



*The miracles of science™*

April 26, 2005

## **DuPont First Quarter 2005 Earnings Supplemental Information**

### **Contents:**

#### **Investor Relations Note Update**

*Summary of Special Items in the quarter and discussion of any reporting or other technical issues.*

#### **Global Price/Volume Charts**

#### **Segment Details**

*Commentary on business results in the quarter*

#### **DuPont Highlights**

*Summary of news highlights from the quarter*



The miracles of science™

April 26, 2005

## FIRST QUARTER 2005 INVESTOR RELATIONS NOTE UPDATE

### Special Items

- There were no special items reported during the quarter.

### New Product Introductions

During the first quarter we introduced 314 new products. The results by platform:

- Agriculture & Nutrition: 87
- Coatings & Color Technologies: 74
- Electronics & Communications Technologies: 50
- Performance Materials: 45
- Safety & Protection: 58

### EBIT and EBITDA (excluding Textiles & Interiors) \$ Millions

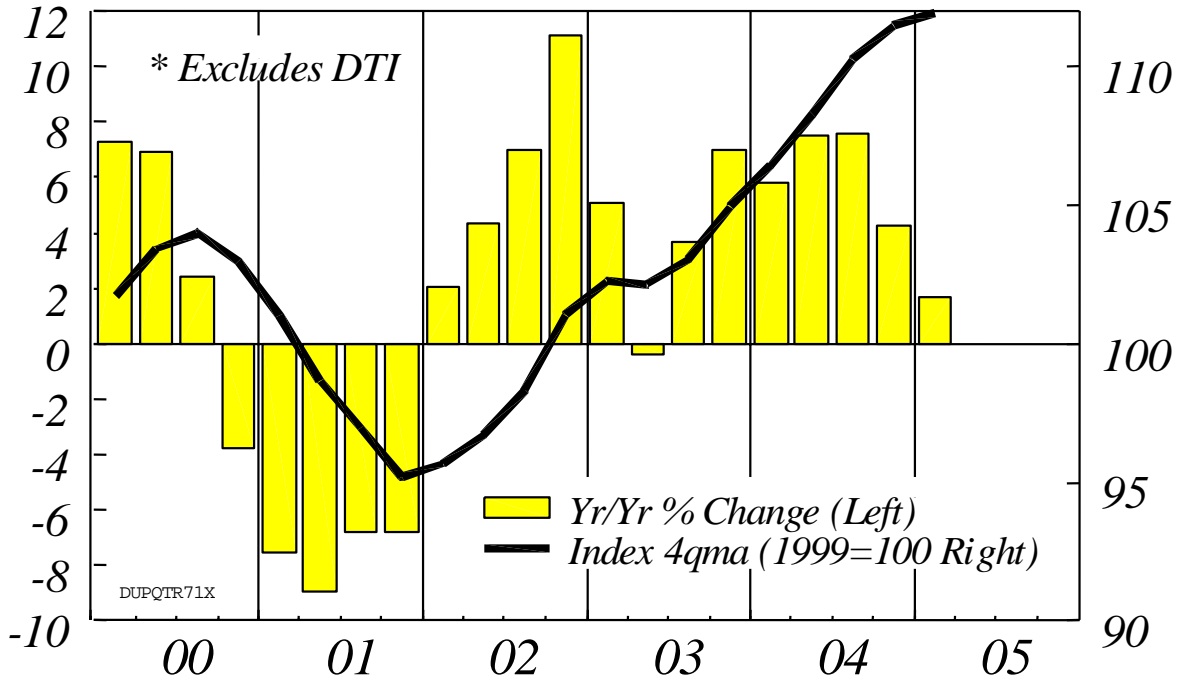
	<u>1Q05</u>	<u>1Q04</u>	<u>% change</u>
EBIT	\$1,547	\$1,254	+23%
EBITDA	\$1,879	\$1,565	+20%

### Income Tax Rate

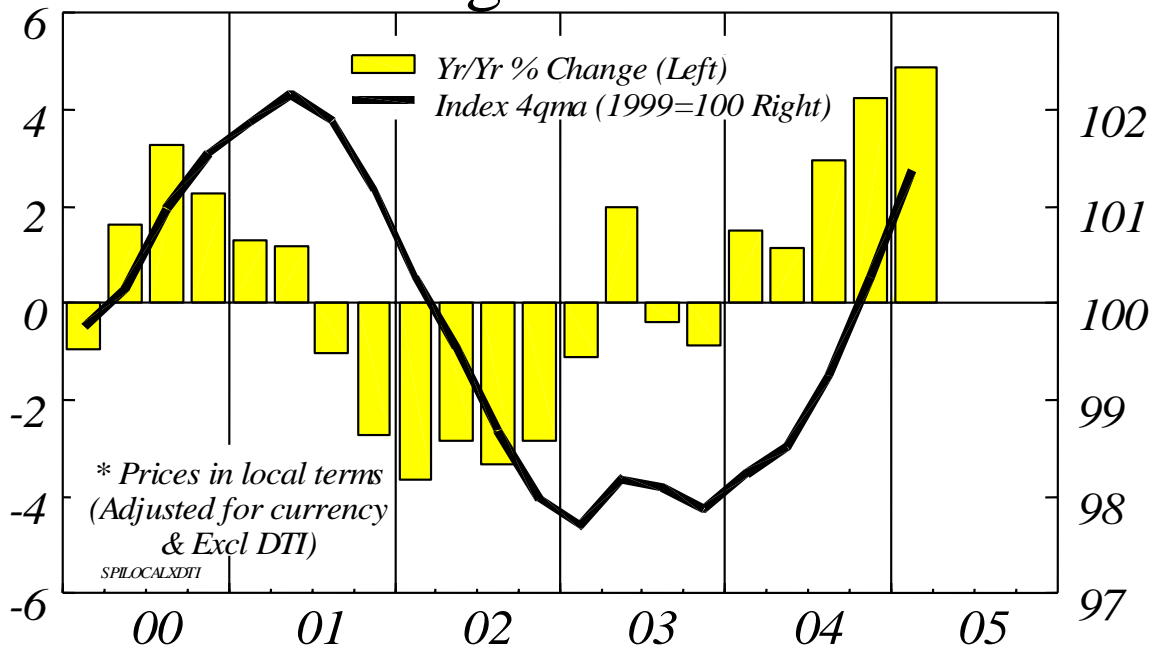
- Our base tax rate, which excludes special items and exchange gains and losses, is 26% in Q1'05. Our estimate for full year base tax rate is 26 to 27%.
- Schedule F in our earnings release includes a reconciliation of the Base Tax Rate to the Effective Tax Rate.

Carl J. Lukach  
 Vice President  
 INVESTOR RELATIONS

## DuPont Sales Volume - Worldwide\*



## DuPont Selling Prices - Worldwide\*





The miracles of science™

April 26, 2005

## **FIRST QUARTER 2005 SEGMENT DETAILS**

All commentary is based on year-over-year comparisons, unless otherwise noted.

All earnings commentary is based on pre-tax operating income (PTOI).

### **DUPONT AGRICULTURE & NUTRITION**

- Pioneer 1Q sales up 7% to \$1,374mm due largely to higher local price
- N. America sales up on higher bean and corn prices and expanded seed treatment offering
- Europe up on higher price and volume, particularly in sunflower seed
- Latin America/Africa sales up
- Double-digit earnings growth
  
- Crop Protection sales up significantly; earnings up substantially
- Volume up significantly with gains in all regions; modest currency benefit
- Europe up on broad-based volume improvement; Asia up on stronger fungicide and rice volumes
- In N. America, prices up slightly, specialty products up, distribution change pulled some volumes from 2Q
- Fixed costs down largely reflecting purchase accounting charges in 1Q04
  
- Nutrition & Health sales down modestly; earnings up
- Solae and Liquid Packaging volumes down
- Variable margin improvement in Solae on lower soy complex costs

### **DUPONT ELECTRONIC & COMMUNICATION TECHNOLOGIES**

- Electronic Technologies sales were up moderately, mainly driven by volume growth in Asia. Flex circuit materials for electronic device applications and plasma display materials led sales growth.
- Earnings increased substantially on higher revenues and gains from improved productivity, currency, and new products.
  
- Fluoroproducts sales increased modestly, primarily due to higher prices.
- Excluding the impact of the \$15 million reserve in connection with the EPA administrative complaint related to PFOA, Fluoroproducts earnings improved substantially as higher revenue and productivity gains more than offset higher raw material costs.
  
- Imaging sales were down modestly. Growth in packaging graphics remains strong while analog proofing sales continue to decline. New products continue to deliver, both Cyrel® FAST and Digital Cyrel® up significantly.
- Earnings decreased modestly as productivity gains offset most of the increased development investment in the Color Filter project and lower revenue.

### **DUPONT COATINGS & COLOR TECHNOLOGIES**

- TiO2 sales increased significantly, driven by stronger volumes and higher local prices.
- TiO2 earnings increased significantly with higher revenue more than offsetting higher variable costs.
  
- Refinish sales increased moderately on stronger volumes and currency. Higher revenues offset higher raw material costs, currency, and growth program investments. Earnings declined moderately, partially due to the bankruptcy of a major customer.
- Automotive Systems sales were down slightly on lower North American volume. Earnings were down substantially on flat local price, higher raw material costs, and lower revenue.
- Powder & Specialty Coatings sales increased moderately on slightly higher volume and currency. Earnings decreased due to higher ingredient costs and the impact of currency on fixed costs.
- Ink Jet sales were down moderately due to lower desktop printing volumes. Earnings increased due to favorable mix and cost control.

## DUPONT PERFORMANCE MATERIALS

- Engineering Polymer sales were up slightly with higher prices and currency offsetting lower volume. Pricing improvements were broad based and volume performance was strongest in Asia and South America.
- Earnings increased significantly as productivity gains and higher prices offset the impact of increased raw material, energy costs, and lower N. American volume.
- Packaging & Industrial Polymers sales increased moderately on higher prices and higher volume. Record sales were achieved in most major regions.
- Higher prices and productivity gains more than offset higher raw material and energy costs. Earnings increased substantially.
- Setting aside the impact of DuPont Dow Elastomers consolidation, Elastomers revenues increased slightly and earnings were essentially unchanged.
- Polyester Film sales increased significantly on higher volumes and prices.
- Earnings improved as lower fixed costs and productivity gains offset higher raw materials costs.

## DUPONT SAFETY & PROTECTION

- Aramids (Kevlar®/Nomex®) sales and earnings up significantly
- Volume up significantly and local prices up
- Broad-based volume growth reflects increased capacity
- Continued strong, broad-based demand
- Fixed costs up on higher volumes and non-capitalized expansion costs
- Chemicals sales and earnings up substantially
- Prices up on raw material price pass-throughs and base price increases
- Industrial volumes up substantially
- Modest sales gains due to recent acquisitions
- Tyvek® sales and earnings up moderately
- Modest volume and local price gains
- Substantial growth in Building Innovations continues in N. America and Europe
- Raw material costs up
- Sontara® sales up modestly; earnings down
- Critical cleaning and consumer segment demand strong
- Medical fabric sales flat as market penetration in Europe and Asia offset declines in U.S.
- Costs up due to raw material increases and start up of Advanced Composite Technology (ACT)
- Surfaces sales up moderately with gains in all products: Corian®, Zodiaq®, and Montelli®
- Substantial sales gains in Asia (ex acquisition) and Europe
- Earnings down substantially on significantly higher raw material costs (primarily MMA and energy)
- Safety Consulting sales growth continues; earnings up on higher sales
- Strong growth in all regions and across all service offerings



The miracles of science™

April 26, 2005

## First Quarter 2005 DuPont Highlights

### Putting Our Science to Work:

**DuPont introduced 314 new products and product applications during the first quarter.**

**DuPont Named Exclusive Supplier of Refinish Coatings To Largest U.S. New-Used Car Retailer:** DuPont was named the exclusive supplier of refinish products to AutoNation, the largest retailer of new and used cars in the United States. AutoNation owns 278 dealership locations representing 355 new vehicle franchises across 17 states. The company operates 89 collision repair facilities as part of that network.

**Nearly Eight Million Feet of Certified Limited Combustible Cable Sold in 1Q:** Almost eight million feet of DuPont™ certified data communications cable has been specified across the U.S. in the first quarter, with strong performance expected to continue through the sales efforts of our three top cable manufacturer licensees and pull-through sales strategy. The product offers the best cable fire safety performance available because it is specifically designed to reduce smoke and flame, producing up to 20 times less smoke than conventional, code approved, data communications cables.

**Next Generation Dry Developer for Wide Web Flexo Plates Introduced:** Building on proprietary DuPont thermal mass transfer technology, the next generation of its DuPont™ Cyrel® FAST system -- the Cyrel®FAST TD4260 was introduced. The newest member of the Cyrel®FAST family of products, it is intended for large format users and has been developed with the needs of the tradeshop and wide web converter in mind. The Cyrel®FAST TD4260 allows the production of finished plates of up to 42 inches by 60 inches in under an hour, making it the ideal just-in-time platemaking system for a market that demands quick turnaround and the highest possible quality.

**Goodyear Tires with DuPont™ Kevlar® Launched in North America:** Goodyear, North America's largest tire company, has announced two new tires, the Wrangler® and the Fortera®, that feature an Armor Zone that is comprised of a layer made with DuPont™ Kevlar®, a Durawall™ sidewall that helps resist punctures and cuts, and a rugged Rim Guard that protects wheels from curb damage. In addition to protection, the tire layer with Kevlar® soaks up road noise for a smooth and quiet ride.

**U.S. Customs, Border Protection Equipped Agents in Vests Made with DuPont Kevlar®:** DuPont announced the United States Customs and Border Protection (CBP) Border Patrol has signed a multi-year agreement to outfit its agents with protective vests containing new DuPont™ Kevlar® Comfort XLT technology. As the mobile, uniformed law enforcement arm of the Department of Homeland Security (DHS), the CBP is responsible for policing 6,000 miles of Mexican and Canadian international land borders and 2,000 miles of coastal waters surrounding the Florida Peninsula.



**DuPont Selected “Best in Class” by Storebrand SRI For Its “Leading Environmental and Social Performance”:** DuPont was selected in March by Storebrand SRI for its leading environmental and social performance and therefore qualifies for Storebrand Principle Funds and other Storebrand SRI-mandates. Storebrand Socially Responsible Investments (SRI) is Storebrand Asset Management's in-house research department for environmental and social screening of companies.

**Introduction of Modifiers to Improve Wire and Cable Insulation and Flame-Resistance:** Tailor-made, low-gel coupling agents for the production of improved halogen-free insulation and jacketing for wire and cable were introduced. Available in a broad choice of base polymers, DuPont™ Fusabond® modifiers enable compounders to improve both mechanical properties and flame retardancy by allowing increased filler levels in halogen-free, flame retardant and low-smoke insulation and jacketing compounds used in wire and cable constructions.

**DuPont™ Affinity™ TankMix with TotalSol™ Soluble Granules Granted U.S. EPA Registration:** Specifically created for growers in the Northern Great Plains, Red River Valley and Pacific Northwest, Affinity™ TankMix is a new herbicide designed to improve the performance of today's wild oat, kochia and broadleaf weed programs. It is the first in a new generation of herbicides to feature TotalSol™ soluble granule technology from DuPont, an advanced formulation that dissolves completely for more consistent weed control and easier tank cleanout. Tank mixes allow customers to tailor crop protection solutions to their own unique solutions.

**DuPont™ Finesse® Grass & Broadleaf Herbicide Successfully Launched:** This product was so well received by customers in the U.S. that it is currently sold out. It is the only herbicide available to wheat growers for effective control of broadleaf weeds, plus an array of other troublesome weeds including cheatgrass and ryegrass.

**New Application of Glass Laminating Solutions for Sunroofs:** DuPont has developed and commercialized plastic glass lamination composite interlayers to improve the safety in vehicles with large panoramic sunroofs. The size of glass sunroofs in cars has been increasing as consumers want more daylight and open space. However, glass size poses serious safety risks in vehicles, particularly in the case of potential roll-over accidents. Spallshield® composites provide three times the penetration resistance versus standard laminated glass. Working with the world's leaders in sunroofs, DuPont has already commercialized its technology with two vehicles due to be on roads later this year.

**DuPont Qualicon BAX® System for Detecting Listeria Receives AOAC-RI Certification:** The BAX® system for detecting Listeria has been certified as Performance Tested<sup>sm</sup> Method No. 030502 by the AOAC Research Institute of Gaithersburg, MD. Studies confirmed the BAX® system performs as well as the standard culture method used by the U.S. Department of Agriculture Food Safety and Inspection Service with results available in almost half the time.

**New Application for DuPont™ Thermx® in Industrial Baking Tins:** Industrial baking tins made of DuPont™ Thermx® high temperature polyester are gaining acceptance across Europe as a viable alternative to their metal counterparts. Bakers cite multiple benefits including: no requirement for coating of the tin; potential energy savings through shorter or reduced heating times; no possibility of corrosion over time; and overall weight reduction of the tins, facilitating handling.

**Toyota Zero Crown Luxury Car Includes World's First Water Jacket Spacer Made of DuPont™ Zytel®:** Among the innovative features on the Toyota Zero Crown energy-efficient Luxury car is the world's first water jacket spacer, part of the engine cylinder block, made of DuPont™ Zytel® HTN high performance polyamide. The water jacket spacer directs long-life coolant flow to transfer heat away from key areas of the combustion chamber, equalizing cylinder wall temperatures. Toyota engineers credit the improved cooling with increasing fuel economy by three tenths of a mile per gallon, or 1 percent, while extending engine life.

**DuPont™ SentryGlas® Expressions™ Instrumental in Store Redesign:** The architects of the signature Lancel leather accessories store in the historic Place de l'Opéra in Paris used SentryGlas® Expressions® as a key element to redesign the store and achieve the "audacious and innovative" style required by the client.

## Going Where the Growth Is:

**Potential New Titanium Dioxide Plant in City of Dongying, China:** DuPont and the city of Dongying, Shandong province, the People's Republic of China (PRC), began talks that could lead to construction of a world-class titanium dioxide (TiO<sub>2</sub>) plant in the city's Economic Development Zone. Current and forecast demand for TiO<sub>2</sub> in Asian markets, especially China, is growing faster than any other region in the world according to DuPont forecasters. DuPont is the world's largest manufacturer of titanium dioxide. The company operates three TiO<sub>2</sub> plants in the United States, one in Mexico and one in Taiwan. The new plant in China would serve the plastics, coatings and paper industries in that nation and the region.

**Eight U.S. Embassies Worldwide To Use SentryGlas® for Bomb-Blast Resistance:** DuPont SentryGlas® Plus has been specified in at least eight U.S. embassies worldwide for use in bomb blast resistant window designs. This success is the result of a focused effort of testing and development with the U.S. Department of State over the past four years.

**DuPont Launched Teflon® Sign Solutions in India:** DuPont™ Teflon® Sign Solutions addresses the need to protect signage from the varied climatic conditions in India. The key benefits include superior color retention, easy maintenance, cost effectiveness and an enhanced UV screening formula for protection against the sun. The product has a chemically inert surface, making it graffiti, pollution and weather resistant while reducing the maintenance and wear. It also provides effective protection against stains and airborne pollutant, another key issue for the Indian market. Other Asian markets are targets for this unique offering from DuPont.

**New Ethylene Copolymer Plant in Shenzhen, China:** DuPont Packaging and Industrial Polymers opened a new DuPont™ ByneI® and DuPont™ Fusabond® adhesive resins production facility in Shenzhen, China, in mid-March 2005. This is the first DuPont ethylene copolymer operation in Asia Pacific, and is intended to meet burgeoning demand for adhesive resins across the region.

**Brazil and Mexico Approved Biosafety Legislation:** The new laws create a regulatory framework that will allow biotech seed sales in the respective countries. Pioneer will introduce biotech soybeans in limited quantities in Brazil this year, with a rapid ramp-up in volume in 2006. Pioneer has plans to begin biotech corn seed sales in Brazil and Mexico in 2007 or 2008.

**Herculex<sup>1</sup> I, Roundup Ready<sup>2</sup> 2 Stack Earns Japanese Approval:** Grain corn containing the Herculex<sup>1</sup> I *Insect Protection* and the Roundup Ready<sup>2</sup> 2 stacked traits received approval for import into Japan in March. This includes food, feed and environmental approvals within the Japanese regulatory system. Corn with these traits offers broad in-plant insect-protection, together with resistance to glyphosate, the active ingredient in Roundup<sup>3</sup> herbicide.

**Herculex I Gets Positive Safety Opinion from EU, Approved in Argentina:** Following a positive safety ruling by the European Food Safety Authority on Herculex I insect resistance, Argentina approved Herculex I for planting in that country. While this is an important first step in the EU approval process, there are a number of other steps before the trait is approved for use in Europe.

**DuPont™ ReliatraN® Launched in India and Korea:** First introduced in China, DuPont™ ReliatraN® is now entering Korea and India. ReliatraN® is a dry-type distribution transformer that is safe, reliable and environmentally friendly to architects and engineers in the transformer manufacturing and construction industries.

**First Global Registration for Proquinazid Fungicide Received in Poland:** DuPont™ Talius™ proquinazid fungicide controls powdery mildew in cereals. Yield losses from powdery mildew can range as high as 50%.

**The Solae Company Launched Soya Treat, India's First Solae Co-Branded Ready-to-Drink Soy Beverage:** Soya Treat uses a blend of Solae soy protein isolates and fruits and is available in two sub-brands, each featuring two flavors: Juicy Soya Treat in orange and mixed fruit flavors; and Soya Treat Premium, in natural and chocolate flavors.



**New Powder and Metal Coatings Customized for Russian Car Wheel Manufacturing Customer:** The DuPont Advanced Coating Systems business was able to offer a single integrated solution comprised of a single powder primer, metallic waterborne silver base coat and liquid clear coat. Current business levels for ACS as a whole are expected to reach \$1MM per year with a potential to grow to \$2MM in the short to medium term.

**New Lip Gloss Tube Made of DuPont™ Surlyn®:** The glass-like transparency of DuPont™ Surlyn®, combined with the material's soft squeezability, toughness and chemical resistance, made it the best packaging choice for Laneige Shining Lip Gloss, a recent introduction by AmorePacific of Seoul, Korea.

<sup>1</sup> **Herculex is a trademark of Dow AgroSciences LLC.**

<sup>2,3</sup> Roundup Ready and roundup are trademarks of Monsanto.

## The Power of One DuPont:

### **New Business: DuPont™ Building Innovations™ Offers “One DuPont” to the Construction Industry:**

DuPont™ Building Innovations™ was created in January to create a market-facing business, providing solutions including Tyvek®, Typar® and SentryGlas® in a differentiated building systems approach. This new business will position DuPont as the global standard for enhancing a building's responsiveness, adaptability, building integrity and consistent performance over time. (S&P, PM)

**Growing Success with Silox™ in Brazil:** DuPont Crop Protection Products and DuPont Titanium Technologies in Brazil are demonstrating the power of One DuPont and capturing more from the value-add chain by collaborating on a new project called Silox™. Silox™ is a silo-bag used to store dry grains, such as soy, corn, wheat, and rice that allow the farmer to retain production excess and store it inside their own property with protection against temperature changes. (A&N, C&CT)

**DuPont, L'Oréal Strengthen Technology Partnership:** Responding to customer needs, a joint L'Oréal-DuPont technology forum was held to demonstrate DuPont offerings for the trend-setting cosmetics industry. Product offerings tailored to the specific needs of L'Oréal were presented, including: DuPont™ Dymel® propellants; DuPont Performance Coatings; DuPont Safety Resources; DuPont Cosmetic Solutions; DuPont™ Tyvek® and Sontara® for luxury packaging; DuPont Teijin Films Cosmetic Solutions; DuPont Imaging Technologies; DuPont Corian®; and DuPont™ Sorona®. (C&CT, S&P, BBM, E&CT)

**Technologies for Sunroof Glazing:** DuPont hosted a Technology Day in Geneva, Switzerland, with Webasto, the world's largest sunroof maker for the automotive industry. Webasto recently commercialized DuPont Glass Laminating Solutions Spallshield® composite technology in sunroofs for two Mercedes vehicles. DuPont experts from MicroCircuit Materials and Corporate Research and Development showcased technologies to make sunroof glazing safer, more functional, and more comfortable. Products showcased included Interlayer Technologies such as Spallshield®, SentryGlas® Plus, SentryGlas® Acoustic, SentryGlas® Expressions™ and SentryGlas® Solar products to provide enhanced safety properties, ease of design, heat and noise comfort, and electroluminescent and conductive pastes to make smarter sunroof switches that replace traditional on/off switches, and two new technologies for smart glazing. (PM, E&CT)

**Solutions for the Automotive Industry:** Turkish car manufacturer Fiat-Tofas invited DuPont to its production plant in Bursa, Turkey in February to discuss the latest technology and trends shaping the automotive industry. Experts from DuPont Engineering Polymers and Powder Coatings presented an integrated range of solutions for the automotive sector. The DuPont team presented its latest technologies and applications from car coatings, design and molding techniques to creep measurement - the calculation of polymer deformation under the pressure of stress and heat. (PM, C&CT)

# # #