

DUPONT E I DE NEMOURS & CO  
Form 8-K  
January 27, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 8-K  
CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
Date of Report (Date of Earliest Event Reported) January 27, 2009  
E. I. du Pont de Nemours and Company  
(Exact Name of Registrant as Specified in Its Charter)**

Delaware  
(State or Other Jurisdiction  
Of Incorporation)

1-815  
(Commission  
File Number)  
1007 Market Street

51-0014090  
(I.R.S. Employer  
Identification No.)

Wilmington, Delaware 19898

(Address of principal executive offices)

Registrant's telephone number, including area code: (302) 774-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 2 Financial Information

Item 2.02 Results of Operations and Financial Condition

On January 27, 2009, the Registrant announced its consolidated financial results for the quarter ended December 31, 2008. A copy of the Registrant's earnings news release is furnished on Form 8-K. The information contained in Item 2.02 of this report on Form 8-K shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed by the Registrant under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

E. I. DU PONT DE NEMOURS AND  
COMPANY  
(Registrant)

/s/ Barry J. Niziolek  
Barry J. Niziolek  
Vice President and Controller

January 27, 2009

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JANUARY 27, 2009  
WILMINGTON, Del.

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**DuPont Enters 2009 with Strong Cash Position; Drives Productivity and Cash-Generating Actions**  
*Company's Fourth Quarter 2008 Results in Line with Guidance*

**Highlights**

**In a challenging environment, DuPont ended 2008 with a strong balance sheet, delivering solid cash performance of \$1.1 billion free cash flow, in line with company targets.**

**DuPont reported a fourth quarter 2008 loss of \$.70 per share. Excluding a \$.42 per share charge from a previously announced restructuring program, the fourth quarter loss was \$.28 per share, in line with guidance.**

**As anticipated, declines in construction, motor vehicle sales and consumer spending, magnified by inventory destocking across most supply chains during the fourth quarter, caused a steep decline in global industrial production. These conditions precipitated a sharp downturn in demand and the company's sales volume. Agriculture fundamentals remain strong.**

**Weak industrial economic conditions are expected to continue in 2009. The company revised its full-year 2009 earnings outlook to a range of \$2.00 to \$2.50 per share. The previously provided full-year outlook was \$2.25 to \$2.75 per share.**

**Full year 2008 earnings were \$2.20 per share versus \$3.22 in 2007. Excluding significant items, 2008 earnings were \$2.78 per share versus \$3.28 in the prior year.**

DuPont enters 2009 addressing challenging economic conditions head-on, said DuPont CEO Ellen J. Kullman. We are intensely focused on productivity, while generating earnings and cash. Our market-leading businesses and internal discipline generated solid cash performance in 2008. We do not underestimate the difficulties presented by the current environment. We will rigorously guard our financial strength and flexibility, while carefully preserving our science-driven competitive advantage to assure that the company is well-positioned for an eventual improvement in global markets.

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**Global Consolidated Sales and Net Income**

Consolidated net sales in the fourth quarter of \$5.8 billion were 17 percent lower than prior year, reflecting 20 percent lower volume, 7 percent higher local prices, 3 percent negative impact from currency and a 1 percent net reduction from portfolio changes. Weaker demand across most markets led to significantly lower global sales volume. Local pricing gains in all regions and in all segments were more than offset by declines in volume and unfavorable currency. Sales were down in all regions, including a 16 percent decline in emerging markets. The table below shows worldwide and regional sales performance of fourth quarter 2008 versus fourth quarter 2007.

|                              | Three Months Ended<br>December 31, 2008 |             | Percentage Change Due to:  |                    |        |                 |
|------------------------------|---|-------------|----------------------------|--------------------|--------|-----------------|
|                              | \$                                      | %<br>Change | Local<br>Currency<br>Price | Currency<br>Effect | Volume | Portfolio/Other |
| <i>(dollars in billions)</i> |   |             |                            |                    |        |                 |
| U.S.                         | \$ 1.9                                  | (15)        | 7                          |                    | (22)   |                 |
| Europe                       | 1.7                                     | (20)        | 5                          | (6)                | (19)   |                 |
| Asia Pacific                 | 1.2                                     | (16)        | 6                          |                    | (20)   | (2)             |
| Canada & Latin America       | 1.0                                     | (13)        | 12                         | (6)                | (19)   |                 |
| Total Consolidated Sales     | \$ 5.8                                  | (17)        | 7                          | (3)                | (20)   | (1)             |

Net loss for the fourth quarter 2008 was \$629 million versus income of \$545 million in the prior year. Excluding significant items, fourth quarter 2008 net loss was \$249 million versus income of \$522 million in the prior year. (See schedules B and D.)

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**Earnings (Loss) Per Share**

The table below shows the variances in fourth quarter 2008 earnings (loss) per share (EPS) versus fourth quarter 2007.

**EPS Analysis**

|   | <b>EPS</b>       |
|---|------------------|
| <b>4th Quarter 2007</b>                               | <b>\$ 0.60</b>   |
| Exclude: Significant items (schedule B)               | <b>0.03</b>      |
| <b>4th Quarter 2007 - excluding significant items</b> | <b>\$ 0.57</b>   |
| <b>Variances:</b>                                     |                  |
| Local prices  | 0.44             |
| Variable costs*                                       | (0.48)           |
| Volume  | (0.55)           |
| Low capacity utilization**                            | (0.21)           |
| Fixed costs*  | 0.02             |
| Currency  | (0.04)           |
| Income taxes  | 0.09             |
| Exchange loss   | (0.07)           |
| Other (Incl. \$.02 Pharmaceuticals benefit)           | (0.05)           |
| <b>4th Quarter 2008 excluding significant items</b>   | <b>\$ (0.28)</b> |
| Include: Restructuring Charge (schedule B)            | <b>(0.42)</b>    |
| <b>4th Quarter 2008</b>                               | <b>\$ (0.70)</b> |

\* Excludes  
volume and  
currency impact

\*\* Fixed  
manufacturing  
cost, normally  
reflected in  
inventory,  
expensed in the  
fourth quarter as  
a result of low  
production  
volumes

**Business Segment Performance**

Segment sales and related variances versus the fourth quarter of 2007 are shown in the table below:

| SEGMENT SALES*<br>(Dollars in billions)    | Three Months Ended<br>December 31, 2008 |        | Percentage Change<br>Due to: |        |                        |
|--|---|--------|------------------------------|--------|------------------------|
|  | \$                                      | %      | USD                          | Volume | Portfolio and<br>Other |
|  |   | Change | Price                        |        |                        |
| Agriculture & Nutrition                    | \$1.2                                   | (2)    | 8                            | (9)    | (1)                    |
| Coatings & Color Technologies              | 1.3                                     | (21)   | 1                            | (22)   |                        |
| Electronic & Communication<br>Technologies | 0.8                                     | (13)   | 1                            | (15)   | 1                      |
| Performance Materials                      | 1.2                                     | (30)   | 3                            | (32)   | (1)                    |
| Safety & Protection                        | 1.3                                     | (10)   | 7                            | (15)   | (2)                    |

\* Segment sales  
include transfers

Segment pre-tax loss was \$595 million versus income of \$804 million in the fourth quarter 2007. Excluding significant items, fourth quarter 2008 total segment pre-tax loss was \$60 million versus income of \$937 million in the prior year as shown in the table below.

**PRE-TAX OPERATING INCOME (LOSS) EXCLUDING SIGNIFICANT ITEMS\***

| (Dollars in millions)                   | Three Months Ended<br>Dec 31, 2008 |         |
|---|------------------------------------|---------|
|   | 2008                               | 2007    |
| Agriculture & Nutrition                 | \$ (164)                           | \$ (89) |
| Coatings & Color Technologies           | (65)                               | 216     |
| Electronic & Communication Technologies | 9                                  | 156     |
| Performance Materials                   | (129)                              | 186     |
| Safety & Protection                     | 105                                | 277     |
| Total Growth Platforms                  | (244)                              | 746     |
| Pharmaceuticals                         | 265                                | 246     |
| Other                                   | (81)                               | (55)    |
| Total Segments                          | \$ (60)                            | \$ 937  |

\* See schedules B  
and C for a  
listing of  
significant items  
and their impact  
by segment.

DuPont delivered \$425 million in fixed cost reduction programs in 2008, which surpassed the original goal of \$400 million. Each business segment has taken additional actions in the fourth quarter to reduce cost and capital in line with demand. The actions include: surpassing the goal of eliminating 4,000 contractors by the end of December; redeploying resources to working capital reduction projects; addressing underperforming assets; broad-based supplier negotiations; and delivering on restructuring milestones.

The following are business segment highlights comparing sales and PTOI (loss) excluding significant items for fourth quarter 2008 versus fourth quarter 2007.

**Agriculture & Nutrition**

Fourth quarter sales were \$1.2 billion, down \$26 million or 2 percent, with increased USD pricing in all regions and seed market share gains in Latin America, offset by volume declines in crop protection and food ingredient products.

The seasonal underlying pre-tax loss of \$164 million reflects growth investments, variable cost increases driven by higher commodity and other raw material costs and less favorable crop protection products volume and mix. Fourth quarter 2007 included a gain from an asset sale.

**Coatings & Color Technologies**

Sales of \$1.3 billion were down 21 percent. Higher USD prices were more than offset by a substantial decline in volume in all businesses and regions.

The underlying pre-tax loss of \$65 million reflects lower volume including charges for low capacity utilization and rising raw material costs that were not fully offset by higher USD selling prices.

**Electronic & Communication Technologies**

Sales of \$834 million were down 13 percent with weakness in consumer electronics, motor vehicles and industrial markets offsetting strength in photovoltaics and pricing gains in fluoroproducts.

Underlying PTOI of \$9 million reflects weak demand across all businesses, charges for low capacity utilization and higher raw material costs in fluoroproducts. Fourth quarter 2007 included a gain on sale of land.

**Performance Materials**

Sales of \$1.2 billion were down 30 percent as weak global demand drove volume down 32 percent, partially offset by higher USD prices.

The underlying pre-tax loss of \$129 million reflects lower volume across all businesses, charges for low capacity utilization, weaker sales mix and the impact of the higher raw material costs that were not fully covered by higher USD selling prices.

**Safety & Protection**

Sales of \$1.3 billion were down 10 percent. Pricing gains, particularly in aramids and chemical products, were more than offset by lower demand as all businesses experienced the impact of the global economic slowdown and destocking in the supply chain.

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Underlying PTOI of \$105 million reflects lower volume, charges for low capacity utilization and increased raw material prices partially offset by higher USD selling prices.

Additional information on segment performance is available on the DuPont Investor Center website at [www.dupont.com](http://www.dupont.com).

**Outlook**

The company expects that global macroeconomic conditions for first quarter 2009 will be similar to fourth quarter 2008, with very weak demand in most of the company's key markets, excluding agriculture. Earnings growth for the Agriculture & Nutrition segment is expected to be more than offset by lower earnings in the other segments. DuPont expects first quarter 2009 earnings to be in the range of \$.50 to \$.70 per share.

For 2009, the company's earnings outlook is a range of \$2.00 to \$2.50 per share, anticipating that the current global recession will continue in 2009. While favorable conditions in global agriculture markets are expected in 2009, lower demand for non-agriculture products and the impact of currency is expected to limit the company's revenue growth. The company expects to continue an appropriate level of spending for high-growth, high-margin businesses, including seed products and photovoltaics.

We are acutely focused on executing with a sense of urgency across the company, Kullman said. To enhance our strong financial position, we implemented additional cash-generating actions during the fourth quarter, including reduced spending and restructuring to better align capital expenditures and costs with lower global demand. For 2009, we will deliver about \$730 million in fixed cost reductions and about \$1 billion in reduced working capital, and we will capitalize on opportunities that emerge in the current environment.

**Use of Non-GAAP Measures**

Management believes that certain non-GAAP measurements, such as income excluding significant items, are meaningful to investors because they provide insight with respect to ongoing operating results of the company. Such measurements are not recognized in accordance with generally accepted accounting principles (GAAP) and should not be viewed as an alternative to GAAP measures of performance. Reconciliations of non-GAAP measures to GAAP are provided in schedules C and D.

DuPont is a science-based products and services company. Founded in 1802, DuPont puts science to work by creating sustainable solutions essential to a better, safer, healthier life for people everywhere. Operating in more than 70 countries, DuPont offers a wide range of innovative products and services for markets including agriculture and food; building and construction; communications; and transportation.

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**Forward-Looking Statements:** This news release 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 elsewhere in this release and in documents filed with the Securities and Exchange Commission by DuPont, particularly its latest annual report on Form 10-K and quarterly report on Form 10-Q, 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; seasonality of sales of agricultural products; and severe weather events that cause business interruptions, including plant and power outages, or disruptions in supplier and customer operations. The company undertakes no duty to update any forward-looking statements as a result of future developments or new information.

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E. I. du Pont de Nemours and Company  
Consolidated Income Statements  
(Dollars in millions, except per share amounts)

**SCHEDULE A**

|  | Three Months Ended<br>December 31, |               | Twelve Months Ended<br>December 31, |                 |
|--|------------------------------------|---------------|-------------------------------------|-----------------|
|  | 2008                               | 2007          | 2008                                | 2007            |
| Net sales  | \$ 5,820                           | \$ 6,983      | \$ 30,529                           | \$ 29,378       |
| Other income, net <sup>(a)</sup>   | 250                                | 230           | 1,307                               | 1,275           |
| <b>Total</b>   | <b>6,070</b>                       | <b>7,213</b>  | <b>31,836</b>                       | <b>30,653</b>   |
| Cost of goods sold and other operating charges <sup>(a)</sup>                      | 5,785                              | 5,389         | 24,083                              | 21,746          |
| Selling, general and administrative expenses                                       | 799                                | 862           | 3,593                               | 3,396           |
| Research and development expense   | 343                                | 359           | 1,393                               | 1,338           |
| Interest expense   | 104                                | 110           | 376                                 | 430             |
| <b>Total</b>   | <b>7,031</b>                       | <b>6,720</b>  | <b>29,445</b>                       | <b>26,910</b>   |
| Income (loss) before income taxes and minority interests                           | (961)                              | 493           | 2,391                               | 3,743           |
| Provision for (benefit from) income taxes  | (325)                              | (54)          | 381                                 | 748             |
| Minority interests in earnings (loss) of consolidated subsidiaries                 | (7)                                | 2             | 3                                   | 7               |
| <b>Net income (loss)</b>   | <b>\$ (629)</b>                    | <b>\$ 545</b> | <b>\$ 2,007</b>                     | <b>\$ 2,988</b> |
| Basic earnings (loss) per share of common stock                                    | \$ (0.70)                          | \$ 0.60       | \$ 2.21                             | \$ 3.25         |
| Diluted earnings (loss) per share of common stock                                  | \$ (0.70)                          | \$ 0.60       | \$ 2.20                             | \$ 3.22         |
| Dividends per share of common stock  | \$ 0.41                            | \$ 0.41       | \$ 1.64                             | \$ 1.52         |
| Average number of shares outstanding used in earnings per share (EPS) calculation: |                                    |               |                                     |                 |
| Basic  | 903,265,000                        | 899,847,000   | 902,415,000                         | 917,132,000     |
| Diluted  | 903,265,000                        | 906,479,000   | 907,371,000                         | 925,402,000     |

(a) See Schedules of Significant Items for additional information.



E. I. du Pont de Nemours and Company  
Consolidated Balance Sheets  
(Dollars in millions, except per share amounts)

**SCHEDULE A (continued)**

|  | December<br>31,<br>2008 | December<br>31,<br>2007 |
|--|-------------------------|-------------------------|
| <b>Assets</b>  |                         |                         |
| <b>Current assets</b>  |                         |                         |
| Cash and cash equivalents  | \$ 3,645                | \$ 1,305                |
| Marketable securities  | 59                      | 131                     |
| Accounts and notes receivable, net   | 5,140                   | 5,683                   |
| Inventories  | 5,681                   | 5,278                   |
| Prepaid expenses   | 143                     | 199                     |
| Income taxes   | 643                     | 564                     |
| Total current assets   | 15,311                  | 13,160                  |
| <b>Property, plant and equipment</b> , net of accumulated depreciation<br>(December 31, 2008 - \$16,800; December 31, 2007 - \$15,733) | 11,154                  | 10,860                  |
| <b>Goodwill</b>  | 2,135                   | 2,074                   |
| <b>Other intangible assets</b>   | 2,710                   | 2,856                   |
| <b>Investment in affiliates</b>  | 844                     | 818                     |
| <b>Other assets</b>  | 4,055                   | 4,363                   |
| <b>Total</b>   | \$ 36,209               | \$ 34,131               |
| <b>Liabilities and Stockholders Equity</b>   |                         |                         |
| <b>Current liabilities</b>   |                         |                         |
| Accounts payable   | \$ 3,128                | \$ 3,172                |
| Short-term borrowings and capital lease obligations  | 2,012                   | 1,370                   |
| Income taxes   | 110                     | 176                     |
| Other accrued liabilities  | 4,460                   | 3,823                   |
| Total current liabilities  | 9,710                   | 8,541                   |
| <b>Long-term borrowings and capital lease obligations</b>  | 7,638                   | 5,955                   |
| <b>Other liabilities</b>   | 11,169                  | 7,255                   |
| <b>Deferred income taxes</b>   | 140                     | 802                     |
| Total liabilities  | 28,657                  | 22,553                  |
| <b>Minority interests</b>  | 427                     | 442                     |

**Commitments and contingent liabilities****Stockholders' equity**

|  |           |           |
|--|-----------|-----------|
| Preferred stock  | 237       | 237       |
| Common stock, \$0.30 par value; 1,800,000,000 shares authorized; issued at<br>December 31, 2008 - 989,415,000; December 31, 2007 - 986,330,000 | 297       | 296       |
| Additional paid-in capital   | 8,380     | 8,179     |
| Reinvested earnings  | 10,456    | 9,945     |
| Accumulated other comprehensive loss   | (5,518)   | (794)     |
| Common stock held in treasury, at cost (87,041,000 shares at December 31,<br>2008 and 2007)  | (6,727)   | (6,727)   |
| Total stockholders' equity   | 7,125     | 11,136    |
| <b>Total</b>   | \$ 36,209 | \$ 34,131 |

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E. I. du Pont de Nemours and Company  
Condensed Consolidated Statements of Cash Flows  
(Dollars in millions)

**SCHEDULE A (continued)**

|   | Twelve Months Ended<br>December 31, |          |
|---|-------------------------------------|----------|
|   | 2008                                | 2007     |
| <b>Cash provided by operating activities</b>            | \$ 3,129                            | \$ 4,290 |
| Investing activities                                    |                                     |          |
| Purchases of property, plant and equipment              | (1,978)                             | (1,585)  |
| Investments in affiliates                               | (55)                                | (113)    |
| Payments for Businesses (Net of Cash Acquired)          | (144)                               | (13)     |
| Other investing activities net                          | 567                                 | (39)     |
| <b>Cash used for investing activities</b>               | (1,610)                             | (1,750)  |
| Financing activities                                    |                                     |          |
| Dividends paid to stockholders                          | (1,496)                             | (1,409)  |
| Net increase (decrease) in borrowings                   | 2,089                               | (343)    |
| Repurchase of common stock                              |                                     | (1,695)  |
| Other financing activities net                          | 285                                 | 378      |
| <b>Cash provided by (used for) financing activities</b> | 878                                 | (3,069)  |
| Effect of exchange rate changes on cash                 | (57)                                | 20       |
| <b>Increase (decrease) in cash and cash equivalents</b> | 2,340                               | (509)    |
| <b>Cash and cash equivalents at beginning of period</b> | 1,305                               | 1,814    |
| <b>Cash and cash equivalents at end of period</b>       | \$ 3,645                            | \$ 1,305 |

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E. I. du Pont de Nemours and Company  
Schedules of Significant Items  
(Dollars in millions, except per share amounts)

**SCHEDULE B**  
**SIGNIFICANT ITEMS**

|   | Pre-tax  |          | After-tax |         | (\$ Per Share) |           |
|---|----------|----------|-----------|---------|----------------|-----------|
|   | 2008     | 2007     | 2008      | 2007    | 2008           | 2007      |
| 1st Quarter Total <sup>(a)</sup>  | \$       | \$ (52)  | \$        | \$ (52) | \$             | \$ (0.06) |
| 2nd Quarter- Total  | \$       | \$       | \$        | \$      | \$             | \$        |
| 3rd Quarter   |          |          |           |         |                |           |
| Hurricane charges <sup>(b)</sup>  | (227)    |          | (146)     |         | (0.16)         |           |
| Litigation related item <sup>(c)</sup>  |          | (40)     |           | (26)    |                | (0.03)    |
| 3rd Quarter Total   | \$ (227) | \$ (40)  | \$ (146)  | \$ (26) | \$ (0.16)      | \$ (0.03) |
| 4th Quarter   |          |          |           |         |                |           |
| 2008 Restructuring charges <sup>(d)</sup>   | \$ (535) | \$       | \$ (380)  | \$      | \$ (0.42)      | \$        |
| Impairment charge   |          |          |           |         |                |           |
| Performance Materials <sup>(e)</sup>  |          | (165)    |           | (135)   |                | (0.15)    |
| Reversal of litigation accrual  |          |          |           |         |                |           |
| Performance Materials <sup>(f)</sup>  |          | 32       |           | 46      |                | 0.05      |
| Reversal of accruals related to tax settlements and valuation allowances and reversal of interest on tax settlements <sup>(g)</sup> |          | 6        |           | 112     |                | 0.13      |
| 4th Quarter Total   | \$ (535) | \$ (127) | \$ (380)  | \$ 23   | \$ (0.42)      | \$ 0.03   |
| Full Year Total   | \$ (762) | \$ (219) | \$ (526)  | \$ (55) | \$ (0.58)      | \$ (0.06) |

(a) First quarter and full year 2007 includes a net \$52 charge in Cost of goods sold and other operating charges for litigation in the Performance Materials



segment in connection with the elastomers antitrust matter.

- (b) Pre-tax hurricane charges by segment for the third quarter and full year 2008 were: \$4 Agriculture & Nutrition, \$2 Electronic & Communication Technologies, \$216 Performance Materials and \$5 Safety & Protection.
- (c) Third quarter and full year 2007 includes a \$40 charge in Cost of goods sold and other operating charges for litigation in the Other segment relating to a discontinued business.
- (d) Fourth quarter and full year 2008 includes a \$535 restructuring charge in Cost of good sold and other operating charges comprised of severance and related benefit costs, asset write-offs, and

impairment charges. Pre-tax amounts by segment were: \$18 Agriculture & Nutrition, \$236 Coatings and Color Technologies, \$55 Electronic & Communication Technologies, \$94 Performance Materials, \$101 Safety & Protection and \$31 Other.

- (e) Fourth quarter and full year 2007 includes a \$165 charge in Other income to adjust the carrying value of the company's investment in a 50/50 polyester films joint venture which is reported in the Performance Materials segment.
- (f) Fourth quarter and full year 2007 includes a net \$32 benefit in Cost of goods sold and other operating charges resulting from the reversal of certain litigation accruals in the Performance Materials

segment  
established in  
prior periods for  
the elastomers  
antitrust matter.

- (g) Fourth quarter  
and full year  
2007 includes  
benefits for the  
reversal of  
accrued interest  
of \$6 (\$4  
after-tax) in  
Other income  
and the reversal  
of income tax  
accruals of \$108  
associated with  
favorable  
settlement of  
certain prior  
year tax  
contingencies.
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E. I. du Pont de Nemours and Company  
Consolidated Segment Information  
(Dollars in millions)

**SCHEDULE C**

|   | Three Months Ended |          | Twelve Months Ended |           |
|---|--------------------|----------|---------------------|-----------|
|   | December 31,       |          | December 31,        |           |
|   | 2008               | 2007     | 2008                | 2007      |
| SEGMENT SALES <sup>(1)</sup>            |                    |          |                     |           |
| Agriculture & Nutrition                 | \$ 1,225           | \$ 1,251 | \$ 7,952            | \$ 6,842  |
| Coatings & Color Technologies           | 1,337              | 1,700    | 6,606               | 6,609     |
| Electronic & Communication Technologies | 834                | 963      | 3,988               | 3,797     |
| Performance Materials                   | 1,194              | 1,711    | 6,425               | 6,630     |
| Safety & Protection                     | 1,252              | 1,397    | 5,729               | 5,641     |
| Other                                   | 31                 | 42       | 160                 | 178       |
| Total segment sales                     | \$ 5,873           | \$ 7,064 | \$ 30,860           | \$ 29,697 |
| Elimination of transfers                | (53)               | (81)     | (331)               | (319)     |
| Consolidated net sales                  | \$ 5,820           | \$ 6,983 | \$ 30,529           | \$ 29,378 |

(1) Sales for the reporting segments include transfers.

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E. I. du Pont de Nemours and Company  
Consolidated Segment Information  
(Dollars in millions)

**SCHEDULE C (continued)**

|  | Three Months Ended<br>December 31, |              | Twelve Months Ended<br>December 31, |              |
|--|------------------------------------|--------------|-------------------------------------|--------------|
|  | 2008                               | 2007         | 2008                                | 2007         |
| <b>PRE-TAX OPERATING INCOME/(LOSS)</b>                       |                                    |              |                                     |              |
| Agriculture & Nutrition                                      | \$ (182)                           | \$ (89)      | \$ 1,087                            | \$ 894       |
| Coatings & Color Technologies                                | (301)                              | 216          | 326                                 | 840          |
| Electronic & Communication Technologies                      | (46)                               | 156          | 436                                 | 594          |
| Performance Materials  | (223)                              | 53           | 128                                 | 626          |
| Safety & Protection  | 4                                  | 277          | 829                                 | 1,199        |
| <br>Total Growth Platforms                                   | <br>(748)                          | <br>613      | <br>2,806                           | <br>4,153    |
| Pharmaceuticals  | 265                                | 246          | 1,025                               | 949          |
| Other  | (112)                              | (55)         | (181)                               | (224)        |
| <br>Total Segment PTOI (Loss)                                | <br>\$ (595)                       | <br>\$ 804   | <br>\$ 3,650                        | <br>\$ 4,878 |
| Net exchange (loss) <sup>(1)</sup>                           | (116)                              | (35)         | (255)                               | (85)         |
| Corporate expenses & net interest                            | (250)                              | (276)        | (1,004)                             | (1,050)      |
| <br>Income (loss) before income taxes and minority interests | <br>\$ (961)                       | <br>\$ 493   | <br>\$ 2,391                        | <br>\$ 3,743 |
|  |                                    |              |                                     |              |
|  | Three Months Ended<br>December 31, |              | Twelve Months Ended<br>December 31, |              |
|  | 2008                               | 2007         | 2008                                | 2007         |
| <b>SIGNIFICANT ITEMS BY SEGMENT (PRE-TAX) <sup>(2)</sup></b> |                                    |              |                                     |              |
| Agriculture & Nutrition                                      | \$ (18)                            | \$           | \$ (22)                             | \$           |
| Coatings & Color Technologies                                | (236)                              |              | (236)                               |              |
| Electronic & Communication Technologies                      | (55)                               |              | (57)                                |              |
| Performance Materials  | (94)                               | (133)        | (310)                               | (185)        |
| Safety & Protection  | (101)                              |              | (106)                               |              |
| Other  | (31)                               |              | (31)                                | (40)         |
| <br>Total significant items by segment                       | <br>\$ (535)                       | <br>\$ (133) | <br>\$ (762)                        | <br>\$ (225) |
|  |                                    |              |                                     |              |
|  | Three Months Ended<br>December 31, |              | Twelve Months Ended<br>December 31, |              |
|  | 2008                               | 2007         | 2008                                | 2007         |
| <b>PTOI (LOSS) EXCLUDING SIGNIFICANT ITEMS</b>               |                                    |              |                                     |              |
| Agriculture & Nutrition                                      | \$ (164)                           | \$ (89)      | \$ 1,109                            | \$ 894       |

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|   |         |        |          |          |
|---|---------|--------|----------|----------|
| Coatings & Color Technologies                         | (65)    | 216    | 562      | 840      |
| Electronic & Communication Technologies               | 9       | 156    | 493      | 594      |
| Performance Materials                                 | (129)   | 186    | 438      | 811      |
| Safety & Protection                                   | 105     | 277    | 935      | 1,199    |
| Total Growth Platforms                                | (244)   | 746    | 3,537    | 4,338    |
| Pharmaceuticals                                       | 265     | 246    | 1,025    | 949      |
| Other   | (81)    | (55)   | (150)    | (184)    |
| Total Segment PTOI (Loss) excluding significant items | \$ (60) | \$ 937 | \$ 4,412 | \$ 5,103 |

(1) Net after-tax exchange activity for the three months ended December 31, 2008 and 2007 was a loss of \$81 and \$14, respectively. Net after-tax exchange activity for the twelve months ended December 31, 2008 and 2007 were losses of \$172 and \$31, respectively. Gains and losses resulting from the company's hedging program are largely offset by associated tax effects. See Schedule D for additional information.

(2) Refer to the notes to schedules of significant items for additional information.



E. I. du Pont de Nemours and Company  
Reconciliation of Non-GAAP Measures  
(Dollars in millions, except per share amounts)

**SCHEDULE D****Summary of Earnings Comparisons**

|  | Three Months Ended<br>December 31, |             |       | %<br>Change | Twelve Months Ended<br>December 31, |      |       | %<br>Change |
|--|------------------------------------|-------------|-------|-------------|-------------------------------------|------|-------|-------------|
|  | 2008                               | 2007        |       |             | 2008                                | 2007 |       |             |
| Segment PTOI (Loss)  | \$ (595)                           | \$ 804      | N/M   | \$ 3,650    | \$ 4,878                            |      | -25%  |             |
| Significant items<br>charge included in<br>PTOI (Loss) (per<br>Schedule B) | 535                                | 133         |       | 762         | 225                                 |      |       |             |
| Segment PTOI (Loss)<br>excluding significant<br>items                      | \$ (60)                            | \$ 937      | N/M   | \$ 4,412    | \$ 5,103                            |      | -14%  |             |
| Net income (loss)  | \$ (629)                           | \$ 545      | N/M   | \$ 2,007    | \$ 2,988                            |      | -33%  |             |
| Significant items<br>included in Net<br>income (loss) (per<br>Schedule B)  | 380                                | (23)        |       | 526         | 55                                  |      |       |             |
| Net income<br>(loss) excluding<br>significant items                        | \$ (249)                           | \$ 522      | N/M   | \$ 2,533    | \$ 3,043                            |      | -17%  |             |
| EPS  | \$ (0.70)                          | \$ 0.60     | N/M   | \$ 2.20     | \$ 3.22                             |      | -32%  |             |
| Significant items<br>included in EPS (per<br>Schedule B)                   | 0.42                               | (0.03)      |       | 0.58        | 0.06                                |      |       |             |
| EPS excluding<br>significant items   | \$ (0.28)                          | \$ 0.57     | N/M   | \$ 2.78     | \$ 3.28                             |      | -15%  |             |
| Average number of<br>diluted shares<br>outstanding                         | 903,265,000                        | 906,479,000 | -0.4% | 907,371,000 | 925,402,000                         |      | -1.9% |             |

**Calculation of Segment PTOI (Loss) as a Percent of Segment Sales**



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|   | Three Months Ended<br>December 31, |        |             | Twelve Months Ended<br>December 31, |          |             |
|---|------------------------------------|--------|-------------|-------------------------------------|----------|-------------|
|   | 2008                               | 2007   | %<br>Change | 2008                                | 2007     | %<br>Change |
| Segment PTOI (Loss) excluding significant items   | \$ (60)                            | \$ 937 | N/M         | \$ 4,412                            | \$ 5,103 | -14%        |
| Segment sales                                     | 5,873                              | 7,064  | -17%        | 30,860                              | 29,697   | 4%          |
| Segment PTOI (Loss) as a percent of segment sales | -1.0%                              | 13.3%  |             | 14.3%                               | 17.2%    |             |

**Calculation of Free Cash Flow**

|  | Year Ended<br>December 31, |          |
|--|----------------------------|----------|
|  | 2008                       | 2007     |
| Cash provided by operating activities            | \$ 3,129                   | \$ 4,290 |
| Less: Purchases of Property, plant and equipment | 1,978                      | 1,585    |
| Less: Investments in affiliates                  | 55                         | 113      |
| Free cash flow                                   | \$ 1,096                   | \$ 2,592 |

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E. I. du Pont de Nemours and Company  
Reconciliation of Non-GAAP Measures  
(Dollars in millions, except per share amounts)

**SCHEDULE D (continued)****Reconciliations of EBIT / EBITDA to Consolidated Income Statement**

|  | Three Months Ended<br>December 31, |               | Twelve Months Ended<br>December 31, |                 |
|--|------------------------------------|---------------|-------------------------------------|-----------------|
|  | 2008                               | 2007          | 2008                                | 2007            |
| Income (loss) before income taxes and minority interests                   | \$ (961)                           | \$ 493        | \$ 2,391                            | \$ 3,743        |
| Less: Minority interests in earnings (losses) of consolidated subsidiaries | (7)                                | 2             | 3                                   | 7               |
| Add: Interest expense  | 104                                | 110           | 376                                 | 430             |
| <b>EBIT</b>  | <b>(850)</b>                       | <b>601</b>    | <b>2,764</b>                        | <b>4,166</b>    |
| Add: Depreciation and amortization   | 348                                | 342           | 1,444                               | 1,371           |
| <b>EBITDA</b>  | <b>\$ (502)</b>                    | <b>\$ 943</b> | <b>\$ 4,208</b>                     | <b>\$ 5,537</b> |

**Reconciliations of Fixed Costs as a Percent of Sales**

|   | Three Months Ended<br>December 31, |                 | Twelve Months Ended<br>December 31, |                  |
|---|------------------------------------|-----------------|-------------------------------------|------------------|
|   | 2008                               | 2007            | 2008                                | 2007             |
| Total charges and expenses consolidated income statements | \$ 7,031                           | \$ 6,720        | \$ 29,445                           | \$ 26,910        |
| Remove:   |                                    |                 |                                     |                  |
| Interest expense  | (104)                              | (110)           | (376)                               | (430)            |
| Variable costs (1)  | (3,245)                            | (3,522)         | (15,736)                            | (14,378)         |
| Significant items (2)                                     | (535)                              | 32              | (762)                               | (60)             |
| <b>Fixed costs</b>  | <b>\$ 3,147</b>                    | <b>\$ 3,120</b> | <b>\$ 12,571</b>                    | <b>\$ 12,042</b> |
| <b>Consolidated net sales</b>                             | <b>\$ 5,820</b>                    | <b>\$ 6,983</b> | <b>\$ 30,529</b>                    | <b>\$ 29,378</b> |
| <b>Fixed costs as a percent of consolidated net sales</b> | <b>54.1%</b>                       | <b>44.7%</b>    | <b>41.2%</b>                        | <b>41.0%</b>     |

(1) Includes variable manufacturing costs, freight, commissions and other selling expenses which

vary with the  
volume of sales.

- (2) See Schedule B  
for detail of  
significant  
items.

**Reconciliation of Earnings Per Share (EPS)**

|   | Year Ended   |         |
|---|--------------|---------|
|   | December 31, |         |
|   | 2008         | 2007    |
|   | Actual       | Actual  |
| Earnings per share excluding Significant Items        | \$ 2.78      | \$ 3.28 |
| Significant Items included in EPS:                    |              |         |
| Hurricane charge                                      | (0.16)       |         |
| Restructuring charge                                  | (0.42)       |         |
| Impairment charge Performance Materials               |              | (0.15)  |
| Litigation related charges Other                      |              | (0.03)  |
| Litigation related charges, net Performance Materials |              | (0.01)  |
| Corporate tax-related items                           |              | 0.13    |
| Net charge for significant items                      | (0.58)       | (0.06)  |
| Reported EPS  | \$ 2.20      | \$ 3.22 |

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E. I. du Pont de Nemours and Company  
Reconciliation of Non-GAAP Measures  
(Dollars in millions, except per share amounts)

**SCHEDULE D (continued)****Exchange Gains/Loss**

The company routinely uses forward exchange contracts to offset its net exposures, by currency, related to the foreign currency denominated monetary assets and liabilities of its operations. The objective of this program is to maintain an approximately balanced position in foreign currencies in order to minimize, on an after-tax basis, the effects of exchange rate changes. The net pretax exchange gains and losses are recorded in Other income, net on the Consolidated Income Statements and are partially offset by the associated tax impact.

|   | Three Months Ended<br>December 31, |         | Twelve Months Ended<br>December 31, |          |
|---|------------------------------------|---------|-------------------------------------|----------|
|   | 2008                               | 2007    | 2008                                | 2007     |
| <b>Subsidiary/Affiliate Monetary Position Gain/(Loss)</b>         |                                    |         |                                     |          |
| Pretax exchange gains (losses) (includes equity affiliates)       | \$ (286)                           | \$ 34   | \$ (396)                            | \$ 174   |
| Local tax benefits (expenses)                                     | 93                                 | (3)     | 130                                 | (35)     |
| Net after-tax impact from subsidiary exchange gains (losses)      | \$ (193)                           | \$ 31   | \$ (266)                            | \$ 139   |
| <b>Hedging Program Gain/(Loss)</b>                                |                                    |         |                                     |          |
| Pretax exchange gains (losses)                                    | \$ 170                             | \$ (69) | \$ 141                              | \$ (259) |
| Tax benefits (expenses)   | (58)                               | 24      | (47)                                | 89       |
| Net after-tax impact from hedging program exchange gains (losses) | \$ 112                             | \$ (45) | \$ 94                               | \$ (170) |
| <b>Total Exchange Gain/(Loss)</b>                                 |                                    |         |                                     |          |
| Pretax exchange gains (losses)                                    | \$ (116)                           | \$ (35) | \$ (255)                            | \$ (85)  |
| Tax benefits (expenses)   | 35                                 | 21      | 83                                  | 54       |
| Net after-tax exchange gains (losses)                             | \$ (81)                            | \$ (14) | \$ (172)                            | \$ (31)  |

As shown above, the Total Exchange Gain (Loss) is the sum of the Subsidiary/Affiliate Monetary Position Gain (Loss) and the Hedging Program Gain (Loss).

**Reconciliation of Base Income Tax Rate to Effective Income Tax Rate**

Base income tax rate is defined as the effective income tax rate less the effect of exchange gains/losses, as defined above, and significant items.

|  | Three Months Ended<br>December 31, |      | Twelve Months Ended<br>December 31, |      |
|--|------------------------------------|------|-------------------------------------|------|
|  | 2008                               | 2007 | 2008                                | 2007 |

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|  |          |         |          |          |
|--|----------|---------|----------|----------|
| Income (loss) before income taxes and minority interests   | \$ (961) | \$ 493  | \$ 2,391 | \$ 3,743 |
| Add: Significant items   | 535      | 127     | 762      | 219      |
| Less: Net exchange gains (losses)  | (116)    | (35)    | (255)    | (85)     |
| Income (loss) before income taxes, significant items,<br>exchange gains/losses and minority interests        | \$ (310) | \$ 655  | \$ 3,408 | \$ 4,047 |
| Provision for (benefit from) income taxes  | \$ (325) | \$ (54) | \$ 381   | \$ 748   |
| Add: Tax benefit on significant items  | 150      | 150     | 231      | 164      |
| Tax (expense)/benefit on exchange gains/losses   | 35       | 21      | 83       | 54       |
| Provision for (benefit from) income taxes, excluding<br>taxes on significant items and exchange gains/losses | \$ (140) | \$ 117  | \$ 695   | \$ 966   |
| Effective income tax rate  | 33.8%    | -11.0%  | 15.9%    | 20.0%    |
| Significant items effect   | 7.3%     | 26.5%   | 3.5%     | 3.0%     |
| Tax rate before significant items  | 41.1%    | 15.5%   | 19.4%    | 23.0%    |
| Exchange gains/losses effect   | 4.1%     | 2.4%    | 1.0%     | 0.9%     |
| Base income tax rate   | 45.2%    | 17.9%   | 20.4%    | 23.9%    |