

DuPont Science & Technology Delivering Top Line Growth

Tom Connelly

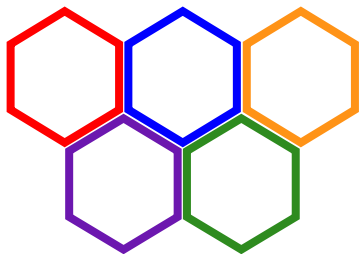
Senior Vice President

Chief Science & Technology Officer

Merrill Lynch Chemicals Conference

Mar. 31, 2004

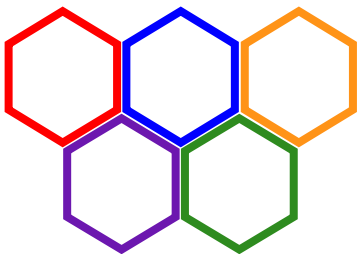




Forward Looking Statement

During the course of this meeting we may make forward-looking statements. All statements that address expectations or projections about the future are forward-looking statements. Some of these statements include words such as “expects,” “anticipates,” “plans,” “intends,” “projects,” and “indicates.” Although they reflect our current expectations, these statements are not guarantees of future performance, but involve a number of risks, uncertainties, and assumptions. We urge you to review DuPont’s SEC filings, particularly its latest annual report on Form 10-K and quarterly report on Form 10-Q, for a discussion of some of the factors which could cause actual results to differ materially.

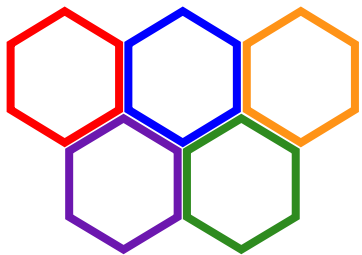




Agenda

- Managing Process Overview
- Portfolio Management Tools
 - Top 75
 - Traction Index
- Program Examples by Platform
- Summary





Solid, Unchanged Focus

DuPont is a Science Company.

**We put science to work
solving problems in ways
that make people's lives
better, safer and easier.**





Growth Platforms In Place

DuPont Agriculture & Nutrition

Crop Protection
Pioneer Hi-Bred
Solae
Nutrition & Health

DuPont Coatings & Color

Titanium Technologies
Refinish Systems
OEM Automotive Systems
Advanced Coating Systems

DuPont Electronic & Communication Technologies

Electronic Technologies
Fluoroproducts
Display Technologies
Imaging Technologies
Fuel Cells

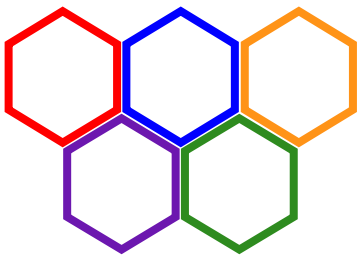
DuPont Performance Materials

Packaging & Industrial Polymers
Engineering Polymers

DuPont Safety & Protection

Nonwovens
Chemical Solutions
Surfaces
Advanced Fiber Systems
Safety Resources

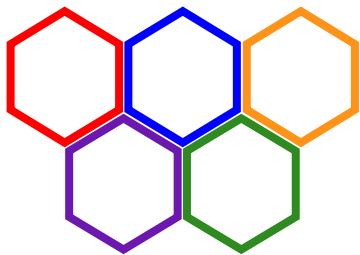




Clear Technology Goals

- 3% top line growth from technology (year over year)
- 33% of revenue from products introduced in last 5 years by 2005





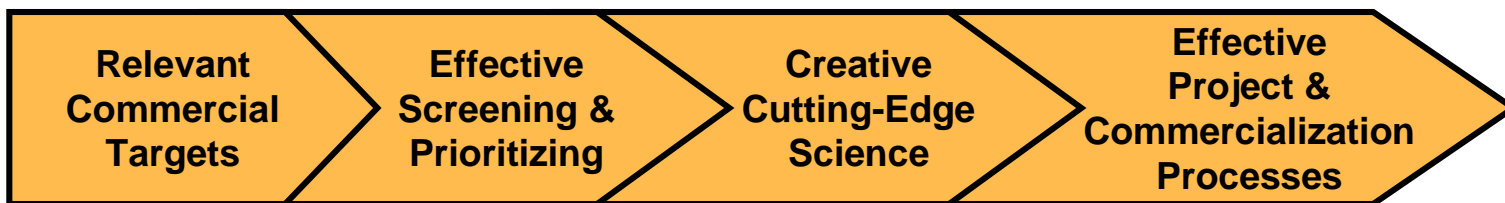
Innovation Framework Defined

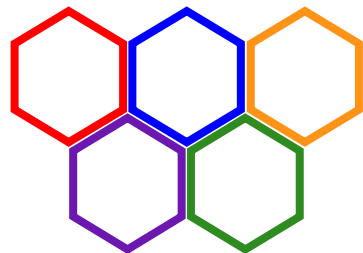
- **Market relevance**
- **Technical uniqueness**
- **Commercialization plan**

Top 75

Traction Index

- **Confidence level**
- **Gaps**





Positive Trajectory

**SBU Directed Technical Effort
on Growth**

2003

62%

2000

40%

US Patent Applications

1288

970

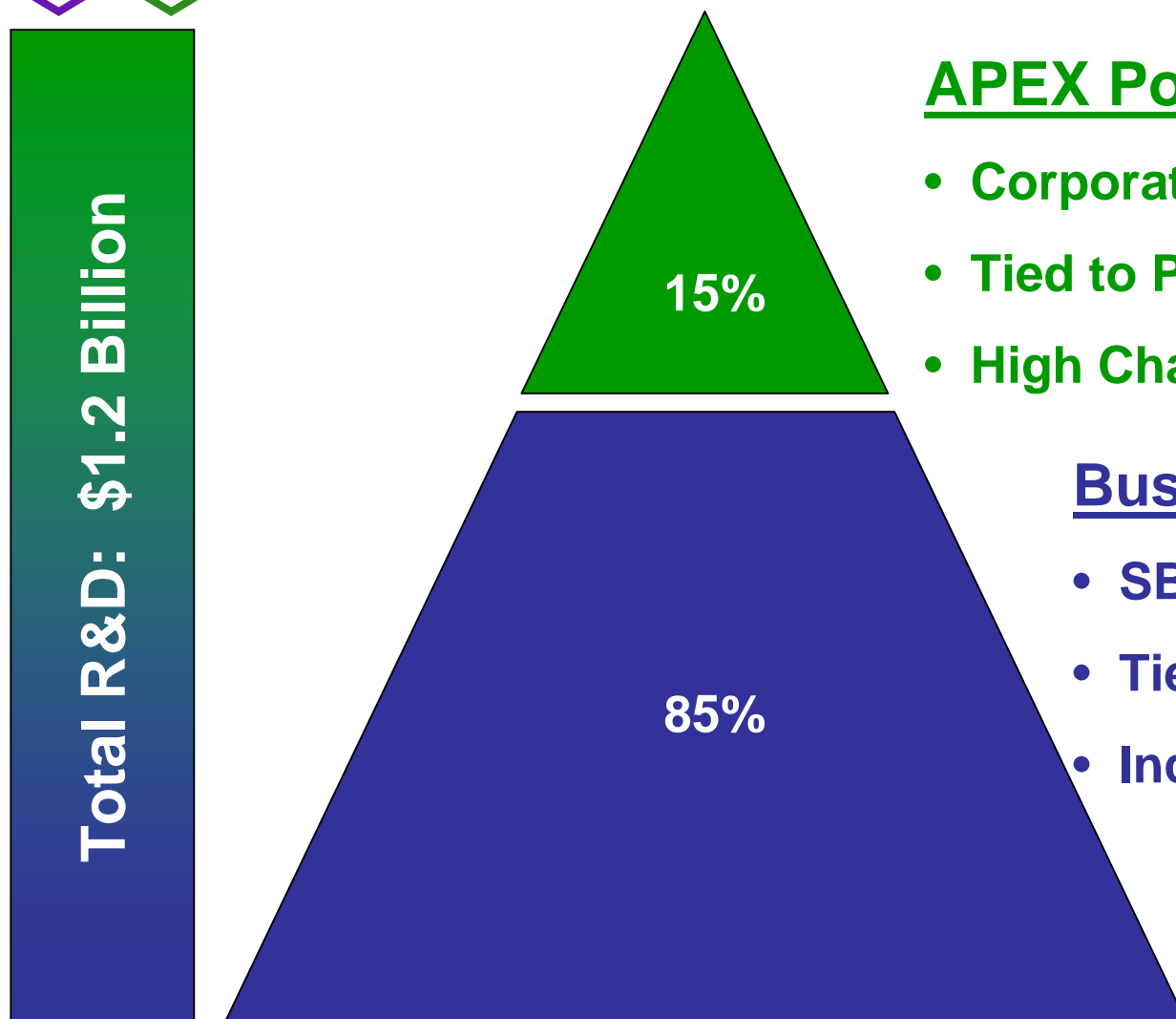
Revenue from New Products

29%

22%



DuPont R&D: Two Portfolios

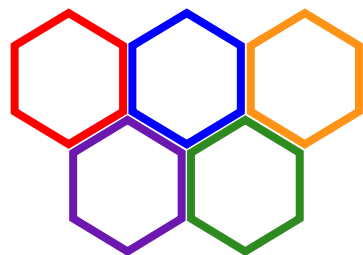


APEX Portfolio

- Corporately Funded
- Tied to Platform Strategies
- High Challenge / High Reward

Business Unit Portfolio

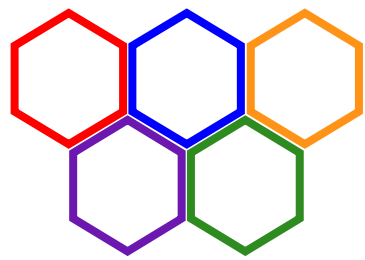
- SBU Funded
- Tied to 1-5 Year Goals
- Includes Top 75



Top 75

- Highest priority programs across all platforms
 - ~ 70% of today's growth pipeline
- Assures corporate visibility and clear accountability for results delivery
- Rigorous project management practices
 - Voice of customer driven
 - Resourced for success
 - Full time leaders
 - Team members with right skills and capabilities
 - Milestone managed

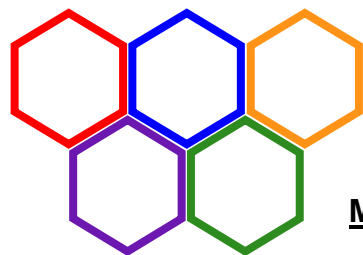




Traction Index

- Project by project analysis
 - Top 75 only
- Three criteria
 - Market relevance
 - Technical uniqueness
 - Commercialization plan
- Five factors per criteria scored 0 to 100
- Traction index = $I_{MR} \times I_{TU} \times I_{CP}$
- Dual role
 - Project diagnostic
 - Portfolio handicapping





Traction Index Components

Market relevance

- M1** Market need defined
- M2** Attributes required clearly understood
- M3** Attractive market (size, growth trend)
- M4** Attractive share potential (low competitive intensity)
- M5** Impact of “environmental” factors (e.g., regulatory requirements) low, manageable

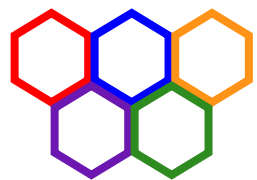
Technical uniqueness

- T1** Technology required known or can be developed
- T2** Specifications clearly defined
- T3** Strong IP estate achievable
- T4** Strong VOC input available throughout development process
- T5** Technical skills required available

Commercialization plan

- C1** Marketing and sales resources required available
- C2** Total cost of goods sold (COGS) leaves room for an attractive pre-tax margin
- C3** Scale-up costs easily justified
- C4** Rapid customer acceptance will be realized
- C5** Strong value chain position





Diagnostic Role Illustration

Project X: Bus. Identified Growth Opportunity = \$100 Mil. In 2005

Market relevance

		<u>Confidence Score</u>
M1	Market need defined	100
M2	Attributes required clearly understood	90
M3	Attractive market (size, growth trend)	90
M4	Attractive share potential (low competitive intensity)	75
M5	Impact of “environmental” factors (e.g., regulatory requirements) low, manageable	80
		<hr/> Avg. 87

Technical uniqueness

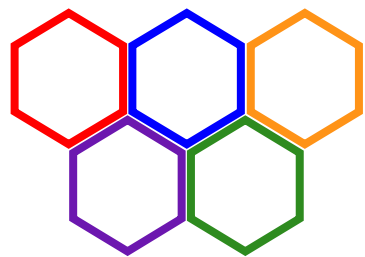
T1	Technology required known or can be developed	85
T2	Specifications clearly defined	90
T3	Strong IP estate achievable	75
T4	Strong VOC input available throughout development process	90
T5	Technical skills required available	90
		<hr/> Avg. 86

Commercialization plan

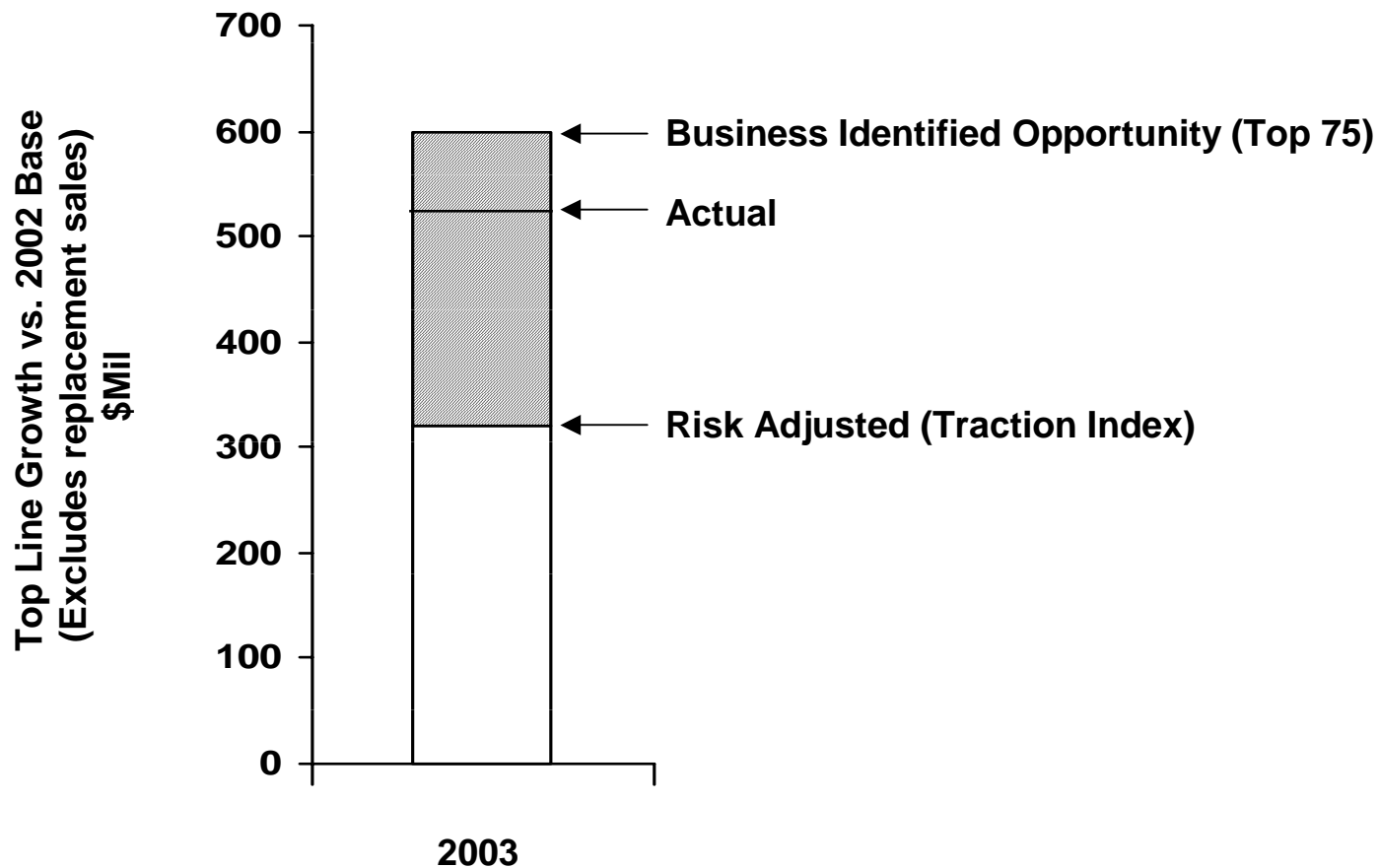
C1	Marketing and sales resources required available	90
C2	Total cost of goods sold (COGS) leaves room for an attractive pre-tax margin	85
C3	Scale-up costs easily justified	90
C4	Rapid customer acceptance will be realized	60
C5	Strong value chain position	75
		<hr/> Avg. 80

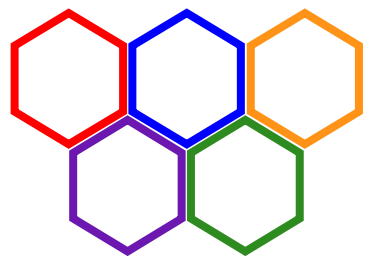
Traction Index = $.87 \times .86 \times .80 = .60$
 Handicapped contribution to growth portfolio in 2005 = \$60 Mil.





Portfolio Handicapping Role



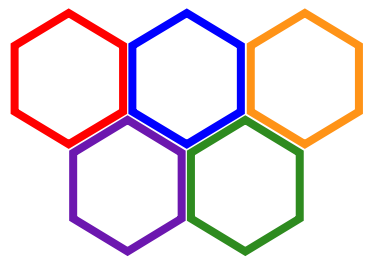


“Top 75” Priority Programs

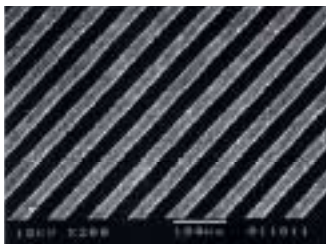
DuPont
Electronic &
Communication
Technologies

Electronic Technologies
Fluoroproducts
Display Technologies
Imaging Technologies
Fuel Cells

- Plasma Conductors
- LCD Color Filters
- Semicon Materials
- Cyrel[®] FAST
- Microlux[®] HP
- Embedded Passives
- Photovoltaic Conductors
- Fuel Cells
- OLEDs



Plasma Display Conductors



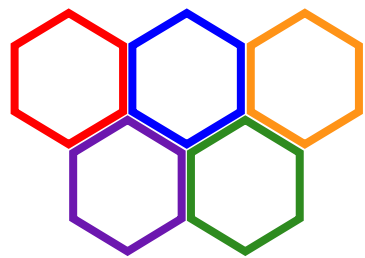
**Fodel® Silver
Conductors fired
onto glass**



Fifth generation launched in 2003

- Reduces customer cost of manufacture
- Improves resolution





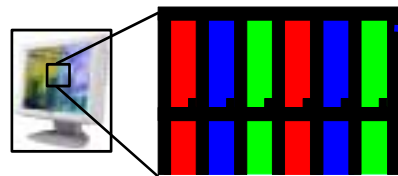
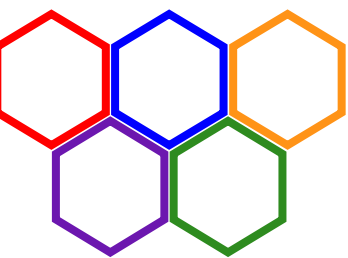
Traction Index Example

	<u>MR</u>	<u>TU</u>	<u>CP</u>	<u>TI</u>
Plasma Conductors	90	85	90	69

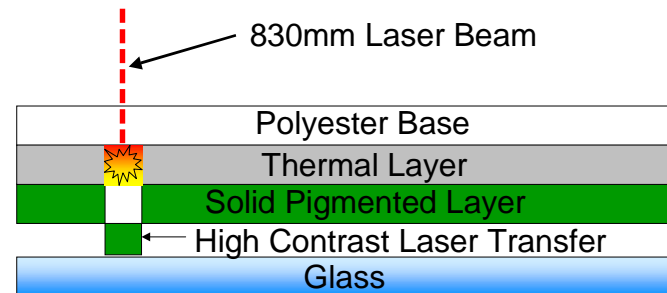
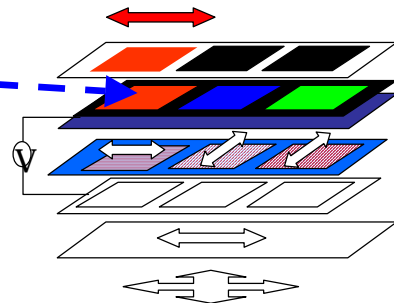
- Market relevance, route to market well established
- Key challenge: Next generation technology



LCD Color Filters



Color Filter

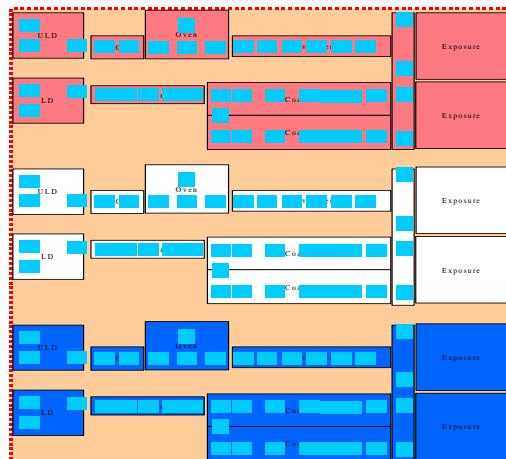


**Thermal Multi-Layer
Transfer Mechanism**

Conventional Process : Analog/Serial



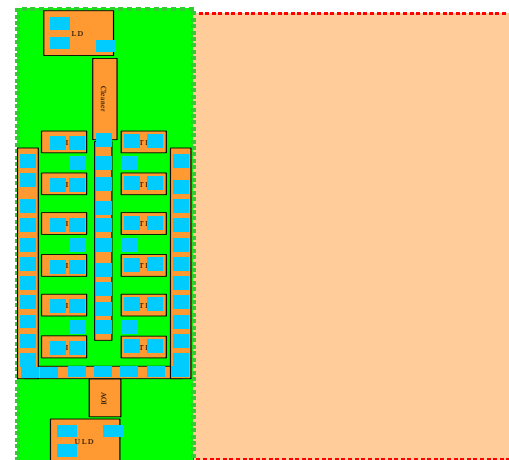
Resulting Cleanroom Footprint

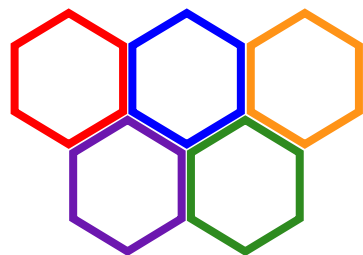


Thermal Process: Digital/ Parallel



Resulting Cleanroom Footprint



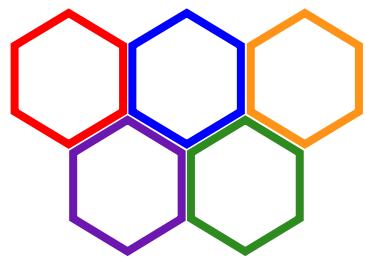


“Top 75” Priority Programs



- **Ink Jet for Textiles**
- New Refinish Color System
- Global Waterborne Basecoat
- Super Durable TiO_2
- Laminate Grade TiO_2

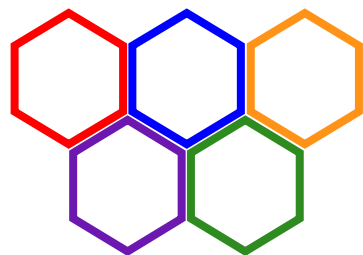




Ink Jet for Textiles

- **Current Markets**
 - Home & Office Inks
 - Textiles
 - Inks
 - DuPont™ Artistri™ Printers
- **Multiple “Game Changing” Opportunities**
 - e.g. SentryGlas® Expressions™





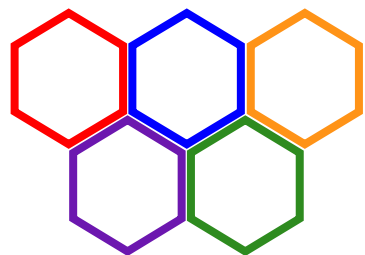
“Top 75” Priority Programs

DuPont Performance Materials

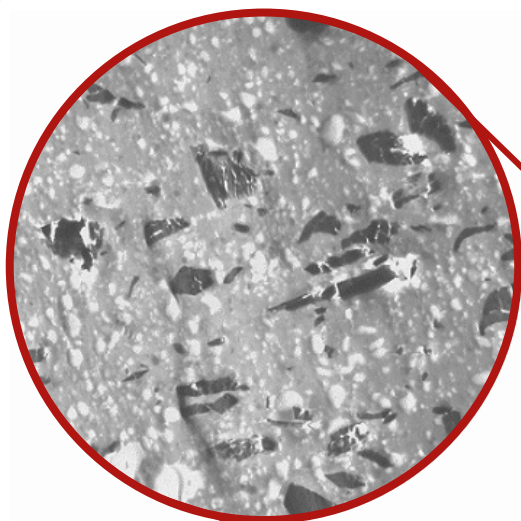
Packaging & Industrial Polymers
Engineering Polymers

- Shine-E Rynite®
- Sorona®
- Automotive Electronics
- Zytel® HTN
- Secure Windows
- Packaging Solutions
- Automotive Safety





Shine-E Rynite®



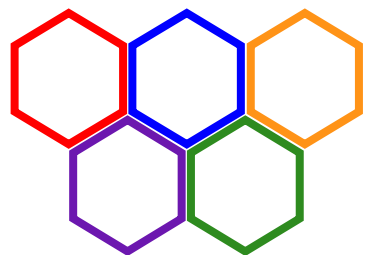
- Crystallization system altered to enhance toughness
- Achieved 10X toughness improvement



Large, high value applications

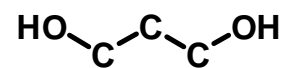
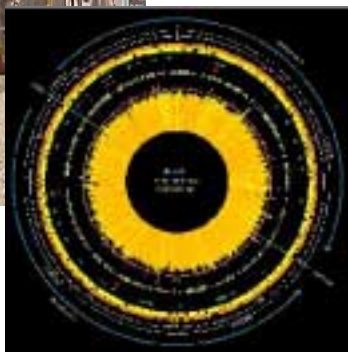
- Automotive: Class A finish with on-line painting capability
- Appliance: Design flexibility from attractive un-painted appearance and high heat resistance



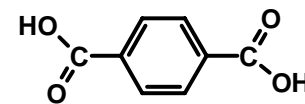


Sorona[®] Polymer

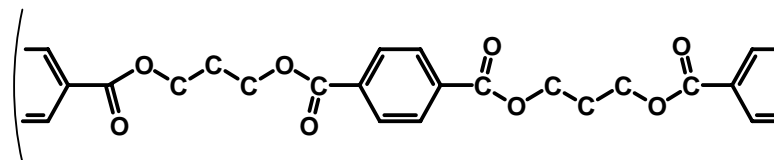
Advanced Polymer Platform



1,3-Propanediol
(Bio-PDO)



Terephthalic Acid



Poly(trimethylene terephthalate)

Sorona[®] Polymer



Durable Films



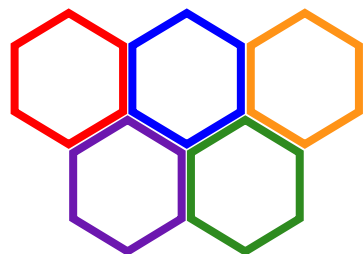
Molded Composites



Synthetic Fibers



The miracles of science™



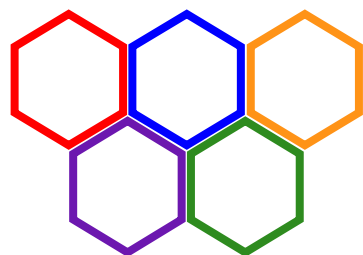
“Top 75” Priority Programs



- **Clean & Disinfect**
- **Life Protection**
- Flame Retardant Structures
- Adv. Composite Technology
- Building Innovations
- Environmental Solutions
- Surface Protection



Clean & Disinfect



Increasing
spread of
infectious
disease



Growing demand
for food safety



HOCH_2COOH
Glycolic Acid

ClO_2
Chlorine Dioxide

$\text{HOOSO}_3^-\text{K}^+$
Oxone

■ Food
■ Human Health

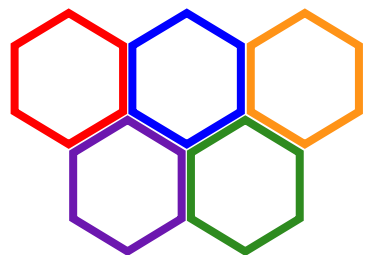
Need for
improved
productivity



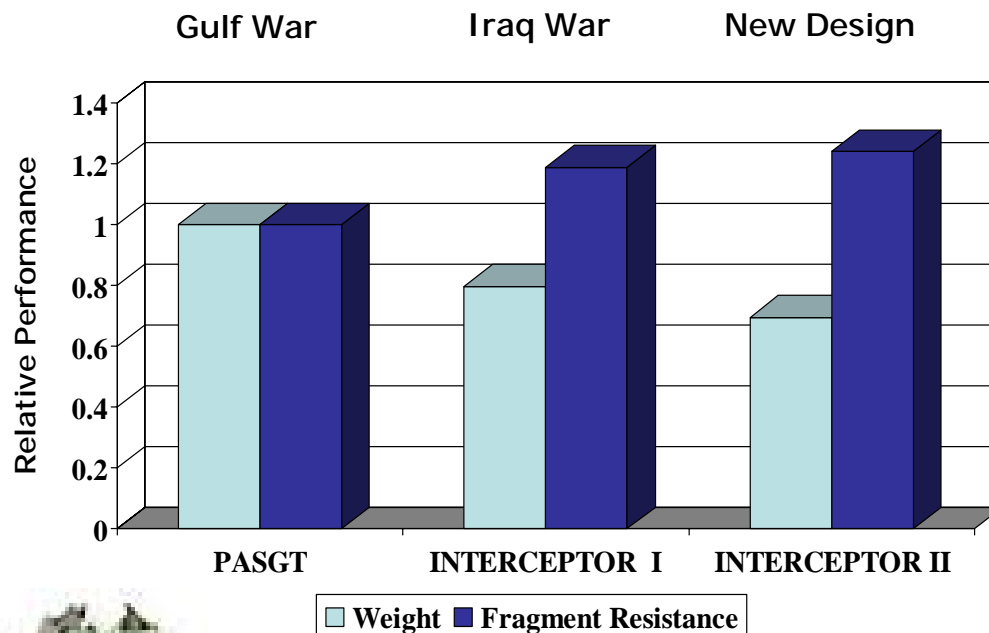
Demand for safer, more
sustainable cleaning &
disinfection products



- Known chemistries
- Unique formulations
- Improved pathogen control

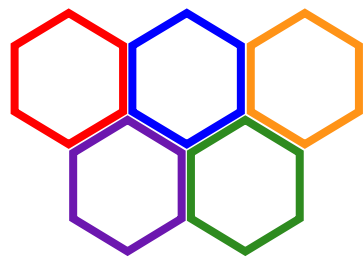


Life Protection



Outer Tactical Vests

- Lighter weight
- Better protection



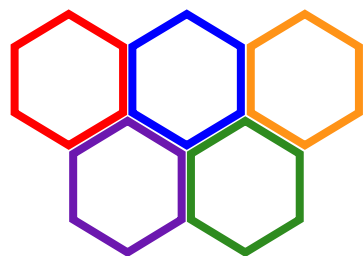
“Top 75” Priority Programs



DuPont Agriculture & Nutrition

Crop Protection
Pioneer Hi-Bred
Solae
Nutrition & Health

- Steward[®] & Avaunt[®]
- Corn Germplasm & Traits
 - Harvestable yield
 - Coleoptera (CRW)
 - Stacked Traits
- Soy germplasm
 - Harvestable yield
 - Disease resistance
 - Glyphosate tolerance
- Improved Soy Flavor
- Improved Soy Texture



Steward[®] & Avaunt[®] Extensions



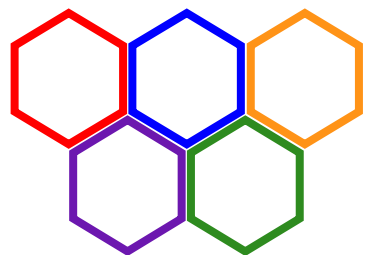
1999-2002:
Country registrations (75 total)

2001-2003:
Crop Label Expansion

2003-2008:
COGS Improvement, Geography Extensions
Professional Products Registrations & Launches

- Animal health
- Termites





Corn Traits

2004-2005:

50 Roundup Ready® (RR)* corn hybrids; 19 stacked with European corn borer (ECB) resistance

2006-2007:

Corn hybrids combining proprietary corn rootworm (CRW) and European corn borer (ECB) technologies

2008:

~25% of Pioneer corn lineup involves stacked trait products



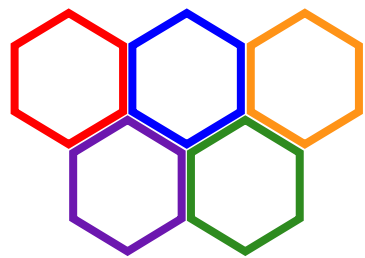
Single traits

ECB only
CRW only
RR only

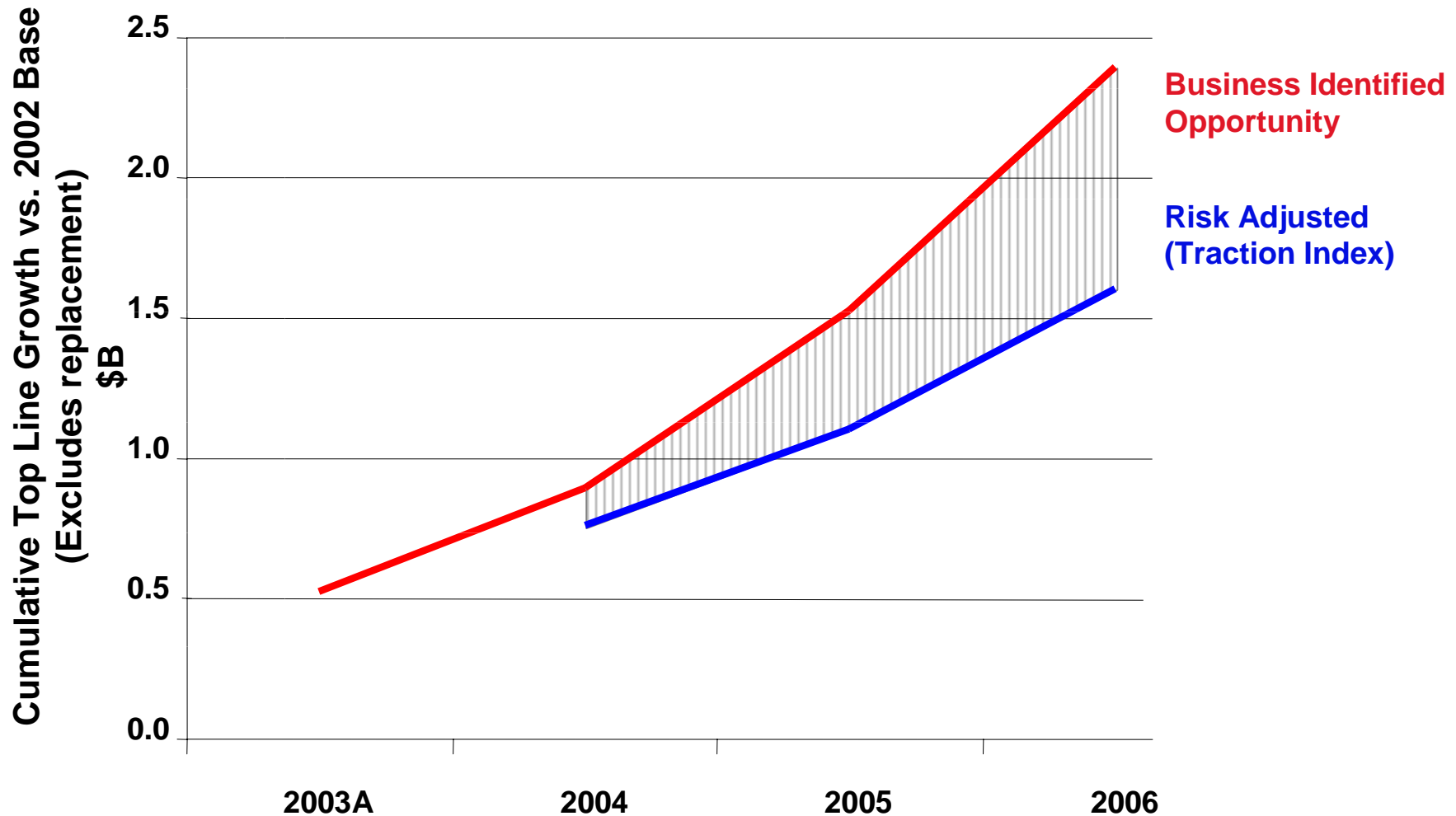
Stacked traits

2-way and
3-way
stacks

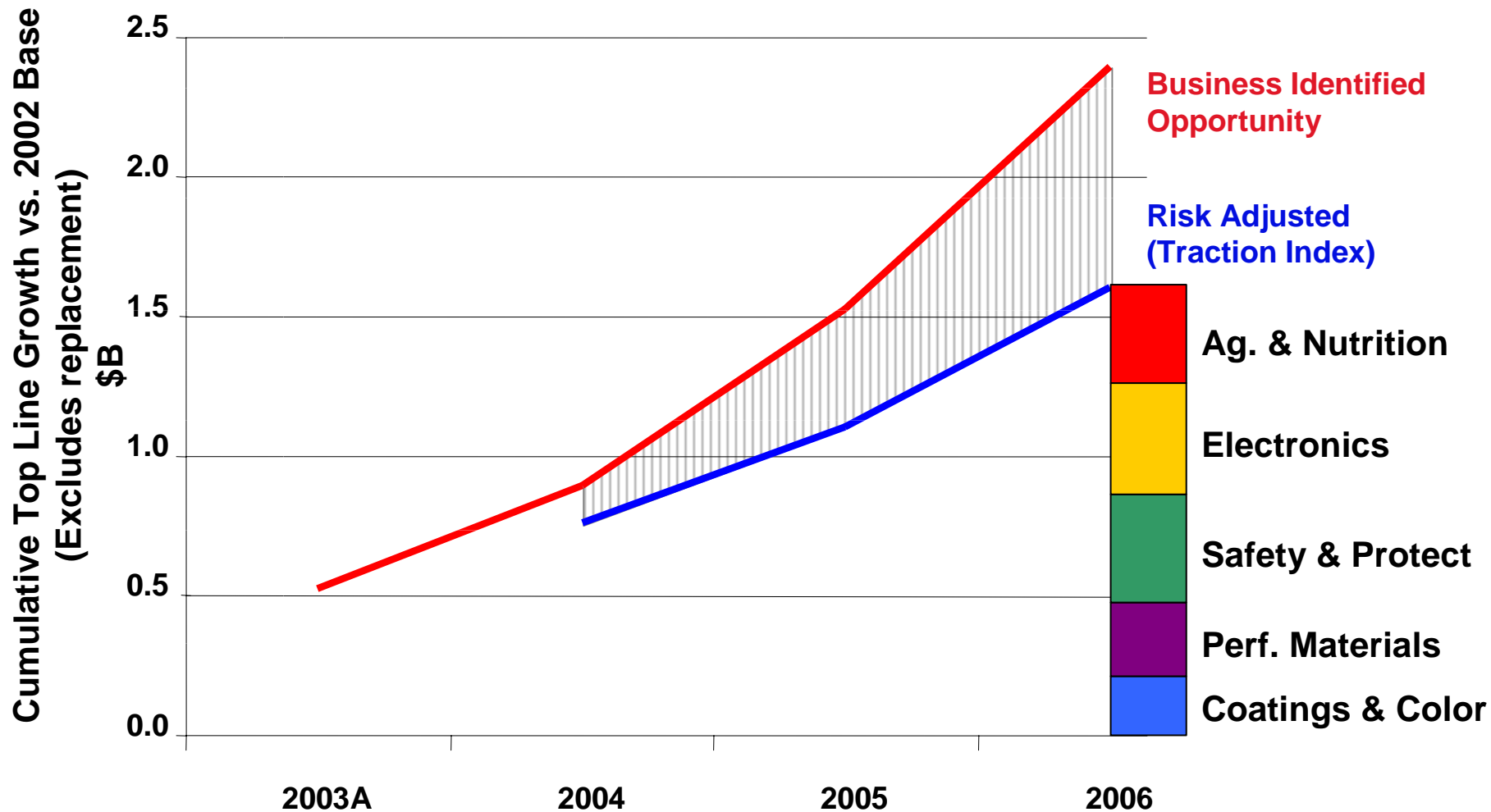
* Roundup Ready® is a trademark of Monsanto

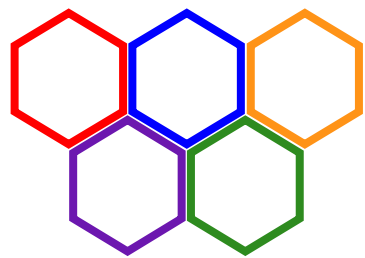


Top 75 Growth Revenue Projections (2004 view)



Top 75 Growth Revenue Projections (2004 view)





Summary

- Strong, balanced growth portfolio
 - All platforms contributing
- Disciplined process
 - Leadership focus
 - Top 75
 - Traction index
- Building pipeline momentum





The miracles  of science™