

**SCIENCE  
POWERED.**

**GROWTH  
DRIVEN.**

**WELCOME TO THE GLOBAL COLLABORATORY™**

**2011 ANNUAL REVIEW**



## To DuPont Shareholders



*Ellen Kullman*

In 2011, DuPont delivered another year of strong sales and earnings growth for our shareholders.

Sales for the year were up 20 percent versus 2010, and sales in developing markets grew 27 percent. Underlying earnings grew 20 percent, reflecting strong execution throughout the company—well above our long-term earnings per share growth target of 12 percent compounded annually.

Our performance in 2011 was characterized by strong year-over-year growth in the first half, followed by weaker conditions in the last four months of the year. We saw continued outstanding performance in Agriculture, which had the highest volume growth of all our segments and benefitted in particular from success in Latin America during the second half. The softening we experienced in some businesses during the second half was primarily the result of global destocking, slower growth in Asia, and an emerging recession in parts of Europe. We took the necessary steps across the company to adjust to this new reality.

In support of growth, we started up two major expansions, one for DuPont™ Kevlar® aramid fiber at our site in South Carolina and the other in Ohio for DuPont™ Tedlar® film, an important material for photovoltaic products. Both Kevlar® and Tedlar® are high-margin products with strong growth potential and opportunities worldwide.

We continued to advance our strategic priorities to position our company for continued long-term success. The most significant strategic step change in 2011 was the acquisition of Danisco. This acquisition strengthens our presence in nutrition and biosciences through a portfolio of strong and profitable businesses, advanced science and technology, and new capabilities. Integration of these businesses has been rapid, and we are already seeing good synergy together with complementary skills and strengths.

### **Inclusive Innovation.**

We also advanced our plan to bring our science closer to local markets and innovate in a way that addresses local needs. We continued to prioritize our R&D portfolio to focus on delivering new products for agriculture and nutrition, promoting alternative energy and energy efficiency, and protecting lives and the environment. Overall, we launched more than 1,700 new products in 2011. Revenue derived from products launched within the past four years was \$10.7 billion, a 10 percent increase over 2010. This translates into more value delivered, better pricing, margin expansion, and opportunities for growth.

We received strong positive feedback from our customers and partners in South Korea, India, Taiwan and Thailand in response to new DuPont Innovation Centers we opened in those countries. Our existing center in Japan continues successful operation, and early in 2012, we are opening two more centers—one in Mexico and another in Brazil. Plans for additional Innovation Centers in Asia and Europe are being finalized, and R&D laboratory expansions are under way in India and China.

Our Innovation Centers enable customers and local leaders to experience the innovative power of DuPont science and what it means for their businesses and communities. The centers provide an environment where customers and global thought leaders can interact with DuPont experts and connect to DuPont's global science capabilities. They're perfect examples of what we call "inclusive innovation."

### **Science Powered. Growth Driven.**

So where are we headed? Many may still think of DuPont as a chemical company and in terms of paints, plastics, and industrial chemicals. That no longer adequately describes us or the direction in which we are rapidly moving. Investors who know us well fully understand that we have transformed DuPont into a market-driven science company with a major presence in agriculture and food, advanced materials, and with a substantial opportunity in biotechnology.

### **DuPont Core Values**

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Safety & Health

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Environmental Stewardship

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Highest Ethical Behavior

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Respect for People

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Today we see our company as “Science Powered. Growth Driven.” As we look to the immediate future, we’ll rely on three strategic levers that we work to accomplish our goals.

The first is innovation. At DuPont, we are disciplined in the way we are applying our science and innovation to create products that the world needs. We have identified specific global trends, driven by world population growth, that present new challenges and exciting business opportunities: feeding the world, reducing dependence on fossil fuels, and protecting people and the environment. Opportunities presented by these trends complement our scientific strengths. DuPont is well positioned to develop innovative solutions to respond to these challenges and thereby generate attractive returns for our shareholders.

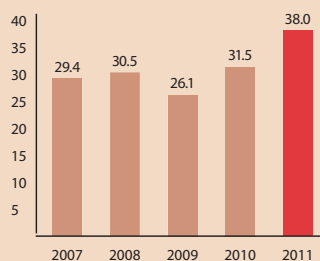
The second lever is differential management—how we allocate resources and make decisions that grow the company and maximize returns to our shareholders. Differential management is a systematic process. Each business does a comprehensive assessment of its markets, competitive position and capabilities, and investments are aligned with growth opportunities. Simply put, we bias our investments toward high-growth opportunities, and we expect a commensurate return in these segments in the form of higher revenue growth and improved margins.

Our third lever is productivity, which has become a way of life across all DuPont businesses and functions. We benchmark performance versus competition, and we have strongly advanced our relative position since we started this work five years ago. Our disciplined processes, which we refer to as DuPont Integrated Business Management (DIBM) and DuPont Production System (DPS), are increasingly embedded in our businesses and are making important contributions. In 2011, we delivered \$400 million in fixed cost productivity and \$500 million in working capital productivity, exceeding our goals in both categories. At the end of 2011, we had realized over \$1.8 billion of fixed cost productivity and more than \$2.2 billion of working capital productivity since 2008.

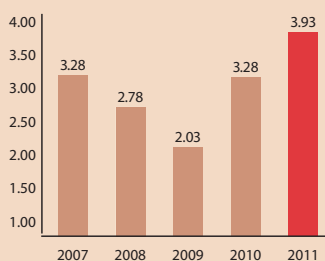
Our future goals will be achieved while advancing the core values of our company. Living our core values is part of the job of every DuPont employee, everywhere in the world, every day. Over the course of the past year, I visited sites in all our regions and had a chance to meet with several thousand employees. I am always impressed by their commitment and creativity. They are the foundation of my confidence that DuPont will continue to grow and continue to earn the trust of our shareholders.

Ellen Kullman  
Chair of the Board &  
Chief Executive Officer  
*March 1, 2012*

#### NET SALES (dollars in billions)

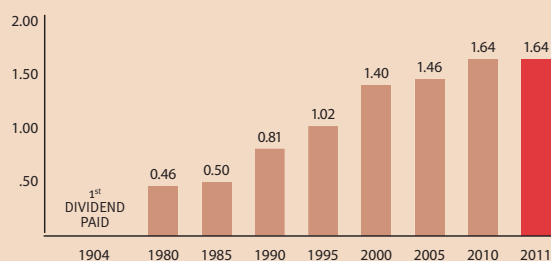


#### EARNINGS PER SHARE<sup>1</sup> (dollars)



<sup>1</sup> Before significant items

#### DIVIDEND PAYMENTS (dividends per share in dollars)



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# THE POWER OF SCIENCE. THE STRENGTH OF COLLABORATION.

For over 209 years, the people of DuPont have understood how the power of science can transform the world. Today, we're applying market-driven science to help solve the world's greatest challenges in food, energy and protection. And we're focusing on inclusive innovation—bringing together the strength of many—to work across all geographies, sectors and institutions.

In 2011, we invested nearly \$2 billion in research and development. More than 85 percent of this investment was targeted to solve challenges in food, energy and protection. Our U.S. patent filings were up compared to 2010, reaching 2,047 in 2011, and our U.S. patent grants totaled 910—a record year in the history of our company.

To foster profitable, sustainable growth and meet rapidly changing conditions, DuPont works in collaboration with our partners around the globe. In more than 150 research centers in 35 countries, over 9,500 scientists and engineers are dedicated to using collective ingenuity to solve the most complex problems on local and global levels. Our four new Innovation Centers in India, Thailand, Taiwan and South Korea offer a place where customers, aid organizations, government agencies, university scientists and other business partners gather to discuss local challenges and connect to the global network of DuPont scientists.

Working with farmers and growers to increase crop yield, finding new sustainable sources of energy and efficiency to reduce our dependence on fossil fuels, and developing materials, products and knowledge-based solutions to keep everyone, everywhere, safer are the global challenges driving our science, our innovation and the growth of our company. At DuPont, we're uniquely positioned to help solve the challenges of an ever-expanding population by bringing science-powered solutions to market.

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Welcome to the Global Collaboratory™

# food

## SOLUTIONS TO FEED 7 BILLION PEOPLE.

DuPont is collaborating with scientists, customers, local growers, governments and universities around the world to enhance the quality and quantity of food. Our science-based collaborations in agriculture, nutrition, food protection, packaging and biosciences are addressing the need for sustainable solutions to feed the world's 7 billion people. Our high-yielding seed varieties and sustainable crop protection solutions help make the most of every acre. Advanced DuPont food ingredients improve overall nutritional value by reducing fats, salts and sugars and provide weight management, digestive and bone health benefits. Food protection ingredients and advanced pathogen detection systems improve food quality, and our ingredients and innovative packaging materials reduce food waste by increasing shelf life.



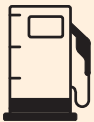
62% 

of our research and development investment is devoted to innovating and localizing solutions in food and agriculture—key in addressing food security for people around the world.

Today, approximately 30% of milk produced in smallholder farms in Kenya is lost to waste. Through a new application of enzyme technology, DuPont is slowing microbial spoilage in milk and reducing waste. In collaboration with DANIDA (Danish International Development Agency) and Egerton University in Kenya, we are bringing this solution to farmers to help reduce waste and increase farmers' income.

“Science and technology, especially with regard to rice, have significantly improved our quality of life. DuPont™ Rynaxypyr® protected my rice fields from the pests. As a farmer, when I can help provide enough food, it gives me a sense of pride.”

—Deden Hermansyah  
Indonesian farmer



# *protection*

## **SOLUTIONS TO KEEP EVERYONE, EVERYWHERE, SAFER.**

Working with academics, governments, other companies and organizations, DuPont is developing a vast range of materials, products and consulting solutions that protect life and the environment. From life-saving body and car armor to next generation refrigerants that have a significantly lower global warming potential, we're working on products and services that protect people where they work, travel and live. Our protection technologies produce the world's leading brands—DuPont™ Kevlar® aramid fiber, DuPont™ Nomex® aramid fiber, and DuPont™ Tyvek® spun olefin—which help protect millions of industrial workers, firefighters, law enforcement and military personnel and emergency first responders. Our global consulting services provide expertise, proven methodologies and training to empower clients in many market sectors to improve employee, contractor and process safety; reduce incidents; and enhance operational performance.

Our MECS® Brink® Mist Eliminator

From creating a holistic safety culture to setting and executing long-term environmental performance goals, DuPont Sustainable Solutions is helping Suncor Energy to become a more socially responsible energy producer. In support of this initiative, DuPont has helped Suncor to put in place a Corporate Environmental Planning process to accelerate its sustainability efforts and a company-wide management system to reduce energy consumption.

