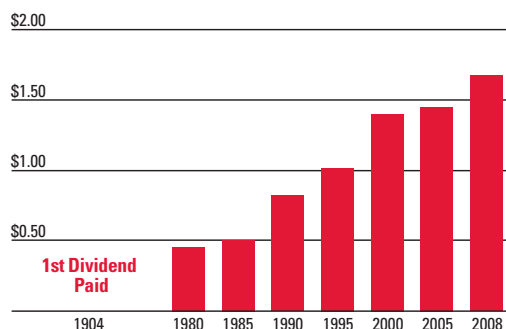
(dollars)



<sup>1</sup> Before significant items.

#### Dividend Payments

(dividend per share)



1st Dividend Paid



# Speed, agility and transformative science are needed today as never before.

Global markets are demanding high performance, sustainable products and technologies. At DuPont, we foster a culture of delivering innovation that the market needs and is willing to pay for. We call that market-driven science. Presented here are recent examples of DuPont science responding with innovative products and services to key trends in the marketplace.

Science has the potential to help feed the world, address global energy challenges, and provide safer and more secure lives for people everywhere. DuPont laboratories are directly linked to the markets, to our customers and to the end users. Our success is measured not by the science we create, but by the value we generate — and that value is determined by the marketplace.

## Sulfuric acid recovery facilities reduce emissions

DuPont has long been active in sulfuric acid regeneration. But in 2008, DuPont marked a milestone by starting up custom-designed regeneration facilities for petroleum refiners in El Paso, Texas and Linden, N.J. Such facilities are important, from both a business and environmental perspective, as today's refiners must handle crude oil with a higher sulfur content while also working to reduce emissions in the refining process. By making a regeneration facility an integral part of a refinery, sulfuric acid regeneration is made more efficient and reliable.



## Y Series Pioneer soybeans substantially increase yields

In more than 1,800 on-farm comparisons with key competitive varieties, the new Y Series of soybeans from DuPont business Pioneer Hi-Bred delivered unprecedented gains in productivity. The entire line of Y Series soybeans demonstrated a 5 percent yield advantage, while some varieties yielded up to 10 percent more than the competition. This yield advantage could add about 19 million bushels of soybeans to annual U.S. agricultural output, as Pioneer intends to bring enough seed to market in 2009 to plant about 9 million acres. The introduction of the 32 varieties of Y Series soybeans represents the largest volume of commercial products introduced in the history of Pioneer.

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*Photos on this page (top, from left to right): A DuPont employee inspects new, high yielding Y Series soybean varieties from Pioneer Hi-Bred. | Through science and technology, DuPont enables solar cells to run more efficiently and last longer. | A DuPont researcher works in the state-of-the-art biotechnology laboratory at the DuPont Knowledge Center in Hyderabad, India. | Due to their favorable environmental profiles, Rynaxypyr® insect control products are a sound choice for growers, farm workers, and the environment. | A police officer puts on a bullet-resistant vest made of DuPont™ Kevlar® aramid fiber.*



### Renewable materials portfolio enjoys steady growth

DuPont™ renewably sourced products made strong inroads in 2008. Zemea® propanediol is a high performance alternative to petroleum-based glycols in cosmetic, personal care and cleaning products. It was approved as a natural ingredient by Ecocert, the international organic and natural products certification organization. The U.S. Environmental Protection Agency followed by listing Zemea® in its Design for the Environment (DfE) database. Ashland Performance Materials now is incorporating Susterra® propanediol into its ENVIREZ® resins used in molded parts for agricultural, marine and transportation products. Several textile apparel brand houses announced new offerings made with Sorona® renewably sourced polymer, including the Calvin Klein® Golf™ brand, EcoDesignz under the Spun Bamboo® brand and the Victorinox® Swiss Army® Altius™ 2.0 product line.

### Tedlar® production expands to meet increased demand

With seesawing energy costs and the need to find sustainable, renewable solutions, solar energy is becoming ever more important. DuPont provides a broad and growing portfolio of solutions for photovoltaic solar cells and modules such as Tedlar® films, Solamet® metallization pastes and Elvax® EVA resins. In response to market needs, DuPont is ramping up its production capacity for Tedlar® films, which have been a critical component of photovoltaic backsheets for more than 25 years, thanks to their superior weather and ultraviolet resistance and moisture barrier properties. Site selection work, now underway, would lead to a doubling in production of Tedlar®, which also is widely used in the aerospace and construction industries. Key to the expansion is the market for photovoltaics, which is anticipated to grow significantly each year over the next few years. DuPont expects that sales of DuPont products used in the photovoltaic industry could exceed \$1 billion in the next five years.

### Hytrel® thermoplastics create value in emerging markets

Some of DuPont's fastest growth is occurring in emerging markets where DuPont engineering polymers are used to replace rubber, metal, or not-in-kind plastic materials in a multitude of applications. One collaborative development has been with India Railways, the second largest rail network in the world, to develop technology that supports higher speed, more comfort, and improved safety. Over the past two years, a DuPont team developed applications using DuPont™ Hytrel® thermoplastic resins to replace rubber in rail vehicles and track systems. Based on this success, DuPont is leveraging its global applications network to extend this use of Hytrel® to other emerging economies where infrastructure investment is taking place.



*Fabrics made of Sorona® fibers bring exceptional softness, easy care, UV and stain resistance.*



### DuPont Knowledge Center opens in Hyderabad, India

Opened officially in November 2008, the new R&D site in India gives DuPont an even more robust presence in one of the world's most important markets. The Hyderabad facility, with more than 200 employees, houses biotechnology and materials research labs, a global engineering design center, patent services and numerous regional support services. Successful completion of the Center in just 17 months was due in large part to the DuPont Contractor Safety Management Process, which trained approximately 5,200 construction workers to meet key safety standards.

### Waterborne auto paints eliminate harmful emissions

According to DuPont environmental data released in October 2008, 14 million pounds of air emissions have been eliminated annually worldwide by the switch to DuPont waterborne paints by tens of thousands of collision repair shops. This figure encompasses volatile organic compound emissions given off by paints containing solvents, as well as hazardous air pollutants. Waterborne paints, such as DuPont™ Cromax® Pro coatings, also reduce labor time, because additional coats can be applied while the first coat is still wet. Also, fewer layers are required to achieve a high quality finish, resulting in materials savings.



DuPont water-based color coats help to eliminate air emissions.



### Rynaxypyr® sets a new standard in insect control

*Research & Development Magazine* selected DuPont™ Rynaxypyr®, an advanced insect control product, as one of the 100 most innovative new products introduced in 2008. This new active ingredient optimizes a plant's potential to produce a high quality, high yielding harvest. Products powered by Rynaxypyr® insecticide provide fast-acting, long-lasting protection from pests that damage growers' crops. In addition, Rynaxypyr® has a very favorable environmental profile. Rynaxypyr® products have been approved in more than 20 countries so far, including the U.S., where this game-changing crop protection product has been registered by the U.S. Environmental Protection Agency under its Reduced Risk Program.

# Market-Driven Science



## DuPont launches Kevlar® XP™ with more bullet-stopping power

In 2008, DuPont launched a patented technology that provides ballistic and trauma protection in more comfortable body armor. DuPont and independent tests show Kevlar® XP™ fiber consistently stops bullets within the first three layers of an 11-layer vest. Significantly more layers are typically required to stop a bullet in other commercially available lightweight technologies. Kevlar® XP™, which typically provides a 15 percent reduction in backface deformation and at least a 10 percent lighter weight vest design, is targeted to the global market for ballistic protection. DuPont is developing additional ballistic applications, as well as products for other industries. To meet the growing demand for Kevlar®, DuPont is investing more than \$500 million in a multi-phase expansion to increase global production capacity by 25 percent. Expansion is underway at the Kevlar® facility in Richmond, Va., and groundbreaking for a new Kevlar® production facility near Charleston, S.C., was held in early 2008.

## Biofuels partnership formed with University of Tennessee

DuPont Danisco Cellulosic Ethanol LLC has partnered with Genera Energy (an LLC of the University of Tennessee Research Foundation) to build a pilot-scale biofuels refinery and R&D facility in Vonore, Tenn. The project could represent a breakthrough in biofuels production as it develops one of the first dedicated crop supply chains for biorefineries that use switchgrass, a nonfood plant that has the potential to produce more than 1,000 gallons of ethanol per acre due to its high cellulosic content. The facility also will be designed so that it can operate on the leaves, stalks and cobs of corn plants. Site preparation for the facility began in 2008 and the first cellulosic ethanol is set for production by the end of 2009.

## DuPont Production System rolls out globally

The DuPont Production System (DPS) was operating at 18 sites around the world by the end of 2008. DPS is a standardized operational process designed to fundamentally strengthen manufacturing capability. It enables continuous improvement in key performance areas, the deployment of best practices, lean Six Sigma tools, and scheduling and operating flexibility. DPS fully engages employees involved in manufacturing, develops their skills, and motivates performance and creativity.

DPS was introduced in 2007 at the Sabine River Works in Texas, and in Wuppertal, Germany. Significant savings in variable and fixed costs, and major improvements in production capacity and flexibility were quickly achieved. DPS also focuses on safely serving customers, and understanding and outperforming competition.

Plans are for DPS to be deployed at 300 DuPont sites by 2011. The potential value generation is in the range of \$1–2 billion.



**Our Mission: Sustainable Growth**—The creation of shareholder and societal value while we reduce our environmental footprint along the value chains in which we operate.

## DuPont Agriculture & Nutrition

### Strategies:

Accelerating growth in a strong Ag market environment | Advancing and commercializing new technologies | Expanding global leadership position with rapid growth in emerging markets | Capturing value through differentiated distribution | Continuing gains from productivity improvements

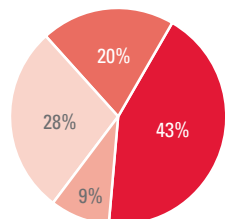
### Key Products & Services:

Seeds | Traits | Crop protection chemicals | Food ingredients | Food quality and safety

### Core Markets:

Production agriculture | Food processing chemicals

**2008 Sales:** \$8 billion



## DuPont Coatings & Color Technologies

### Strategies:

Further globalize operations and accelerate growth in emerging markets | Deliver comprehensive solutions to customers | Develop environmentally enhanced technologies

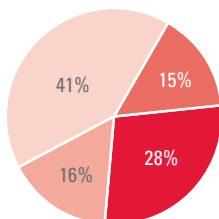
### Key Products & Services:

Titanium dioxide | Liquid and powder coatings | Coatings and application services

### Core Markets:

Automotive OEM | Collision repair | Paper | Industrial coatings | Transportation | Architectural coatings | Plastics

**2008 Sales:** \$6.6 billion



## DuPont Electronic & Communication Technologies

### Strategies:

Grow base businesses | Expand share in Asia | Increase revenue from new products | Grow strategic accounts | Penetrate key markets

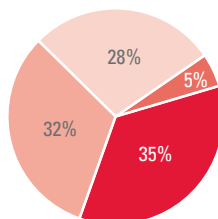
### Key Products & Services:

Circuit and component materials | Flexographic printing systems | Photovoltaic materials | Refrigerants | Surfacing materials | Semiconductor fabrication and packaging materials | Wire and cable materials | Fuel cells

### Core Markets:

Semiconductors | Printed circuit boards and components | Automotive and industrial electronics | Displays | Packaging | HVAC refrigeration | Chemical processing industries | Electronic data and telecommunications | Renewable energy

**2008 Sales:** \$4 billion



## DuPont Performance Materials

### Strategies:

Deliver innovative products and market-focused solutions | Leverage global capabilities and value chain expertise | Accelerate growth in emerging markets

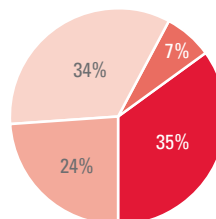
### Key Products & Services:

Engineering polymers | Flexible packaging resins | Industrial resins | Performance elastomers | Performance films

### Core Markets:

Automotive | Packaging | Electrical/electronics | Construction | Consumer durables

**2008 Sales:** \$6.4 billion



## DuPont Safety & Protection

### Strategies:

Leverage market-driven science to develop and commercialize new products | Differentiate powerful brands and unique value propositions through market-facing models | Fulfill customer needs via supply and value chain excellence

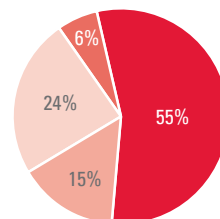
### Key Products & Services:

Safety and operational consulting and training | Specialty, performance and industrial chemicals | DuPont™ Corian® solid surfaces | DuPont™ Kevlar® fiber | DuPont™ Nomex® fiber and paper | DuPont™ Tyvek® protective material and other selective barriers

### Core Markets:

Construction | Industrial safety | Emergency response | Military | Transportation | Industrial biotechnology | Food | Oil and gas | Healthcare

**2008 Sales:** \$5.7 billion



## Platform Sales by Region

**Key:** Asia Pacific Europe\* Latin America U.S. & Canada

\*Includes Europe, Middle East, and Africa

This publication contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully in documents filed with the Securities and Exchange Commission by DuPont, particularly its 2008 Annual Report on Form 10-K, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to changes in the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries in which the company does business; competitive pressures; successful integration of structural changes, including restructuring plans, acquisitions, divestitures and alliances; cost of raw materials, research and development of new products, including regulatory approval and market acceptance; and seasonality of sales of agricultural products. The company undertakes no duty to update any forward-looking statements as a result of future developments or new information.

Use of Non-GAAP Measures: This annual review includes company information that does not conform to generally accepted accounting principles (GAAP), including measures which exclude significant items such as underlying pretax operating income, underlying earnings per share and free cash flow. Free cash flow is defined as cash flow provided by operating activities less purchases of property, plant and equipment and less investments in affiliates. Non-GAAP measures are not a substitute for GAAP results. Significant items represent special charges or credits that are important to an understanding of the company's ongoing operations. The company uses non-GAAP measures to evaluate and manage the company's operations. Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the company, and allows investors to better evaluate the financial results of the company. The determination of significant items and these measures may not be comparable to similarly titled measures provided by other companies. A reconciliation of non-GAAP measures to GAAP results is provided on the company's website at [www.dupont.com](http://www.dupont.com) under the heading Investor Center, or as furnished in the company's SEC filings on Form 8-K which are available at [www.sec.gov](http://www.sec.gov).

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