2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-815

E. I. DU PONT DE NEMOURS AND COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE	**51-0014090**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

1007 Market Street
Wilmington, Delaware 19898
(Address of principal executive offices)

Registrant's telephone number, including area code: 302-774-1000
Securities registered pursuant to Section 12(b) of the Act
(Each class is registered on the New York Stock Exchange, Inc.):

Title of Each Class

Common Stock ($.30 par value)
Preferred Stock
(without par value-cumulative)
$4.50 Series
$3.50 Series

No securities are registered pursuant to Section 12(g) of the Act.

Indicate by check mark whether the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes ☑ No ☐

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	**Accelerated filer ☐**	**Non-accelerated filer ☐ (Do not check if a smaller reporting company)**	**Smaller reporting company ☐**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of voting stock held by nonaffiliates of the registrant (excludes outstanding shares beneficially owned by directors and officers and treasury shares) as of June 30, 2008, was approximately $38.6 billion.

As of January 31, 2009, 902,530,000 shares (excludes 87,041,000 shares of treasury stock) of the company's common stock, $.30 par value, were outstanding.

Documents Incorporated by Reference
(Specific pages incorporated are indicated under the applicable Item herein):

	Incorporated By Reference In Part No.
The company's Proxy Statement in connection with the Annual Meeting of Stockholders to be held on April 29, 2009	III

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E. I. du Pont de Nemours and Company

Form 10-K

Table of Contents

The terms "DuPont" or the "company" as used herein refer to E. I. du Pont de Nemours and Company and its consolidated subsidiaries, or to E. I. du Pont de Nemours and Company, as the context may indicate.

		Page
PART I		
Item 1.	Business	2
Item 1A.	Risk Factors	6
Item 1B.	Unresolved Staff Comments	9
Item 2.	Properties	10
Item 3.	Legal Proceedings	11
Item 4.	Submission of Matters to a Vote of Security Holders	12
PART II		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	15
Item 6.	Selected Financial Data	17
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	46
Item 8.	Financial Statements and Supplementary Data	47
Item 9.	Changes In and Disagreements With Accountants on Accounting and Financial Disclosure	48
Item 9A.	Controls and Procedures	48
Item 9B.	Other Information	48
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	49
Item 11.	Executive Compensation	49
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	49
Item 13.	Certain Relationships and Related Transactions, and Director Independence	50
Item 14.	Principal Accountant Fees and Services	50
PART IV		
Item 15.	Exhibits and Financial Statement Schedules	51
Signatures		54

Note on Incorporation by Reference

Information pertaining to certain Items in Part III of this report is incorporated by reference to portions of the company's definitive 2009 Annual Meeting Proxy Statement to be filed within 120 days after the end of the year covered by this Annual Report on Form 10-K, pursuant to Regulation 14A (the Proxy).

Part I

ITEM 1. BUSINESS

DuPont was founded in 1802 and was incorporated in Delaware in 1915. DuPont is a world leader in science and innovation across a range of disciplines, including agriculture and industrial biotechnology, chemistry, biology, materials science and manufacturing. The company operates globally and offers a wide range of innovative products and services for markets including agriculture and food, building and construction, electronics and communications, general industrial, and transportation. Total worldwide employment at December 31, 2008, was approximately 60,000 people.

The company is strategically aligned into five market- and technology-focused growth segments consisting of Agriculture & Nutrition; Coatings & Color Technologies; Electronic & Communication Technologies; Performance Materials; and Safety & Protection. In addition to the five growth segments, the company's reportable segments include Pharmaceuticals. The company includes embryonic businesses not included in the growth segments, such as applied biosciences and nonaligned businesses in Other.

Information describing the business of the company can be found on the indicated pages of this report:

Item	Page
Segment Reviews	
Introduction	26
Agriculture & Nutrition	27
Coatings & Color Technologies	28
Electronic & Communication Technologies	29
Performance Materials	30
Safety & Protection	32
Pharmaceuticals	33
Other	34
Geographic Information – Net Sales and Net Property	F-45
Segment Sales, Net Sales, Pre-tax Operating Income and Segment Net Assets	F-46

The company has operations in approximately 90 countries worldwide and about 64 percent of consolidated net sales are made to customers outside the United States of America (U.S.). Subsidiaries and affiliates of DuPont conduct manufacturing, seed production, or selling activities and some are distributors of products manufactured by the company.

Sources of Supply

The company utilizes numerous suppliers as well as internal sources to supply a wide range of raw materials, energy, supplies, services and equipment. To ensure availability, the company maintains multiple sources for fuels and many raw materials, including hydrocarbon feedstocks. Large volume purchases are generally procured under competitively priced supply contracts.

Within Agriculture & Nutrition, the company's wholly-owned subsidiary, Pioneer Hi-Bred International, Inc. (Pioneer), operates in the seed industry and has seed production facilities located throughout the world. Seed production is performed directly by the company or contracted with independent growers and conditioners. The company's ability to produce seeds primarily depends upon weather conditions, contract growers and the availability of preferred hybrids with desired traits.

The major commodities, raw materials and supplies for the company's reportable segments in 2008 include the following:

Agriculture & Nutrition:

benzene and carbamic acid related intermediates; copper; insect control products; natural gas; soybeans; soy flake; soy lecithin; sulfonamides; corn and soybean seeds

Item 1. Business, *continued*

Coatings & Color Technologies:
chlorine; solvents; isocyanates; industrial gases; pigments; resins; titanium ore

Electronic & Communication Technologies:
block co-polymers; chloroform; copper; fluorspar; hydrofluoric acid; hydroxylamine; oxydianiline; perchloroethylene; polyester film; precious metals; pyromellitic dianhydride

Performance Materials:
adipic acid; butadiene; butanediol; dimethyl terephthalate; ethane; ethylene glycol; fiberglass; hexamethylenediamine; methanol; natural gas; purified terephthalic acid

Safety & Protection:
alumina hydroxide; ammonia; benzene; high density polyethylene; isophthaloyl chloride; metaphenylenediamine; methyl methacrylate; natural gas; paraphenylenediamine; polyester fiber; propylene; sulfur; terephthaloyl chloride; wood pulp

No commodities or raw materials are purchased for the Pharmaceutical segment. This segment's revenues arise from licensing arrangements for Cozaar® and Hyzaar® antihypertensive drugs, which are manufactured and distributed by Merck & Co. (Merck).

DuPont has contracts with Computer Sciences Corporation (CSC) and Accenture LLP (Accenture) to provide certain services for the company. CSC operates a majority of the company's global information systems and technology infrastructures and provides selected applications and software services. CSC is contracted to provide these services through December 2014. Accenture provides selected applications, software services and enterprise resource planning solutions designed to enhance the company's manufacturing, marketing, distribution and customer service. Accenture is contracted to provide these services through December 2011.

In November 2005, DuPont contracted with Convergys Corporation to provide the company with global human resources transactional services including employee development, workforce planning, compensation management, benefits administration and payroll. As of December 31, 2008, some of the services associated with this contract are in place and are operating, including preparation of payroll in the U.S. and Puerto Rico. All services associated with this contract are scheduled to be operating in 2010. Convergys Corporation is contracted to provide services through 2018.

Backlog
In general the company does not manufacture its products against a backlog of orders and does not consider backlog to be a significant indicator of the level of future sales activity. Production and inventory levels are based on the level of incoming orders as well as projections of future demand. Therefore, the company believes that backlog information is not material to understanding its overall business and should not be considered a reliable indicator of the company's ability to achieve any particular level of revenue or financial performance.

Intellectual Property
The company believes that its intellectual property estate provides it with an important competitive advantage. It has an established global network of attorneys, as well as branding, advertising and licensing professionals, to procure, maintain, protect, enhance and gain value from this estate.

The company has a large portfolio of and is licensed under various patents. These definite-lived patents cover many products, processes and product uses. These patents protect many aspects of the company's significant research programs and the goods and services it sells. The actual protection afforded by these patents varies from country to country and depends upon the scope of coverage of each individual patent as well as the availability of legal remedies in each country. The company owns approximately 21,000 worldwide patents and approximately 17,000 worldwide patent applications. In 2008, the company was granted about 500 U.S. patents and about 1,500 international patents. The company's rights under its patents and licenses, as well as the products made and sold under them, are important to the company as a whole, and to varying degrees, important to each reportable

Item 1. Business, *continued*

segment. For a discussion of the importance of patents to Pharmaceuticals, see the segment discussion on page 33 of this report.

The environment in which Pioneer and the rest of the companies within the seed industry compete is increasingly affected by new patents, patent positions, patent lawsuits and the status of various intellectual property rights. Ownership of and access to intellectual property rights, particularly those relating to biotechnology and germplasm, are important to Pioneer and its competitors. No single patent owned by Pioneer or its competitors is essential to Pioneer's ability to compete. However, Pioneer will continue to address freedom to operate issues by enforcing its own intellectual property rights, challenging claims made by others and, where appropriate, obtaining licenses to important technologies on commercially reasonable terms. During 2007, Pioneer entered into a business agreement on corn herbicide tolerance and insect control trait technologies with Monsanto Company. Among other provisions, modifications were made to the existing corn license agreements; both parties agreed to exchange certain non-assert and other intellectual property rights; and both parties obtained rights to reference and access certain regulatory data and approvals in which the other has certain interests. See the Contractual Obligations table on page 38 for more information.

The company has approximately 1,800 unique trademarks for its products and services and approximately 17,000 worldwide registrations and applications for these trademarks. Ownership rights in trademarks do not expire if the trademarks are continued in use and properly protected. The company has many trademarks that have significant recognition at the consumer retail level and/or business to business level. Significant trademarks at the consumer retail level include the DuPont Oval and DuPont™ (the "DuPont Brand Trademarks"); Pioneer® brand seeds; Teflon® fluoropolymers, films, fabric protectors, fibers and dispersions; Corian® surfaces; Kevlar® high strength material; and Tyvek® protective material. The company actively pursues licensing opportunities for selected trademarks at the retail level.

Seasonality

Sales of the company's products in Agriculture & Nutrition are affected by seasonal patterns. Agriculture & Nutrition's sales and earnings performance is strongest in the first half of the year. The segment generally operates at a loss during the third and fourth quarters of the year. As a result of the seasonal nature of its seed business, Agriculture & Nutrition's inventory is at its highest level at the end of the calendar year and is sold down in the first and second quarters. Trade receivables in Agriculture & Nutrition are at a low point at year-end and increase through the selling season to peak at the end of the second quarter.

In general, businesses in the remaining segments are not significantly affected by seasonal factors.

Marketing

With the exception of Pioneer® brand seeds and Solae® soy proteins, most products are marketed primarily through DuPont's sales force, although in some regions, more emphasis is placed on sales through distributors. Pioneer® brand products are promoted through multiple marketing channels in North America. In the corn and soybean markets of the U.S. Corn Belt, products are sold through a specialized force of independent sales representatives. In other North American markets, Pioneer® products are marketed through distributors and crop input retailers. Pioneer® products outside of North America are marketed through a network of subsidiaries, joint ventures and independent producer-distributors. Solae® isolated and functional soy proteins are marketed using a combination of outside distributors, joint ventures and direct sales.

Major Customers

The company's sales are not materially dependent on a single customer or small group of customers. However, collectively, Coatings & Color Technologies and Performance Materials have several large customers, primarily in the motor vehicle original equipment manufacturer (OEM) industry supply chain. The company has long-standing relationships with these customers and they are considered to be important to the segments' operating results.

Item 1. Business, *continued*

Competition

As a science and technology based company, DuPont competes on a variety of factors such as product quality and performance or specifications, continuity of supply, price, customer service and breadth of product line, depending on the characteristics of the particular market involved and the product or service provided.

Major competitors include diversified industrial companies principally based in the U.S., Western Europe, Japan, China, Korea and India. In the aggregate, these competitors offer a wide range of products from agricultural, commodity and specialty chemicals to plastics, fibers and advanced materials. The company also competes in certain markets with smaller, more specialized firms who offer a narrow range of products or converted products that functionally compete with the company's offerings.

Agriculture & Nutrition sells advanced plant genetics through Pioneer, principally for the global production of corn and soybeans and thus directly competes with other seed and plant biotechnology companies. Agriculture & Nutrition also provides food safety equipment and soy-based food ingredients in competition with other major grain and food processors.

Research and Development

The company conducts research in the U.S. at over 30 sites at either dedicated research facilities or manufacturing plants. The highest concentration of research is in the Wilmington, Delaware area at several large research centers. Among these, the Experimental Station laboratories engage in investigative and applied research, the Chestnut Run laboratories focus on applied research and the Stine-Haskell Research Center conducts agricultural product research and toxicological research to assure the safe manufacture, handling and use of products and raw materials.

Other major research locations in the U.S. include Marshall Lab in Philadelphia, Pennsylvania, and Mt. Clemens in Mt. Clemens, Michigan, both dedicated to coatings research; Pioneer research facilities in Johnston, Iowa; The Solae Company facilities in St. Louis, Missouri; polymer research facilities in Richmond, Virginia, and Parkersburg, West Virginia; and electronic technology research facilities in Research Triangle Park, North Carolina, Towanda, Pennsylvania, and Santa Barbara, California.

DuPont, reflecting the company's global interests, also operates more than 20 additional research and development facilities at locations outside the U.S., with major facilities located in Sao Paulo, Brazil; Kingston, Canada; Shanghai, China; Meyrin, Switzerland; Seoul, Korea; Wuppertal, Germany; and Utsunomiya, Japan. A new research and development facility was opened in Hyderabad, India in 2008 to better serve the Asia Pacific market.

The objectives of the company's research and development programs are to create new technologies, processes and business opportunities in relevant fields, as well as to improve existing products and processes. Each segment of the company funds research and development activities that support its business mission. Recently, the company has broadened its sustainability commitments beyond environmental footprint reduction to include market-driven targets for research and development investment. The company is expanding its offerings addressing safety, environment, energy and climate challenges in the global marketplace by developing and commercializing renewable, bio-based materials; advanced biofuels; energy-efficient technologies; enhanced safety and protection products; and alternative energy products and technologies. The goals are tied directly to business growth, specifically to the development of safer and environmentally improved products that enhance the environmental profile of its traditional businesses for DuPont's key global markets, including transportation, building and construction, agriculture and food and communications.

The corporate research laboratories are responsible for conducting research programs aligned with corporate strategy as provided by the growth segments. All research and development activities are administered by senior research and development management to ensure consistency with the business and corporate strategy. The future of the company is not dependent upon the outcome of any single research program.

Additional information with respect to research and development, including the amount incurred during each of the last three fiscal years, is included in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, on page 21 of this report.

Item 1. Business, *continued*

Facility Security
See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations on page 43 for a discussion of facility security.

Environmental Matters
Information related to environmental matters is included in several areas of this report: (1) Environmental Proceedings on page 11, (2) Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 24-25, 40-43 and (3) Notes 1 and 19 to the Consolidated Financial Statements.

Available Information
The company is subject to the reporting requirements under the Securities Exchange Act of 1934. Consequently, the company is required to file reports and information with the Securities Exchange Commission (SEC), including reports on the following forms: annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

The public may read and copy any materials the company files with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

The company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are also accessible on the company's website at http://www.dupont.com by clicking on the tab labeled "Investor Center" and then on "SEC filings." These reports are made available, without charge, as soon as is reasonably practicable after the company files or furnishes them electronically with the Securities and Exchange Commission.

ITEM 1A. RISK FACTORS

The company's operations could be affected by various risks, many of which are beyond its control. Based on current information, the company believes that the following identifies the most significant risk factors that could affect its businesses. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

Price increases for energy and raw materials could have a significant impact on the company's ability to sustain and grow earnings.
The company's manufacturing processes consume significant amounts of energy and raw materials, the costs of which are subject to worldwide supply and demand as well as other factors beyond the control of the company. Significant variations in the cost of energy, which primarily reflect market prices for oil and natural gas and raw materials affect the company's operating results from period to period. When possible, the company purchases raw materials through negotiated long-term contracts to minimize the impact of price fluctuations. Additionally, the company enters into over-the-counter and exchange traded derivative commodity instruments to hedge its exposure to price fluctuations on certain raw material purchases. The company has taken actions to offset the effects of higher energy and raw material costs through selling price increases, productivity improvements and cost reduction programs. Success in offsetting higher raw material costs with price increases is largely influenced by competitive and economic conditions and could vary significantly depending on the market served. If the company is not able to fully offset the effects of higher energy and raw material costs, it could have a significant impact on the company's financial results.

Failure to develop and market new products could impact the company's competitive position and have an adverse effect on the company's financial results.
The company's operating results are largely dependent on its ability to renew its pipeline of new products and services and to bring those products and services to market. This ability could be adversely affected by difficulties or

Item 1A. Risk Factors, *continued*

delays in product development such as the inability to identify viable new products, successfully complete research and development, obtain relevant regulatory approvals, obtain intellectual property protection, or gain market acceptance of new products and services. Because of the lengthy development process, technological challenges and intense competition, there can be no assurance that any of the products the company is currently developing, or could begin to develop in the future, will achieve substantial commercial success. Sales of the company's new products could replace sales of some of its current products, offsetting the benefit of even a successful product introduction.

The company's results of operations could be adversely affected by litigation and other commitments and contingencies.
The company faces risks arising from various unasserted and asserted litigation matters, including, but not limited to, product liability, patent infringement, antitrust claims, and claims for third party property damage or personal injury stemming from alleged environmental torts. The company has noted a nationwide trend in purported class actions against chemical manufacturers generally seeking relief such as medical monitoring, property damages, off-site remediation and punitive damages arising from alleged environmental torts without claiming present personal injuries. Various factors or developments can lead to changes in current estimates of liabilities such as a final adverse judgment, significant settlement or changes in applicable law. A future adverse ruling or unfavorable development could result in future charges that could have a material adverse effect on the company. An adverse outcome in any one or more of these matters could be material to the company's financial results.

In the ordinary course of business, the company may make certain commitments, including representations, warranties and indemnities relating to current and past operations, including those related to divested businesses and issue guarantees of third party obligations. If the company were required to make payments as a result, they could exceed the amounts accrued, thereby adversely affecting the company's results of operations.

As a result of the company's current and past operations, including operations related to divested businesses, the company could incur significant environmental liabilities.
The company is subject to various laws and regulations around the world governing the environment, including the discharge of pollutants and the management and disposal of hazardous substances. As a result of its operations, including its past operations and operations of divested businesses, the company could incur substantial costs, including cleanup costs. The costs of complying with complex environmental laws and regulations, as well as internal voluntary programs, are significant and will continue to be so for the foreseeable future. The ultimate costs under environmental laws and the timing of these costs are difficult to predict. The company's accruals for such costs and liabilities may not be adequate because the estimates on which the accruals are based depend on a number of factors including the nature of the matter, the complexity of the site, site geology, the nature and extent of contamination, the type of remedy, the outcome of discussions with regulatory agencies and other Potentially Responsible Parties (PRPs) at multi-party sites and the number and financial viability of other PRPs.

The company's ability to generate sales from genetically enhanced products, particularly seeds and other agricultural products, could be adversely affected by market acceptance, government policies, rules or regulations and competition.
The company is using biotechnology to create and improve products, particularly in its Agriculture & Nutrition segment. Demand for these products could be affected by market acceptance of genetically modified products as well as governmental policies, laws and regulations that affect the development, manufacture and distribution of products, including the testing and planting of seeds containing biotechnology traits and the import of crops grown from those seeds.

The company competes with major global companies that have strong intellectual property estates supporting the use of biotechnology to enhance products, particularly in the agricultural products and production markets. Speed in discovering and protecting new technologies and bringing products based on them to market is a significant competitive advantage. Failure to predict and respond effectively to this competition could cause the company's existing or candidate products to become less competitive, adversely affecting sales.

Item 1A. Risk Factors, *continued*

Changes in government policies and laws could adversely affect the company's financial results.
Sales outside the U.S. constitute more than half of the company's revenue. The company anticipates that international sales will continue to represent a substantial portion of its total sales and that continued growth and profitability will require further international expansion, particularly in emerging markets. The company's financial results could be affected by changes in trade, monetary and fiscal policies, laws and regulations, or other activities of U.S. and non-U.S. governments, agencies and similar organizations. These conditions include but are not limited to changes in a country's or region's economic or political conditions, trade regulations affecting production, pricing and marketing of products, local labor conditions and regulations, reduced protection of intellectual property rights in some countries, changes in the regulatory or legal environment, restrictions on currency exchange activities, burdensome taxes and tariffs and other trade barriers. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities and war, could lead to reduced international sales and reduced profitability associated with such sales.

Economic factors, including inflation and fluctuations in currency exchange rates, interest rates and commodity prices could affect the company's financial results.
The company is exposed to fluctuations in currency exchange rates, interest rates and commodity prices. Because the company has significant international operations, there are a large number of currency transactions that result from international sales, purchases, investments and borrowings. The company actively manages currency exposures that are associated with monetary asset positions, committed currency purchases and sales and other assets and liabilities created in the normal course of business. Failure to successfully manage these risks could have an adverse impact on the company's financial position, results of operations and cash flows.

Conditions in the global economy and global capital markets may adversely affect the company's results of operations, financial condition, and cash flows.
The company's business and operating results have been and will continue to be affected by the global recession, including the credit market crisis, declining consumer and business confidence, fluctuating commodity prices, volatile exchange rates, and other challenges currently affecting the global economy. The company's customers may experience deterioration of their businesses, cash flow shortages, and difficulty obtaining financing. As a result, existing or potential customers may delay or cancel plans to purchase products and may not be able to fulfill their obligations in a timely fashion. Further, suppliers may be experiencing similar conditions, which could impact their ability to fulfill their obligations to the company. If the global recession continues for significant future periods or deteriorates significantly, the company's results of operations, financial condition and cash flows could be materially adversely affected.

Business disruptions could seriously impact the company's future revenue and financial condition and increase costs and expenses.
Business disruptions, including supply disruptions, increasing costs for energy, temporary plant and/or power outages and information technology system and network disruptions, could seriously harm the company's operations as well as the operations of its customers and suppliers. Although it is impossible to predict the occurrences or consequences of any such events, they could result in reduced demand for the company's products, make it difficult or impossible for the company to deliver products to its customers or to receive raw materials from suppliers, and create delays and inefficiencies in the supply chain. The company actively manages the risks within its control that could cause business disruptions to mitigate any potential impact from business disruptions regardless of cause including acts of terrorism or war, and natural disasters. Despite these efforts, the impact from business disruptions could significantly increase the cost of doing business or otherwise adversely impact the company's financial performance.

Inability to protect and enforce the company's intellectual property rights could adversely affect the company's financial results.
Intellectual property rights are important to the company's business. The company endeavors to protect its intellectual property rights in jurisdictions in which its products are produced or used and in jurisdictions into which its products are imported. However, the company may be unable to obtain protection for its intellectual property in key jurisdictions. Additionally, the company has designed and implemented internal controls to restrict

Item 1A. Risk Factors, *continued*

access to and distribution of its intellectual property, including confidential information and trade secrets. Despite these precautions, it is possible that unauthorized parties may access and use such property. When misappropriation is discovered, the company reports such situations to the appropriate governmental authorities for investigation and takes measures to mitigate any potential impact.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The company's corporate headquarters are located in Wilmington, Delaware. The company's manufacturing, processing, marketing and research and development facilities, as well as regional purchasing offices and distribution centers are located throughout the world.

Information regarding research and development facilities is incorporated by reference to Item 1, Business-Research and Development. Additional information with respect to the company's property, plant and equipment and leases is contained in Notes 10, 19 and 24 to the Consolidated Financial Statements

The company has investments in property, plant and equipment related to global manufacturing operations. Collectively there are over 300 sites in total. The more significant sites are listed by their applicable segment(s) as set forth below:

Agriculture & Nutrition

U.S.	Mobile, AL; Valdosta, GA; El Paso, IL; Gibson City, IL; Pryor, OK; Manati, Puerto Rico; Memphis, TN; LaPorte, TX
Asia Pacific	Shanghai, China; Salvi, India
Europe	Ieper, Belgium; Aahrus, Denmark; Cernay, France; Asturias, Spain
Latin America	Camacari, Brazil; Esteio, Brazil; Lerma, Mexico

Coatings & Color Technologies

U.S.	Edgemoor, DE; Starke, FL; Mount Clemens, MI; Delisle, MS; New Johnsonville, TN; Houston, TX; Front Royal, VA
Asia Pacific	Changchun, China; Jiading, China; Kuan Yin, Taiwan
Europe	Mechelen, Belgium; Wuppertal, Germany
Latin America	Sao Paulo, Brazil; Altamira, Mexico

Electronic & Communication Technologies

U.S.	El Dorado, AK; Santa Barbara, CA; Fort Madison, IA; Louisville, KY; Fayetteville, NC; Research Triangle Park, NC; Deepwater, NJ; Parlin, NJ; Buffalo, NY; Rochester, NY; Circleville, OH; Dayton, OH; Towanda, PA; Manati, Puerto Rico; Bayport, TX; Corpus Christi, TX; LaPorte, TX; Logan, UT; Parkersburg, WV
Asia Pacific	Changshu, China; Shenzhen, China; Madurai, India; Chiba, Japan; Shimizu, Japan; Hsinchu, Taiwan; Taoyuan, Taiwan
Europe	Luxembourg; Mechelen, Belgium; Neu Isenburg, Germany; Dordrecht, The Netherlands; Bristol, UK; East Kilbride, UK; Ruabon, UK

Performance Materials

U.S.	Newark, DE; LaPlace, LA; Fayetteville, NC; Deepwater, NJ; Ashland, OH ; Charleston, SC; Florence, SC; Chattanooga, TN; Beaumont, TX; LaPorte, TX; Orange, TX; Victoria, TX; Hopewell, VA; Richmond, VA; Parkersburg, WV
Asia Pacific	Shenzen, China; Salvi, India; Chiba, Japan; Gifu, Japan; Ibaraki, Japan; Utsunomiya, Japan; Ulsan, Korea; Singapore
Europe	Antwerp, Belgium; Mechelen, Belgium; Uentrop, Germany; Luxembourg; Dordrecht, The Netherlands
Latin America	Berazategui, Argentina

Item 2. Properties, *continued*

Safety & Protection

U.S.	Red Lion, DE; Stratco, KS; Wurtland, KY; Burnside, LA; LaPlace, LA; Pascagoula, MS; Belco, NJ; Deepwater, NJ; Linden, NJ; Buffalo, NY; Niagara Falls, NY; Fort Hill, OH; Memphis, TN; Old Hickory, TN; Baytown, TX; Beaumont, TX; El Paso, TX; James River, VA; Richmond, VA; Belle, WV
Asia Pacific	Guangzhou, China; Ulsan, Korea
Europe	Villers-St. Paul, France; Luxembourg; Asturias, Spain; Sudbury, UK
Canada	Thetford Mines

The company's plants and equipment are well maintained and in good operating condition. Sales as a percent of capacity were 78, 83, and 84 percent in 2008, 2007 and 2006, respectively. Properties are primarily owned by the company; however, certain properties are leased. No title examination of the properties has been made for the purpose of this report and certain properties are shared with other tenants under long-term leases.

ITEM 3. LEGAL PROCEEDINGS

Litigation

PFOA: Environmental and Litigation Proceedings

For purposes of this report, the term PFOA means collectively perfluorooctanoic acid and its salts, including the ammonium salt and does not distinguish between the two forms. Information related to this matter is included in Note 19 to the Consolidated Financial Statements under the heading PFOA.

Elastomers Antitrust Matters

Information related to this matter is included in Note 19 to the Consolidated Financial Statements under the heading Elastomers Antitrust Matters.

Environmental Proceedings

Belle Spent Acid Plant New Source Review Notice of Violation

On August 2, 2007, the U.S. Environmental Protection Agency (EPA) issued a Notice and Finding of Violation to DuPont and Lucite International (Lucite) regarding the spent acid regeneration unit at the Belle Plant in South Charleston, West Virginia. DuPont sold the unit to Imperial Chemical Industries, Plc (ICI) in 1993, who sold it to Lucite in 1999. DuPont has operated the unit since it was built in 1964, including after the sale to ICI, through the present. The Notice alleges 5 projects in the time period 1988 to 1996 should have triggered the New Source Review or New Source Performance Standard requirements of the Clean Air Act (CAA) and, therefore, required the unit be shut down or retrofitted to "best available" technology. Lucite, DuPont, EPA and U.S. Department of Justice (DOJ) have reached an agreement in principle that requires the unit be shut down by April 2010 and a penalty of $2 million. DuPont believes that Lucite should bear the costs of any shutdown and penalty. Lucite has notified the company that it will seek indemnity for such costs from DuPont.

TSCA Voluntary Audit

DuPont voluntarily undertook a self-audit concerning reporting of inhalation studies pursuant to Toxic Substances Control Act (TSCA) section 8(e). DuPont voluntarily reported the results of that audit to the EPA. The EPA has reviewed the information submitted under this self-audit and has indicated potential violations exist with respect to some of the submitted studies. Based upon communications with the EPA, the company believes the EPA will seek a penalty.

West Virginia Department of Environmental Protection

On July 31, 2008, the West Virginia Department of Environmental Protection (WVDEP) notified DuPont that it was seeking a penalty for alleged violations of the Solid Waste Management and Water Pollution Control Acts from 2004 to present at DuPont's Washington Works site and two landfills in Wood County, West Virginia. The alleged violations include exceedances of discharge permit parameters, releases to the environment reported to the agency, and failing to comply with construction and operation permit requirements at one of the landfills. An agreement in

Item 3. Legal Proceedings, *continued*

principle has been reached to settle this matter for a penalty of $1.1 million and Supplemental Environmental Projects involving expenditures of $500,000.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Item 4. Submission of Matters to a Vote of Security Holders, *continued*

Executive Officers of the Registrant
The following is a list, as of February 12, 2009, of the company's Executive Officers:

	Age	Executive Officer Since
Chief Executive Officer:		
Ellen J. Kullman	53	2006
Other Executive Officers:		
James C. Borel, Group Vice President – DuPont Agriculture	53	2004
Thomas M. Connelly, Jr., Executive Vice President and Chief Innovation Officer	56	2000
Richard R. Goodmanson, Executive Vice President and Chief Operating Officer	61	1999
W. Donald Johnson Senior Vice President – DuPont Human Resources	61	2008
Jeffrey L. Keefer, Executive Vice President and Chief Financial Officer	56	2006
Thomas L. Sager Senior Vice President and General Counsel	58	2008

The company's Executive officers are elected or appointed for the ensuing year or for an indefinite term and until their successors are elected or appointed.

Ellen J. Kullman joined DuPont in 1988 as marketing manager and progressed through various roles as global business director and was named Vice President and General Manager of White Pigment & Mineral Products in 1995. In 2000, Ms. Kullman was named Group Vice President and General Manager of several businesses and new business development. She became Group Vice President-DuPont Safety & Protection in 2002. In June 2006, Ms. Kullman was named Executive Vice President and assumed leadership of Marketing & Sales along with Safety and Sustainability. She was appointed President on October 1, 2008 and became Chief Executive Officer on January 1, 2009.

James C. Borel joined DuPont in 1978, and held a variety of product and sales management positions for Agricultural Products. In 1993, he transferred to Tokyo, Japan with Agricultural Products as regional manager, North Asia and was appointed regional director, Asia Pacific in 1994. In 1997, he was appointed regional director, North America and was appointed Vice President and General Manager-DuPont Crop Protection later that year. In January 2004, he was named Senior Vice President-DuPont Global Human Resources. In February 2008, Mr. Borel was named Group Vice President-DuPont with responsibility for production agriculture.

Thomas M. Connelly, Jr. joined DuPont in 1977 as a research engineer. Since then, Mr. Connelly has served in various research and plant technical leadership roles, as well as product management and business director roles. Mr. Connelly served as Vice President and General Manager-DuPont Fluoroproducts from 1999 until September 2000, when he was named Senior Vice President and Chief Science and Technology Officer. In June 2006, Mr. Connelly was named Executive Vice President and Chief Innovation Officer.

Richard R. Goodmanson joined DuPont in 1999 as Executive Vice President and Chief Operating Officer. Prior to joining DuPont, Mr. Goodmanson was president and Chief Executive Officer of America West Airlines from 1996 to 1999. He was Senior Vice President of Operations for Frito-Lay Inc. from 1992 to 1996, and he was a principal at McKinsey & Company, Inc. from 1980 to 1992.

Item 4. Submission of Matters to a Vote of Security Holders, *continued*

W. Donald Johnson joined DuPont in 1974 and has held a variety of technical and manufacturing assignments in fibers. In 1997 he was appointed Vice President and General Manager-DuPont Advanced Fiber Systems and DuPont Nylon and in 1999 he became the Group Vice President for Nylon Worldwide. From 2001 until 2006 when he was transferred to Japan, he had responsibilities for DuPont operations and engineering. He was named to Senior Vice President-DuPont Human Resources in February 2008.

Jeffrey L. Keefer joined DuPont in 1976 as a financial analyst in corporate finance. In 1982, he accepted a field sales assignment and was appointed customer service manager in 1985. He advanced through various sales and management assignments and in February 1999 he was named Vice President and General Manager–DuPont Titanium Technologies. In January 2004, he was named Group Vice President–DuPont Performance Materials. In June 2006, he was named Executive Vice President–DuPont Finance and Chief Financial Officer.

Thomas L. Sager joined DuPont in 1976 as an attorney in the labor and securities group. In 1998 he was named Chief Litigation Counsel and assumed oversight responsibility for all company litigation matters. He was named Vice President and Assistant General Counsel in 1999. In July 2008, he was appointed Senior Vice President and General Counsel.

Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Registrant's Common Equity and Related Stockholder Matters

The company's common stock is listed on the New York Stock Exchange, Inc. (symbol DD) and certain non-U.S. exchanges. The number of record holders of common stock was 87,729 at January 31, 2009.

Holders of the company's common stock are entitled to receive dividends when they are declared by the Board of Directors. While it is not a guarantee of future conduct, the company has continuously paid a quarterly dividend since the fourth quarter 1904. Dividends on common stock and preferred stock are usually declared in January, April, July and October. When dividends on common stock are declared, they are usually paid mid March, June, September and December. Preferred dividends are paid on or about the 25th of January, April, July and October. The Stock Transfer Agent and Registrar is Computershare Trust Company, N.A.

The company's quarterly high and low trading stock prices and dividends per common share for 2008 and 2007 are shown below.

	Market Prices		
2008	**High**	**Low**	**Per Share Dividend Declared**
Fourth Quarter	**$41.15**	**$21.32**	**$0.41**
Third Quarter	**48.22**	**39.45**	**0.41**
Second Quarter	**52.49**	**42.36**	**0.41**
First Quarter	**48.08**	**41.26**	**0.41**
2007			
Fourth Quarter	$50.42	$42.25	$0.41
Third Quarter	53.90	45.75	0.37
Second Quarter	53.25	48.44	0.37
First Quarter	53.67	47.58	0.37

Issuer Purchases of Equity Securities

There were no purchases of the company's common stock during the three months ended December 31, 2008.

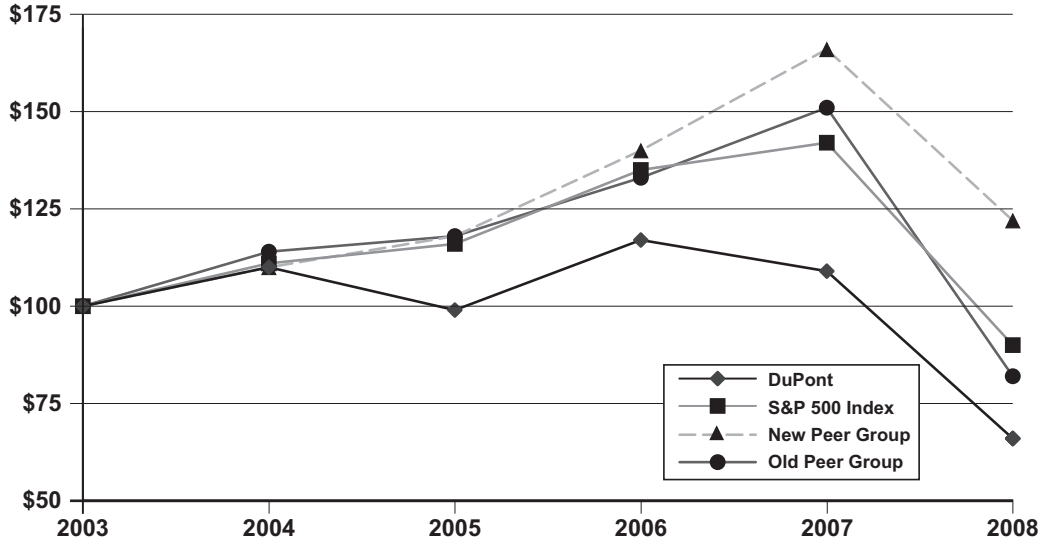
Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities, *continued*

Stock Performance Graph

The following graph presents the cumulative five-year total return for the company's common stock compared with the S&P 500 Stock Index and a self-constructed peer group of companies. Recognizing that strong science capabilities are the driving force behind the company's transformation over the past decade, management chose a new peer group for 2008 that includes more research intensive companies with a scientific focus versus commodity-based chemical companies. The peer group companies for the year ended December 31, 2008 are 3M Company; Abbott Laboratories; Air Products & Chemicals, Inc.; Baxter International Inc.; The Boeing Company; Caterpillar Inc.; Eastman Kodak Company; Emerson Electric Co.; Hewlett-Packard Company; Honeywell International Inc.; Ingersoll-Rand Company Limited; Johnson & Johnson; Johnson Controls, Inc.; Kimberly-Clark Corporation; Merck & Company, Inc.; Monsanto Company; Motorola Inc.; The Procter & Gamble Company; Rohm and Haas Company; and United Technologies Corporation. For comparison, the company's old peer group companies were 3M Company, Alcoa Inc.; BASF Corporation; The Dow Chemical Company; Eastman Kodak Company; Ford Motor Company; General Electric Company; Hewlett-Packard Company; Monsanto Company; Motorola, Inc.; PPG Industries, Inc.; Rohm and Haas Company; and United Technologies Corporation.

Stock Performance Graph



	12/31/2003	12/31/2004	12/31/2005	12/31/2006	12/31/2007	12/31/2008
DuPont	$100	$110	$ 99	$117	$109	**$ 66**
S&P 500 Index	$100	$111	$116	$135	$142	**$ 90**
New Peer Group	$100	$110	$118	$140	$166	**$122**
Old Peer Group	$100	$114	$118	$133	$151	**$ 82**

The graph assumes that the value of DuPont Common Stock, the S&P 500 Stock Index and the peer group of companies was each $100 on December 31, 2003 and that all dividends were reinvested. The peer group is weighted by market capitalization.

ITEM 6. SELECTED FINANCIAL DATA

(Dollars in millions, except per share)	2008	2007	2006	2005	2004
Summary of operations					
Net sales	**$30,529**	$29,378	$27,421	$26,639	$27,340
Income before income taxes and minority interests	**$ 2,391**	$ 3,743	$ 3,329	$ 3,563	$ 1,442
Provision for (benefit from) income taxes	**$ 381**	$ 748	$ 196	$ 1,470	$ (329)
Net income	**$ 2,007**	$ 2,988	$ 3,148	$ 2,056	$ 1,780
Basic earnings per share of common stock	**$ 2.21**	$ 3.25	$ 3.41	$ 2.08	$ 1.78
Diluted earnings per share of common stock	**$ 2.20**	$ 3.22	$ 3.38	$ 2.07	$ 1.77
Financial position at year-end					
Working capital	**$ 5,601**	$ 4,619	$ 4,930	$ 4,986	$ 7,272
Total assets	**$36,209**	$34,131	$31,777 [1]	$33,291	$35,632
Borrowings and capital lease obligations					
Short-term	**$ 2,012**	$ 1,370	$ 1,517	$ 1,397	$ 937 [2]
Long-term	**$ 7,638**	$ 5,955	$ 6,013	$ 6,783	$ 5,548
Stockholders' equity	**$ 7,125**	$11,136	$ 9,422 [1]	$ 8,962	$11,377
General					
For the year					
Purchases of property, plant & equipment and investments in affiliates	**$ 2,033**	$ 1,698	$ 1,563	$ 1,406	$ 1,298
Depreciation	**$ 1,169**	$ 1,158	$ 1,157	$ 1,128	$ 1,124
Research and development (R&D) expense	**$ 1,393**	$ 1,338	$ 1,302	$ 1,336	$ 1,333
Average number of common shares outstanding (millions)					
Basic	**902**	917	921	982	998
Diluted	**907**	925	929	989	1,003
Dividends per common share	**$ 1.64**	$ 1.52	$ 1.48	$ 1.46	$ 1.40
At year-end					
Employees (thousands)	**60**	60	59	60	60
Closing stock price	**$ 25.30**	$ 44.09	$ 48.71	$ 42.50	$ 49.05
Common stockholders of record (thousands)	**88**	92	84	101	106

[1] On December 31, 2006, the company adopted SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)." Total assets and stockholders' equity were reduced by $2,159 million and $1,555 million, respectively, as a result of such adoption.

[2] Includes borrowings and capital lease obligations classified as liabilities held for sale.

Part II

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENTS ABOUT FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements which may be identified by their use of words like "plans," "expects," "will," "anticipates," "intends," "projects," "estimates" or other words of similar meaning. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. For some of the important factors that could cause the company's actual results to differ materially from those projected in any such forward-looking statements see the Risk Factors discussion set forth under Part I, Item 1A beginning on page 6.

Overview

Long-term Growth Strategies – DuPont strives to grow shareholder value over the long term by executing its three growth strategies – *Putting Science to Work, Leveraging the Power of One DuPont and Going Where the Growth Is*. DuPont science and innovation is focused on delivering solutions for some of the world's toughest challenges such as the need for increased food production, renewable energy and raw materials, energy efficiency, and greater safety and protection. The initiatives employed to achieve the strategies are: #1 Grow in the areas of agriculture, biosciences, safety and protection and polymer science by delivering science-based solutions. #2 Expand the company's position in emerging markets. #3 Extend cost and capital productivity gains. Over the long term, DuPont continues to see the potential for attractive earnings growth from these initiatives. In addition to its growth strategies, DuPont's financial discipline principles are critical to delivering shareholder value over time. The principles are first to maintain a strong balance sheet and second to return excess cash to shareholders unless there is a compelling opportunity to invest for growth. The company's strong balance sheet supports liquidity and a low cost of borrowing and is a direct result from the disciplined execution of these principles.

Global Economic Conditions – The year 2008 was challenging due to a global economic recession with demand weakness in North American and Western European motor vehicle and construction related markets and dramatic escalation of global raw material, energy and transportation costs. Despite these challenges, the company delivered 4 percent sales growth and strong performances from the Agriculture & Nutrition segment, Pharmaceuticals, and most businesses in emerging markets. Early in the fourth quarter 2008 a financial crisis spreading globally triggered unprecedented market volatility and depressed economic growth. The fourth quarter of 2008 was the clear pivot point in the economic environment with a steep decline in demand becoming pervasive across a broader range of end markets and geographies. Reflecting these conditions, the company's full year sales volume dropped 5 percent versus the prior year.

Response to Challenging Global Market Conditions – In December 2008, DuPont announced plans to address rapidly deteriorating market conditions and strengthen the company's future competitiveness. Plans are focused on generating cash by better aligning cost, working capital and property, plant and equipment expenditures to the revised demand signals of the fourth quarter. These plans include a restructuring program with an associated fourth quarter pre-tax charge of $535 million, with expected pre-tax savings of about $130 million for 2009, and about $250 million annual savings thereafter. The restructuring will reduce about 2,500 employee positions, primarily those associated with motor vehicle and construction related businesses in Western Europe and the U.S. In addition to the expected $130 million cost savings in 2009 from restructuring, the company detailed plans to deliver an additional $600 million cost reduction in 2009. These plans include fixed cost productivity improvements, as well as immediate cost reductions implemented across the company such as significantly reducing discretionary spending, temporarily idling over 100 sites, reducing about 4,000 contractors and continuing productivity projects for streamlining and leveraging opportunities across operations, supply chain and support functions. The company also outlined 2009 plans to achieve a $1 billion net working capital reduction, and a 10 to 20 percent reduction in capital spending.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

Analysis of Operations

(Dollars in millions)	2008	2007	2006
NET SALES	**$30,529**	$29,378	$27,421

2008 versus 2007 Consolidated net sales for 2008 were $30.5 billion, up 4 percent. This reflects 10 percent sales growth through September 30, partly offset by a 17 percent year-over-year sales decline in the fourth quarter, precipitated by a significant decline in demand. Full year sales reflect a 7 percent increase in local selling prices and 3 percent favorable currency exchange, partly offset by 5 percent lower volume and a 1 percent reduction from portfolio changes. Worldwide sales volumes reflect a modest increase outside the U.S. driven by growth in emerging markets, more than offset by significantly lower volumes in the company's major polymer, chemical, material, and electronic product lines sold in the U.S. and Western Europe.

The table below shows a regional breakdown of 2008 consolidated net sales based on location of customers and percentage variances from prior year:

			Percent Change Due to:			
(Dollars in billions)	2008 Net Sales	Percent Change vs. 2007	Local Price	Currency Effect	Volume	Portfolio
Worldwide	**$30.5**	4	7	3	(5)	(1)
United States	**11.0**	(2)	8	-	(10)	-
Europe	**9.5**	8	5	7	(4)	-
Asia Pacific	**5.5**	6	6	2	-	(2)
Canada & Latin America	**4.5**	9	9	4	(3)	(1)

2007 versus 2006 Consolidated net sales for 2007 were $29.4 billion, up 7 percent. This growth was principally the result of an 11 percent increase in sales outside of the U.S., reflecting in part the benefit of a weaker U.S. dollar (USD), which added 3 percent to worldwide sales. Worldwide volumes and local selling prices each increased 2 percent. Sales in the U.S. increased 1 percent reflecting 3 percent higher selling prices, partially offset by 2 percent lower volume. The decrease in U.S. sales volume was primarily due to lower demand for the company's products related to construction and motor vehicle production markets. Sales in Canada and Latin America increased 15 percent, primarily due to a 10 percent volume increase reflecting a substantial increase in sales of seed and crop protection products in South America.

The table below shows a regional breakdown of 2007 consolidated net sales based on location of customers and percentage variances from prior year:

			Percent Change Due to:		
(Dollars in billions)	2007 Net Sales	Percent Change vs. 2006	Local Price	Currency Effect	Volume
Worldwide	**$29.4**	7	2	3	2
United States	**11.3**	1	3	-	(2)
Europe	**8.8**	12	2	8	2
Asia Pacific	**5.2**	8	2	2	4
Canada & Latin America	**4.1**	15	2	3	10

(Dollars in millions)	2008	2007	2006
OTHER INCOME, NET	**$1,307**	**$1,275**	$1,561

2008 versus 2007 Other income, net, increased $32 million versus 2007. The increase was attributable to an increase of $211 million in equity in earnings of affiliates, primarily due to the absence of the 2007 impairment charge described below, and a favorable $51 million litigation settlement in 2008. The increases are partially offset by additional net pre-tax exchange losses of $154 million and a decrease of $86 million in asset sales.

2007 versus 2006 Other income, net, decreased $286 million versus 2006. This reduction is primarily due to an impairment charge of $165 million to write down the company's investment in a polyester films joint venture in the Performance Materials segment, a decrease of $81 million in net pre-tax exchange gains and a decrease in miscellaneous items of $231 million offset by higher Cozaar®/Hyzaar® income of $128 million (see page 33 for Pharmaceuticals segment information and Note 3 to the Consolidated Financial Statements).

The decrease in miscellaneous items resulted from the absence of 2006 benefits of $90 million for the reversal of accrued interest related to the favorable settlement of certain prior-year tax contingencies and $76 million of insurance recoveries from its insurance carriers as part of asbestos litigation matters. Of the $76 million, $61 million related to costs, including outside counsel fees and expenses and settlements paid over the past twenty years. During this twenty year period, DuPont has been served with thousands of lawsuits alleging injury from exposure to asbestos on DuPont premises. Most of these claims have been disposed of through trial, dismissal or settlement. Management believes it is remote that the outcome of remaining or future asbestos litigation matters will have a material adverse effect on the company's consolidated financial position or liquidity. These asbestos related insurance recoveries were reflected in cash provided by operating activities within the company's Consolidated Statements of Cash Flows. The remaining $15 million is part of a total recovery of $143 million relating to insurance recoveries associated with damages to the company's facilities suffered as a result of Hurricane Katrina in 2005. The majority of the Hurricane Katrina recovery was included in cost of goods sold and other operating charges in the Consolidated Income Statements. No amounts were received from insurance carriers for damages suffered by the company as a result of Hurricane Rita.

Additional information related to the company's other income, net is included in Note 3 to the Consolidated Financial Statements.

(Dollars in millions)	2008	2007	2006
COST OF GOODS SOLD AND OTHER OPERATING CHARGES	**$24,083**	$21,746	$20,636
As a percent of net sales	**79%**	74%	75%

2008 versus 2007 Cost of goods sold and other operating charges (COGS) for the year 2008 were $24.1 billion, versus $21.7 billion in 2007, an increase of 11 percent. COGS was 79 percent of net sales for 2008 versus 74 percent for the year 2007. The 5 percentage point increase principally reflects a $535 million charge for restructuring as discussed below, a $227 million charge for hurricane-related cleanup and repair, and significant increases in raw material, energy and freight costs.

In 2008, the company initiated a global restructuring program in response to the decline in the motor vehicle and construction markets, as well as the global economic recession. The program was established to reduce costs and improve profitability across the company's businesses. The program includes the elimination of approximately 2,500 positions principally located in Western Europe and the U.S. primarily supporting the motor vehicle and construction markets.

A resulting charge of $535 million has been reflected in COGS. This charge includes costs of $287 million related to employee severance costs and $248 million attributable to asset shut-downs, asset impairments and other non-personnel charges. Additional details related to this program are contained in the individual segment reviews and in Note 5 to the Consolidated Financial Statements.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

Essentially all employee terminations related to this program will begin during the first quarter of 2009. The program is estimated to be substantially complete in 2010. There were no cash payments related to this program in 2008.

Expected pre-tax cost savings of approximately $250 million per year are associated with the program when complete. Approximately $130 million of this savings is expected to be realized in 2009.

2007 versus 2006 COGS for the year 2007 were $21.7 billion, versus $20.6 billion in 2006, an increase of 5 percent. COGS was 74 percent of net sales for 2007 versus 75 percent for the year 2006. The 1 percentage point reduction principally reflects the absence of 2006 charges for restructuring, the effects of the company's productivity initiatives and a current year benefit from the weaker U.S. dollar due to currency exchange rate changes which increased sales at a higher rate than the rate they increased COGS. Partly offsetting these factors were increases in raw material and finished product distribution costs, as well as the absence of a 2006 benefit of $128 million in insurance recoveries.

The 2006 restructuring programs included the elimination of approximately 3,200 positions and redeployment of about 650. The company recorded a net charge of $326 million in 2006 related to employee separation costs and asset impairment charges. This included $184 million to provide severance benefits for approximately 2,800 employees involved in manufacturing, marketing and sales, administrative and technical activities. At December 31, 2008, the 2006 restructuring programs are essentially complete. Additional details related to these programs are contained in the segment reviews and in Note 5 to the Consolidated Financial Statements.

Payments from operating cash flows to terminated employees as a result of the 2006 plans totaled $47 million, $77 million, and $32 million during 2008, 2007 and 2006, respectively. Annual pre-tax cost savings of about $125 million per year are associated with the Coatings & Color Technologies program, approximately $53 million of which is reflected in COGS. Cumulative savings of approximately 100 percent, 80 percent and 35 percent was realized in 2008, 2007 and 2006, respectively.

(Dollars in millions)	2008	2007	2006
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**$3,593**	$3,396	$3,255
As a percent of net sales	**12%**	12%	12%

Selling, general and administrative expenses (SG&A) as a percent of sales remained constant over the three year period. Higher SG&A is primarily due to increased global commissions, selling and marketing investments related to the company's seed products and an unfavorable foreign currency impact.

(Dollars in millions)	2008	2007	2006
RESEARCH AND DEVELOPMENT EXPENSE	**$1,393**	$1,338	$1,302
As a percent of net sales	**5%**	5%	5%

Research and development expense (R&D) as a percent of sales remained constant over the three year period. Higher R&D in 2008 and 2007 relates to the accelerated biotechnology trait research and development in the Agriculture & Nutrition segment. The 2007 increase was partially offset by a decrease in R&D in the Coatings & Color Technologies segment as a result of consolidating research facilities as a part of its 2006 business transformation plan.

(Dollars in millions)	2008	2007	2006
INTEREST EXPENSE	**$376**	$430	$460

Interest expense decreased $54 million in 2008 compared to 2007. The decrease in interest expense is due to lower average interest rates, partially offset by higher average borrowings. Interest expense decreased $30 million in 2007 versus 2006. This decrease was primarily due to lower average borrowing levels and higher capitalized interest, partially offset by slightly higher average interest rates.

(Dollars in millions)	2008	2007	2006
PROVISION FOR INCOME TAXES	**$ 381**	$ 748	$196
Effective income tax rate	**15.9%**	20.0%	5.9%

In 2008, the company recorded a tax provision of $381 million (see Note 6 to the Consolidated Financial Statements).

In 2007, the company recorded a tax provision of $748 million which included a benefit of $108 million related to tax settlements offset by net tax expense in other operating results (see Note 6 to the Consolidated Financial Statements).

In 2006, the company recorded a tax provision of $196 million which included a benefit of $272 million related to tax settlements and a $186 million benefit for reversal of tax valuation allowances related to the net deferred tax assets of certain foreign subsidiaries due to the sustained improved business performance in these subsidiaries. These tax benefits were offset by net tax expense in other operating results (see Note 6 to the Consolidated Financial Statements).

The company's current estimate of the 2009 effective income tax rate is about 26 percent, excluding tax effects of exchange gains and losses which can not be reasonably estimated at this time. See Note 6 for additional detail on items that significantly impact the company's effective tax rates.

(Dollars in millions)	2008	2007	2006
NET INCOME	**$2,007**	$2,988	$3,148

2008 versus 2007 Net income for 2008 decreased $981 million, or 33 percent versus 2007. The decrease in net income is attributable to a substantial decline in sales volume, primarily occurring during the fourth quarter 2008, and higher fixed costs including restructuring and hurricane-related charges recorded in the fourth quarter 2008.

2007 versus 2006 Net income for 2007 decreased 5 percent versus 2006, primarily due to the higher effective tax rate, as well as the decrease in other income. These decreases were partially offset by a 7 percent increase in net sales, the absence of the restructuring charges taken in 2006 and a favorable foreign currency exchange impact.

Corporate Outlook

For the year 2009, the company's earnings outlook is a range of $2.00 to $2.50 per share, anticipating that the global economic recession will adversely affect the company's results. Favorable global agriculture market and competitive conditions are expected to support continued sales and earnings growth for the Agriculture & Nutrition segment. However, lower demand for the company's major polymer, chemical, material, and electronic product lines and the impact of currency are expected to limit the company's overall revenue growth. The company plans to continue its appropriate level of support for businesses expected to have above-average growth rates and margins. In addition, cash-generating actions have been implemented including spending reductions and restructuring to better align capital expenditures and costs with anticipated continuing lower global demand. For 2009, the company has set targets for capital expenditures of about $1.6 billion, and fixed cost and working capital reductions of about $730 million and $1 billion respectively.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

Accounting Standards Issued Not Yet Adopted

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141 (revised 2007) "Business Combinations" (SFAS 141R) which replaces SFAS No. 141. SFAS 141R addresses the recognition and measurement of identifiable assets acquired, liabilities assumed, and non-controlling interests in business combinations. SFAS 141R also requires disclosure that enables users of the financial statements to better evaluate the nature and financial effect of business combinations. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141R will be adopted by the company on January 1, 2009. The company does not believe that at the time of adoption SFAS 141R will have a material impact on its Consolidated Financial Statements. This standard requires significantly different accounting treatment for business combinations than current requirements. Thus, accounting for potential future business combinations after adoption may produce a significantly different result and financial statement impact than under current standards.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of Accounting Research Bulletin No. 51" (SFAS 160) which changes the accounting and reporting for minority interests and for the deconsolidation of a subsidiary. It also clarifies that a third-party, non-controlling interest in a consolidated subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 also requires disclosure that clearly identifies and distinguishes between the interests of the parent and the interests of the non-controlling owners. SFAS 160 is effective for fiscal years beginning after December 15, 2008. SFAS 160 will be adopted by the company on January 1, 2009. The company does not believe that at the time of adoption SFAS 160 will have a material impact on its Consolidated Financial Statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161). Effective for fiscal years and interim periods beginning after November 15, 2008, the new standard requires enhanced disclosures about derivative and hedging activities that are intended to better convey the purpose of derivative use and the risks managed. SFAS 161 will not affect the company's financial position or results of operations. The new standard solely affects the disclosure of information.

In December 2008, FASB issued FASB Staff Position (FSP) FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets," which is effective for fiscal years ending after December 15, 2009. The new standard expands disclosures for assets held by employer pension and other postretirement benefit plans. FSP FAS 132(R)-1 will not affect the company's financial position or results of operations. The new standard solely affects the disclosure of information.

Critical Accounting Estimates

The company's significant accounting policies are more fully described in Note 1 to the Consolidated Financial Statements. Management believes that the application of these policies on a consistent basis enables the company to provide the users of the financial statements with useful and reliable information about the company's operating results and financial condition.

The preparation of the Consolidated Financial Statements in conformity with generally accepted accounting principles in the Unites States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts, including, but not limited to, receivable and inventory valuations, impairment of tangible and intangible assets, long-term employee benefit obligations, income taxes, restructuring liabilities, environmental matters and litigation. Management's estimates are based on historical experience, facts and circumstances available at the time and various other assumptions that are believed to be reasonable. The company reviews these matters and reflects changes in estimates as appropriate. Management believes that the following represents some of the more critical judgment areas in the application of the company's accounting policies which could have a material effect on the company's financial position, liquidity or results of operations.

Long-term Employee Benefits

Accounting for employee benefit plans involves numerous assumptions and estimates. Discount rate and expected return on plan assets are two critical assumptions in measuring the cost and benefit obligation of the company's

pension and other long-term employee benefit plans. Management reviews these two key assumptions annually as of December 31st. These and other assumptions are updated periodically to reflect the actual experience and expectations on a plan specific basis as appropriate. As permitted by GAAP, actual results that differ from the assumptions are accumulated on a plan by plan basis and to the extent that such differences exceed 10 percent of the greater of the plan obligations or the applicable plan assets, the excess is amortized over the average remaining working life of current employees.

About 80 percent of the company's benefit obligation for pensions and essentially all of the company's other long-term employee benefit obligations are attributable to the benefit plans in the U.S. The company utilizes published long-term high quality bond indices to determine the discount rate at the balance sheet date. Where commonly available, the company considers indices of various durations to reflect the timing of future benefit payments.

Within the U.S., the company establishes strategic asset allocation percentage targets and appropriate benchmarks for significant asset classes with the aim of achieving a prudent balance between return and risk. Strategic asset allocations in other countries are selected in accordance with the laws and practices of those countries. Where appropriate, asset-liability studies are also taken into consideration. The long-term expected return on plan assets in the U.S. is based upon historical real returns (net of inflation) for the asset classes covered by the investment policy and projections of inflation over the long-term period during which benefits are payable to plan participants.

In determining annual expense for the principal U.S. pension plan, the company uses a market-related value of assets rather than their fair market value. The market-related value of assets is calculated by averaging market returns over 36 months. Accordingly, there may be a lag in recognition of changes in market valuation. As a result, changes in the fair market value of assets are not immediately reflected in the company's calculation of net pension cost. The following table shows the market-related value and fair market value of plan assets for the principal U.S. pension plan:

(Dollars in billions)	**2008**	**2007**
Market-related value of assets	**$16.2**	$19.3
Fair market value of plan assets	**$13.5**	$19.1

Market-related value of plan assets decreased during 2008 due to recent adverse conditions in the global capital markets.

For plans other than the principal U.S. pension plan, pension expense is typically determined using the fair market value of assets. The fair market value of assets in all pension plans was $16.2 billion at December 31, 2008, and the related projected benefit obligations were $21.5 billion. In addition, obligations under the company's unfunded other long-term employee benefit plans were $4.1 billion at December 31, 2008.

The following table highlights the potential impact on the company's pre-tax earnings due to changes in certain key assumptions with respect to the company's pension and other long-term employee benefit plans, based on assets and liabilities at December 31, 2008:

(Dollars in millions)	**1/2 Percentage Point Increase**	**1/2 Percentage Point Decrease**
Discount Rate	$66	$(68)
Expected rate of return on plan assets	92	(92)

Additional information with respect to pension and other long-term employee benefits expenses, liabilities and assumptions is discussed under "Long-Term Employee Benefits" beginning on page 39.

Environmental Matters

DuPont accrues for remediation activities when it is probable that a liability has been incurred and a reasonable estimate of the liability can be made. The company's estimates are based on a number of factors, including the

complexity of the geology, the nature and extent of contamination, the type of remedy, the outcome of discussions with regulatory agencies and other Potentially Responsible Parties (PRPs) at multiparty sites and the number of and financial viability of other PRPs. The company has recorded a liability of $379 million on the Consolidated Balance Sheet as of December 31, 2008; these accrued liabilities exclude claims against third parties and are not discounted.

Considerable uncertainty exists with respect to environmental remediation costs and, under adverse changes in circumstances, the potential liability may range up to two to three times the amount accrued. Much of this liability results from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, often referred to as the Superfund), the Resource Conservation and Recovery Act (RCRA) and similar state laws. These laws require the company to undertake certain investigative and remedial activities at sites where the company conducts or once conducted operations or at sites where company-generated waste was disposed. The accrual also includes a number of sites identified by the company for which it is probable that environmental remediation will be required, but which are not currently the subject of CERCLA, RCRA or state enforcement activities. Federal and state authorities may seek fines and penalties for violation of the various laws and governmental regulations and could, among other things, impose liability on the company for cleaning up the damage resulting from company-generated waste disposal. Over the next two decades, the company could incur significant costs under both CERCLA and RCRA.

Remediation activities vary substantially in duration and cost from site to site. These activities and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, diverse regulatory agencies and enforcement policies, as well as the presence or absence of PRPs. Therefore, it is difficult to develop precise estimates of future site remediation costs.

Legal Contingencies

The company's results of operations could be affected by significant litigation adverse to the company, including product liability claims, patent infringement and antitrust claims, and claims for third party property damage or personal injury stemming from alleged environmental torts. The company records accruals for legal matters when the information available indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Management makes adjustments to these accruals to reflect the impact and status of negotiations, settlements, rulings, advice of counsel and other information and events that may pertain to a particular matter. Predicting the outcome of claims and lawsuits and estimating related costs and exposure involves substantial uncertainties that could cause actual costs to vary materially from estimates. In making determinations of likely outcomes of litigation matters, management considers many factors. These factors include, but are not limited to, the nature of specific claims including unasserted claims, the company's experience with similar types of claims, the jurisdiction in which the matter is filed, input from outside legal counsel, the likelihood of resolving the matter through alternative dispute resolution mechanisms and the matter's current status. Considerable judgment is required in determining whether to establish a litigation accrual when an adverse judgment is rendered against the company in a court proceeding. In such situations, the company will not recognize a loss if, based upon a thorough review of all relevant facts and information, management believes that it is probable that the pending judgment will be successfully overturned on appeal. A detailed discussion of significant litigation matters is contained in Note 19 to the Consolidated Financial Statements.

Income Taxes

The breadth of the company's operations and the global complexity of tax regulations require assessments of uncertainties and judgments in estimating the ultimate taxes the company will pay. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes arising from federal, state and international tax audits. The resolution of these uncertainties may result in adjustments to the company's tax assets and tax liabilities. It is reasonably possible that changes to the company's global unrecognized tax benefits could be significant, however, due to the uncertainty regarding the timing of completion of audits and the possible outcomes, a current estimate of the range of increases or decreases that may occur within the next twelve months cannot be made.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

Deferred income taxes result from differences between the financial and tax basis of the company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Significant judgment is required in evaluating the need for and magnitude of appropriate valuation allowances against deferred tax assets. The realization of these assets is dependent on generating future taxable income, as well as successful implementation of various tax planning strategies. For example, changes in facts and circumstances that alter the probability that the company will realize deferred tax assets could result in recording a valuation allowance, thereby reducing the deferred tax asset and generating a deferred tax expense in the relevant period. In some situations these changes could be material.

At December 31, 2008, the company had a deferred tax asset balance of $6,524 million, net of valuation allowance of $1,693 million. Realization of these assets is expected to occur over an extended period of time. As a result, changes in tax laws, assumptions with respect to future taxable income and tax planning strategies could result in adjustments to these assets.

Valuation of Assets

Assessment of the potential impairment of property, plant and equipment, goodwill, other intangible assets and investments in affiliates is an integral part of the company's normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on numerous assumptions and reflects management's best estimates at a particular point in time. The dynamic economic environments in which the company's businesses operate, and key economic and business assumptions with respect to projected selling prices, market growth and inflation rates, can significantly affect the outcome of impairment tests. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time in which such impairments are recognized. Future changes in the environment and the economic outlook for the assets being evaluated could also result in additional impairment charges. Based on the results of the company's annual impairment test in 2008, no impairments exist at this time. However, due to the global recession, there has been a reduction in the fair values in excess of book value of net assets within goodwill and other indefinite-lived intangible assets. The company believes the current assumptions and estimates utilized are both reasonable and appropriate. Future changes in the environment and the economic outlook for the assets being evaluated could result in an increase or decrease of excess fair values of book value, or impairment charges. Information with respect to the company's significant accounting policies on long-lived assets is included in Note 1 to the Consolidated Financial Statements.

Segment Reviews

Segment sales include transfers. Segment pre-tax operating income (PTOI) is defined as operating income before income taxes, minority interests, exchange gains (losses), corporate expenses and net interest. A reconciliation of segment sales to consolidated net sales and segment PTOI to income before income taxes and minority interests for 2008, 2007 and 2006 is included in Note 25 to the Consolidated Financial Statements.

As described in Note 5 to the Consolidated Financial Statements, the company initiated a global restructuring program during 2008 to reduce costs and improve profitability across its businesses. The program charge reduced 2008 segment PTOI as follows: Agriculture & Nutrition – $18 million; Coatings & Color Technologies – $236 million; Electronic & Communication Technologies – $55 million; Performance Materials – $94 million; Safety & Protection – $101 million; and Other – $31 million.

AGRICULTURE & NUTRITION

	Segment Sales (Dollars in billions)	PTOI (Dollars in millions)
2008	**$8.0**	**$1,087**
2007	$6.8	$ 894
2006	$6.0	$ 604

Agriculture & Nutrition leverages the company's technology, customer relationships and industry knowledge to improve the quantity, quality and safety of the global food supply. Land available for worldwide agricultural production is increasingly limited. Therefore, increases in production will need to be achieved principally through improving crop yields and productivity rather than through increases in planted acreage. Agriculture & Nutrition delivers a broad portfolio of products and services that are specifically targeted to achieve gains in crop yields and productivity, including Pioneer® brand seed products and well-established brands of insecticides, fungicides and herbicides. The segment operates across the food value chain from inputs for producing agriculture products to global production and distribution of soy-based food ingredients to food quality diagnostic testing equipment. Research and development focuses on leveraging technology to increase grower productivity and enhance the value of grains and soy through improved seed traits, superior germplasm and the effective use of insecticides, herbicides and fungicides.

Agriculture & Nutrition includes the company's wholly owned subsidiary, Pioneer Hi-Bred International, Inc. (Pioneer), which is also the world's leading seed brand and a world leader in improving crop yields with hybrid and varietal seeds that improve grower yields and provide insect protection and herbicide tolerance. The principal products of Pioneer are hybrid seed corn and soybean seed. In 2008, Pioneer benefited from the global launch of approximately 30 new soybean varieties and 60 new Pioneer® brand corn hybrids that include new combinations of corn borer, corn rootworm and weed management traits highlighted by the expansion of the Herculex®[1] family of traits.

Agriculture & Nutrition also serves the global production agriculture industry with crop protection products in the grain and specialty crop sectors, forestry and vegetation management. Principal crop protection products are herbicides, fungicides, insect control products and plant growth regulators. The segment continued to expand its presence in fruit and vegetable specialty markets and continues to expand product offerings in the professional pest control market. Additionally, the segment operates within the specialty food ingredients market, including soy proteins and lecithins through its majority-owned venture with Bunge Limited, The Solae Company.

2008 versus 2007 Sales of $8 billion were 16 percent higher reflecting 14 percent higher USD selling prices and 3 percent higher volume, partially offset by a 1 percent reduction from portfolio changes. The volume growth reflects higher corn seed sales in Europe and Brazil, record soybean seed sales in North America and Brazil due to market share gains and increased acreage shift from corn, and strong demand for corn and cereal herbicides and cereal fungicides in Europe. The higher USD selling prices reflect higher value product mix, pricing actions to offset the increases of raw materials costs and favorable currency impacts in Europe, Latin America and Canada.

PTOI for 2008 was $1.1 billion, up 22 percent versus $894 million in 2007, principally driven by increased sales and higher value product mix, partially offset by continued funding of strategic growth investments in research and development and sales and marketing.

2007 versus 2006 Sales of $6.8 billion were 14 percent higher reflecting 9 percent higher USD selling prices and a 5 percent increase in volume. Higher USD selling prices reflected a richer mix of corn and soybean seed, and crop protection herbicides and fungicides. Volume increases were driven by corn seed sales in North America, herbicides in Europe and fungicides in Latin America, partially offset by a decrease in the sale of soybean seed on lower planting acreage in North America.

[1] Registered Trademark of Dow AgroSciences LLC

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

2007 PTOI was $894 million versus $604 million in 2006. 2006 PTOI included a $122 million restructuring charge. In addition, 2007 PTOI benefited from sales volume and price gains, partially offset by higher production costs across most of the segment and the growth investment in the seed business.

Outlook In 2009, the segment anticipates continued growth through increased Pioneer corn value offerings, including stacked traits and seed treatments in the U.S. and Canada. Pioneer will continue to build on its North American product offerings with the addition of 26 new soybean varieties and 96 new Pioneer® brand corn hybrids. Pioneer anticipates price increases from higher value product mix and continued market share gains in key soybean and corn markets including the U.S., Canada and Brazil. The segment's introduction of new crop protection products is projected to drive volume gains, particularly in Europe and Latin America. Higher production and raw material costs and negative currency impacts will be moderating factors in the underlying results.

COATINGS & COLOR TECHNOLOGIES

	Segment Sales *(Dollars in billions)*	**PTOI** *(Dollars in millions)*
2008	**$6.6**	**$326**
2007	$6.6	$840
2006	$6.3	$817

Coatings & Color Technologies is one of the world's leading motor vehicle coatings suppliers and the world's largest manufacturer of titanium dioxide products. Products offered include high performance liquid and powder coatings for motor vehicle original equipment manufacturers (OEMs), the motor vehicle aftermarket, and general industrial applications, such as coatings for heavy equipment, pipes and appliances and electrical insulation. The company markets its refinish products using the DuPont™, Standox®, Spies Hecker® and Nason® brand names. Standox® and Spies Hecker® are focused on the high-end motor vehicle aftermarkets, while Nason® is primarily focused on economy coating applications. The segment's broad line of DuPont™ Ti-Pure® titanium dioxide products, in both slurry and powder form, serve the coatings, plastic and paper industries.

The segment's titanium tetrachloride business has moved from a startup to an established, growing business, shipping product globally. In 2008, construction was completed and operations began at a $30 million titanium tetrachloride facility at its titanium dioxide plant in Tennessee.

The key markets in which Coatings & Color Technologies operates continued to grow for most of the year, with growth in the emerging regions, offset by significant decline in demand across the segment during the last four months of 2008 as the industry supply chains destocked worldwide in response to the global economic recession.

Global demand for titanium dioxide products was down in 2008 with global market volumes down 5 percent from 2007. Sales for refinish products increased in all regions, except the U.S. The OEM market realized growth in Latin America and Asia Pacific, however this was more than offset by significant declines in Europe, U.S., and Canada as a result of lower builds of automobiles and light trucks in 2008. Industrial coatings sales increased in most regions outside the U.S. and Canada, with larger increases in Asia Pacific and Latin America.

In December 2008, as part of the company's restructuring plan, the segment recorded a charge of $236 million that included costs for employee separations and asset related charges and will cover the elimination of approximately 1,600 positions and the closure of certain manufacturing units. The plan is expected to be completed in 2010 and will result in cost savings of approximately $50 million in 2009, with an annual savings rate of approximately $140 million.

2008 versus 2007 Sales of $6.6 billion were flat when compared to 2007, reflecting 8 percent higher USD selling prices, offset by an 8 percent volume decline. The higher USD selling prices primarily reflect favorable currency impacts in Europe and Latin America and pricing actions to offset the increases of raw materials costs. The decrease in volume was primarily due to lower sales of products sold to OEMs in North America and Europe and lower demand for titanium dioxide, partially offset by strong sales in emerging markets.

2008 PTOI was $326 million as compared to $840 million in 2007. Year-over-year decline in PTOI reflects the restructuring charge described above, as well as the impact of higher raw material costs and lower volumes, partially offset by higher prices and strong sales in emerging markets.

2007 versus 2006 Sales of $6.6 billion were up 5 percent, reflecting about 4 percent higher USD selling prices for the segment, as well as a 1 percent increase in volume. USD selling prices were higher across a majority of the segment's products. The increase in volume was primarily attributable to the sales of titanium dioxide, particularly in Europe and Asia Pacific. This increase was partially offset by declines in volume for products sold to OEM producers, primarily in North America and Europe. Volumes for sales of refinish products were relatively flat as compared to 2006.

PTOI in 2007 of $840 million increased from $817 million in 2006. The PTOI improvement was primarily the result of higher revenue driven by higher USD selling prices and benefits realized from the 2006 restructuring program, partially offset by higher raw material and transportation costs. PTOI in 2006 included a net charge of $132 million for restructuring and $30 million primarily for accelerated depreciation related to the transformation plan that was initiated in the first quarter 2006 (see Note 5 to the Consolidated Financial Statements). These charges were partially offset by $142 million in insurance proceeds, primarily related to the hurricane damages incurred in 2005.

Outlook Sales in 2009 are expected to decrease, reflecting continued weakness due to the global recession. Industry demand for titanium dioxide is expected to be lower in 2009, with continued weakness in North American and European construction and motor vehicle markets. Conditions in the global coatings industry will continue to provide a challenging operating environment in 2009. Modest declines are expected for refinish markets in mature economies while modest growth is expected in emerging markets. Profitability of coatings sold to OEM producers is highly dependent upon volume at specific plants the company services. Global motor vehicle industry builds in 2009 are expected to be down from 2008 with all regions showing declines. Lower raw material cost, fixed cost benefits from the company's 2008 restructuring program and productivity initiatives are expected to partially offset the impact of lower volumes.

ELECTRONIC & COMMUNICATION TECHNOLOGIES

	Segment Sales *(Dollars in billions)*	**PTOI** *(Dollars in millions)*
2008	**$4.0**	**$436**
2007	$3.8	$594
2006	$3.6	$577

Electronic & Communication Technologies provides a broad range of advanced materials for the electronics industry, inks and flexographic printing systems, and a wide range of fluoropolymer and fluorochemical products. The segment also continues to pursue development activities related to displays and alternative energy.

In the electronics industry, DuPont is a leading supplier of electronic and advanced display materials. The company offers a broad portfolio of ceramic, flexible and rigid organic circuit materials; materials for semiconductor fabrication and packaging; and a wide range of products for advanced displays. The segment's products enable increased functionality and lower costs for electronic and communication devices.

Electronic & Communication Technologies is the market leader in flexographic printing and black pigmented ink serving the packaging and commercial printing industries. Its offerings include DuPont™ Cyrel® and Cyrel® *FAST* flexographic printing systems. DuPont is the world's leading supplier of solvent-free thermal flexographic platemaking technologies, with a broad array of patented products and equipment.

The segment also includes a portfolio of industrial and specialty fluorochemicals and fluoropolymers that are sold into the refrigeration, insulation, aerosol propellants, fire extinguishants, telecommunications, aerospace, automotive, electronics, chemical processing and housewares industries.

Electronic & Communication Technologies leverages DuPont's strong materials and technology base to target growth opportunities in electronics, fluoropolymers, fluorochemicals, packaging graphics, ink-jet and photovoltaic

materials. In semiconductor fabrication, packaging and interconnects, the segment is extending and broadening its portfolio of materials to address critical needs in the industry, e.g., chemical mechanical planarization and cleaners for semiconductor manufacture; flex circuitry, advanced dielectric films and embedded passives enabling miniaturization. In the growing market for flat panel displays, the segment continues to be a leading materials supplier for plasma displays. In addition, the segment is developing new innovative technologies for liquid crystal displays, such as alternative backlighting materials and display films, while continuing to invest in developing materials technologies for organic light-emitting diode (OLED). In fluoropolymers and fluorochemicals, the segment continues to pursue product renewal innovations such as next generation refrigerants. In the fast growing photovoltaics market, the segment continues to be a leading supplier of conductors and fluoropolymer films for crystalline silicon cell and module manufacturers and is adding new products to serve the emerging thin film photovoltaic module market. In packaging graphics, products such as Cyrel®*FAST* have rapidly grown, solidifying the segment's market leadership position. DuPont is also expanding its leadership position in black pigmented inks, and investing in color pigmented inks for network printing applications.

2008 versus 2007 Sales of $4 billion were up 5 percent, reflecting 7 percent higher USD selling prices, 3 percent volume decline and a 1 percent increase from portfolio changes. The higher USD selling prices mainly reflect pricing actions to offset the increases of raw materials costs and favorable currency impacts in Europe and Asia Pacific. The lower volumes reflect decreased demand for products across the segment key markets, mostly towards the end of 2008, partially offset by increased demand for photovoltaic products and higher sales in emerging markets.

PTOI was $436 million as compared to $594 million in 2007. This decline was mainly driven by higher raw materials cost, lower sales volumes and the impact of the $55 million charge for the 2008 restructuring program. 2007 PTOI also includes a benefit of $53 million related to a gain on a land sale and inventory valuation adjustments.

2007 versus 2006 Sales of $3.8 billion were up 6 percent versus 2006, reflecting 5 percent volume growth and 1 percent higher USD selling prices. The volume growth was primarily due to increased demand for fluoroproducts and packaging graphics. Sales growth was strongest outside the U.S.

PTOI in 2007 was $594 million, an increase of 3 percent compared to 2006. This increase reflects 5 percent sales volume growth, as well as the benefit of $53 million related to a gain on a land sale and inventory valuation adjustments. These increases were partially offset by higher ingredient and transportation costs as well as increased fixed cost from growth initiatives.

Outlook For 2009, sales for electronic materials, fluoroproducts, and packaging graphics products will be impacted by the global recession. Continued growth in the photovoltaics market, cost control initiatives and benefits from the 2008 restructuring program will partially offset the effect of lower volumes. This segment manufactures products that could be affected by uncertainties associated with PFOA matters. See the discussion on page 43 under the subheading PFOA.

PERFORMANCE MATERIALS

	Segment Sales *(Dollars in billions)*	**PTOI** *(Dollars in millions)*
2008	**$6.4**	**$128**
2007	$6.6	$626
2006	$6.2	$559

Performance Materials provides productive, higher performance polymers, elastomers, films, parts, and systems and solutions which improve the uniqueness, functionality and profitability of its customers' offerings. Performance Materials delivers a broad range of polymer-based high performance materials in its product portfolio, including thermoplastic and thermoset engineering polymers and elastomers which are used by customers to fabricate components for mechanical, chemical and electrical systems, as well as specialized resins and films used in packaging and industrial applications, sealants and adhesives, sporting goods and interlayers for laminated safety glass. Key brands include DuPont™ Zytel® nylon resins, Delrin® acetal resins, Hytrel® polyester thermoplastic elastomer resins, Vespel® parts and shapes, Tynex® filaments, Surlyn® resins, Vamac® ethylene acrylic elastomer,

SentryGlas® Plus and Butacite® laminate interlayers, Mylar® and Melinex® polyester films, Kalrez® perfluoroelastomer and Viton® fluoroelastomers.

The key markets served by the segment include the automotive OEM and associated after-market industries, as well as electrical, electronics, packaging, construction, oil, photovoltaics, aerospace, chemical processing and consumer durable goods.

The segment's core competencies include global market knowledge and access in key growth industries, local technical support in all major regions to help customers solve their problems, world class polymer science, material science and applications development, scientists working to solve customer problems, world class manufacturing which provides high quality reliable products, and a broad, tested, product portfolio which successfully substitutes traditional materials with solutions which offer performance, total systems cost reductions, sustainability, durability, aesthetics and weight reduction advantages. Other areas of focus include new applications and processing materials into innovative parts and systems. A recent example of this core innovation capability is the introduction of Hytrel® resins based on renewable resources which have the performance attributes of high performance engineering resins but are based on plant feedstock.

2008 versus 2007 Sales of $6.4 billion were 3 percent lower, driven by a 13 percent decrease in volume and a 1 percent reduction from portfolio changes, which more than offset 11 percent higher USD selling prices. Sales volume declines were more pronounced beginning late in the third quarter, with continued and accelerated deterioration through the fourth quarter, and occurred in all major regions and end-use market segments. The decline reflects a broad industry movement to reduce inventory and improve cash positions to manage through what is projected to be a protracted period of weak global economic demand. Volumes were also negatively impacted by extended operating unit shutdowns related to the time taken to implement facility repairs stemming from damages associated with Hurricanes Gustav and Ike. Operating units outages associated with the hurricanes were of varying lengths depending on the level of damage incurred and the ability to obtain utilities and ingredients to enable a restart.

2008 PTOI was $128 million compared to $626 million in 2007. 2008 PTOI includes charges related to hurricane damages of $216 million. In addition, as part of the company's restructuring program, the segment recorded a charge of $94 million to cover employee termination costs and other assets related charges. The decline in PTOI was also influenced by charges associated with low capacity utilization of production units to reduce inventories due to the decreased demand. The decrease in PTOI in 2008 was partially offset by the absence of a $165 million impairment charge in 2007 to write down the company's investment in a polyester films joint venture.

2007 versus 2006 Sales of $6.6 billion were 7 percent higher than 2006 reflecting 8 percent higher USD selling prices, partly offset by 1 percent lower volume. Sales volume declines reflect the impact of ingredients shortages, temporary operating unit shutdowns and softness in North America, principally in the automotive markets, partly offset by volume improvements in Latin America, Europe and Asia Pacific.

2007 PTOI increased 12 percent to $626 million. 2007 PTOI included an impairment charge of $165 million to write down the company's investment in a polyester films joint venture. The impairment resulted from several factors, including adverse changes in market conditions and the rapid rise in oil-related raw material costs, which have had a negative impact on the profitability on the venture's operations in North America and Europe. Improvement in 2007 PTOI was driven by improved pricing, which reflected both the offset of the ingredient cost increases seen during the year and improved product sales mix, and positive currency benefits, offset in part by the weaker volume. The segment is involved in the elastomers antitrust matters and recorded a net $20 million charge in 2007 related to these matters (see Note 19 to the Consolidated Financial Statements).

Outlook Global motor vehicle industry builds in 2009 are expected to decline. Most of the markets served by the segment are expected to remain soft in 2009. The 2009 outlook also assumes a softening from a weak petrochemical cycle. Revenue is also expected to decline in part due to lower production capacity and negative currency impacts, partially offset by higher local currency average selling prices. PTOI is expected to decline, as benefits from lower average ingredient prices, improved fixed cost performance, benefits from the company's 2008

restructuring program and customer-driven innovations for products and processes are projected to be offset by soft global demand.

SAFETY & PROTECTION

	Segment Sales (Dollars in billions)	PTOI (Dollars in millions)
2008	**$5.7**	**$ 829**
2007	$5.6	$1,199
2006	$5.5	$1,080

Safety & Protection satisfies the growing global needs of businesses, governments and consumers for solutions that make life safer, healthier and more secure. By uniting market-driven science with the strength of highly regarded brands such as Kevlar®, Tyvek®, Nomex® and Corian®, Safety & Protection has built a unique presence in the marketplace since its inception in 2002.

The segment's businesses serve customers in diverse markets that include construction, transportation, communications, industrial chemicals, oil and gas, electric utilities, automotive, manufacturing, defense, homeland security and safety consulting.

In addition to serving its existing customer base, Safety & Protection is investing in the future by expanding into emerging markets. Over the past two years the segment has achieved strong double-digit growth in Greater China, India, Eastern Europe and Latin America. Safety & Protection is focusing its efforts globally on four major value propositions where it has a distinct competitive advantage: protecting lives, safe and durable buildings, protecting critical processes and protecting the environment.

DuPont™ Kevlar® and Nomex® hold strong positions in life protection markets due to continued demand for body armor and personal protective gear for the military, law enforcement personnel, firefighters and other first responders, as well as for workers in the oil and gas industry and in emerging regions. Global demand for products that prevent disease and improve productivity in the food, health care and industrial markets continue to create growth opportunities for the segment's clean and disinfect offerings. Additionally, the surfaces protection businesses continue to offer new products that meet demand for sustainable solutions.

Safety & Protection continues to strengthen the building envelope and building interiors with offerings that improve comfort, energy efficiency, air quality and protection from the elements. In 2008, new products introductions from the Corian® and Tyvek® product families solidified the segment's market position globally, while enhancing the presence on commercial construction and remodeling markets.

In the consulting services market, Safety & Protection continued to help organizations worldwide reduce workplace injuries and fatalities while improving operating costs, productivity and quality. DuPont is a leader in the safety consulting field, selling training products, as well as consulting services. Additionally, Safety & Protection is dedicated to clean air, clean fuel, and clean water with offerings that help reduce sulfur and other emissions, formulate cleaner fuels, or dispose of liquid waste. Its goal is to help maintain business continuity and environmental compliance for companies in the refining and petrochemical industries, as well as for government entities.

In 2007, DuPont announced a $500 million investment at its Cooper River site near Charleston, South Carolina and $50 million at its Spruance site in Richmond, Virginia, to significantly expand production of DuPont™ Kevlar® brand fiber for industrial and military uses as well as investments in related polymer production. The company also announced a multi-product, multi-region expansion plan to increase worldwide capacity of DuPont™ Nomex®. The company expects to invest more than $100 million in the three-part expansion plan for Nomex®. The second phase was completed in 2008.

2008 versus 2007 Sales of $5.7 billion were 2 percent higher than last year, due to 9 percent higher USD selling prices, offset by a 5 percent decline in volume and a 2 percent reduction from a divested business. Decreased volume primarily reflects lower sales to the U.S. residential and construction markets and the automotive industry, which accelerated and spread to other key markets during the fourth quarter. The higher USD selling prices primarily

reflect pricing actions to offset the increases of raw materials costs and positive currency impact in Europe and Latin America.

2008 PTOI was $829 million compared to $1,199 million in 2007. The decreased earnings were primarily due to higher production costs and the impact of lower volumes related to the global recession. In addition, 2008 PTOI includes a charge of $101 million to cover employee separation costs and other asset related charges as part of the company restructuring program.

2007 versus 2006 Sales of $5.6 billion were 3 percent higher than 2006, due to higher USD selling prices across all businesses within the segment. Sales volumes remained relatively flat as higher sales of Kevlar® and Nomex® were offset by decreased sales of products for U.S. residential construction markets.

PTOI in 2007 was $1,199 million, an increase of 11 percent over the prior year. The increased earnings were primarily due to higher sales of Kevlar® and Nomex®. 2006 PTOI included a $47 million asset impairment charge related to an industrial chemical asset held for sale, partially offset by a $33 million benefit from insurance proceeds.

Outlook For 2009, sales will be affected by the impact of the global recession. Demand for Kevlar® and Nomex® is expected to increase moderately with public sector sales growth offset by continued weakening in the motor vehicle and personal protection markets. The building envelope market segments are expected to decline due to global market weakness and continued volume declines in the U.S. and European residential construction markets. Earnings in 2009 will include benefits from the restructuring actions announced in 2008.

PHARMACEUTICALS

	Segment Sales *(Dollars in billions)*	**PTOI** *(Dollars in millions)*
2008	**$-**	**$1,025**
2007	$-	$ 949
2006	$-	$ 819

On October 1, 2001, DuPont Pharmaceuticals was sold to the Bristol-Myers Squibb Company. DuPont retained its interest in Cozaar® (losartan potassium) and Hyzaar® (losartan potassium with hydrochlorothiazide). These drugs were discovered by DuPont and developed in collaboration with Merck and are used in the treatment of hypertension. The U.S. patents covering the compounds, pharmaceutical formulation and use for the treatment of hypertension, including approval for pediatric use, will expire in 2010. DuPont has exclusively licensed worldwide marketing and manufacturing rights for Cozaar® and Hyzaar® to Merck. Pharmaceuticals receives royalties and net proceeds as outlined below. Merck is responsible for manufacturing, marketing and selling Cozaar® and Hyzaar®.

Pharmaceuticals' Cozaar®/Hyzaar® income is the sum of two parts derived from a royalty on worldwide contract net sales linked to the exclusivity term in a particular country, and a share of the profits from North American sales and certain markets in Europe, regardless of exclusivity term. Patents and exclusivity have already started to expire and the U.S. exclusivity for Cozaar® ends in April 2010. The worldwide agreement terminates when the following conditions are met: (i) the Canadian exclusivity ends in 2013, and (ii) North American sales fall below a certain level. Therefore, absent any major changes in the markets, the company expects its income to take its first significant step-down in 2010, and from that year on, continue to step-down each year to zero when the contract ends, which is expected to be after 2013. The company cannot predict the magnitude of the earnings step-down in each year. In general, management expects a traditional sales, earnings and cash decline for a drug going off patent in the pharmaceutical industry.

Outlook DuPont and Merck continue to support Cozaar® and Hyzaar® with clinical studies designed to identify additional therapeutic benefits for patients with hypertension and co-morbid conditions. The company expects the ongoing Cozaar®/Hyzaar® collaboration to continue to be an important contributor to earnings and cash until the U.S. patents expire in 2010. Significant declines are expected thereafter as outlined above.

OTHER

The company includes embryonic businesses not included in the growth segments, such as applied biosciences and nonaligned businesses in Other. The potential viability of each embryonic business depends on a number of factors including successful product development, market acceptance and production ramp up capabilities. Using these factors and others, management periodically assesses the potential and fit of these businesses and may make investment adjustments based on such assessments. Applied biosciences is focused on the development of biotechnology solutions using biology, chemistry, materials science and engineering in an integrated fashion to serve our customers. Specific global growth projects across the company are consolidated within applied biosciences to capitalize on the market opportunities and technology needs in this high-growth industry, including biomaterial and biospeciality products and technologies and advanced biofuels.

Applied biosciences will provide advantaged products for agricultural energy crops, feedstock processing and advanced biofuels through two businesses: one to commercialize non-food, cellulosic ethanol and the second to commercialize biobutanol. To accelerate commercialization, DuPont has formed a joint venture with Danisco, DuPont Danisco Cellulosic Ethanol LLC, for the cellulosic ethanol technology. For biobutanol, a partnership was created in 2006 with BP p.l.c.

DuPont partnered with Tate & Lyle PLC to produce 1,3-propanediol (Bio-PDO™) using a proprietary fermentation and purification process based on corn sugar. Bio-PDO™ is the key building block for DuPont™ Sorona® polymer and DuPont™ Cerenol™ polyols, two new families of renewably sourced products. Under the Zemea® propanediol and Susterra® propanediol brands, it is also being marketed for use as an ingredient in nearly a dozen direct applications ranging from industrial to personal care uses. The first commercial-scale plant to manufacture Bio-PDO™ began production in November 2006, marking the beginning of commercial availability of the company's bio-based pipeline.

Nonaligned businesses include activities and costs associated with Benlate® fungicide and other discontinued businesses and, since January 2005, activities related to the remaining assets of the former Textiles & Interiors segment. In 2004, the company sold a majority of the net assets of Textiles and Interiors to subsidiaries of Koch Industries, Inc. (INVISTA). In 2005, the company completed the transfer of three equity affiliates to INVISTA and sold its interest in another equity affiliate. In January 2006, the company completed the sale of its interest in an equity affiliate to its equity partner for proceeds of $14 million thereby completing the sale of all the net assets of Textiles & Interiors.

In the aggregate, sales in Other for 2008, 2007 and 2006 represent less than 1 percent of total segment sales.

PTOI in 2008 was a loss of $181 million compared to a loss of $224 million in 2007. The improvement for the year was mainly due to a benefit of $51 million from a litigation settlement in 2008 and the absence of a $69 million charge recorded in 2007 for litigation related to a discontinued business.

PTOI in 2007 was a loss of $224 million compared to a loss of $173 million in 2006. The 29 percent increase in the pre-tax loss was primarily due to higher inventory, freight and business development costs. PTOI in 2007 included litigation charges for former businesses of $69 million. PTOI in 2006 included a charge of $27 million to write down certain specialty resins manufacturing assets to estimated fair value.

Liquidity & Capital Resources

Despite the global economic recession and adverse conditions in the global capital markets, management believes the company's ability to generate cash from operations, coupled with cost reduction initiatives and access to capital markets, will be adequate to meet anticipated cash requirements to fund working capital, capital spending, dividend payments, debt maturities and other cash needs. The company's liquidity needs can be met through a variety of sources, including: cash provided by operating activities, cash and cash equivalents, marketable securities, commercial paper, syndicated credit lines, bilateral credit lines, equity and long-term debt markets and asset sales. The company's current strong financial position, liquidity and credit ratings have not been materially impacted by the current credit environment. In addition, cash generating actions have been implemented including spending reductions and restructuring to better align capital expenditures and costs with anticipated continuing lower global demand. However, there can be no assurance that the cost or availability of future borrowings will not be impacted by

the ongoing credit market instability. The company will continue to monitor the financial markets in order to respond to changing conditions.

Pursuant to its cash discipline policy, the company seeks first to maintain a strong balance sheet and second, to return excess cash to shareholders unless the opportunity to invest for growth is compelling. Cash and cash equivalents and marketable securities balances of $3.7 billion as of December 31, 2008, provide primary liquidity to support all short-term obligations. The company has access to approximately $2.7 billion in credit lines with several major financial institutions, as additional support to meet short term liquidity needs. These credit lines are primarily multi-year facilities. The $1.6 billion decrease from the $4.3 billion in credit lines at December 31, 2007 is primarily due to the expiration of credit lines obtained to support the company's cash repatriation program under the American Jobs Creation Act of 2004 (AJCA).

The company continually reviews its debt portfolio and occasionally may rebalance it to ensure adequate liquidity and an optimum maturity debt schedule.

The company's long term and short term credit ratings are as follows:

	Long term	Short term	Outlook
Standard & Poor	A	A-1	Negative
Moody's Investors Service	A2	P-1	Negative
Fitch Ratings	A	F1	Stable

Moody's Investors Service and Standard & Poor's recently affirmed the company's A2/A long term and P-1/A-1 short term ratings, respectively. Additionally, they revised their outlooks to negative from stable. The company does not expect these actions to impact liquidity or cost of debt.

(Dollars in millions)	*2008*	*2007*	*2006*
Cash provided by operating activities	**$3,129**	$4,290	$3,736

The company's cash provided by operating activities was $3.1 billion in 2008, a $1.2 billion decrease from the $4.3 billion generated in 2007. The decrease is primarily due to lower earnings and the impact of the stronger dollar on working capital items, which was hedged by forward exchange contracts in investing activities.

The company's cash provided by operating activities was $4.3 billion in 2007, a $554 million increase from the $3.7 billion generated in 2006. The increase is primarily due to higher earnings after adjusting for noncash items. Net income for 2006 included noncash tax benefits totaling $615 million (see Note 6 to the Consolidated Financial Statements).

(Dollars in millions)	**2008**	**2007**	**2006**
Cash used for investing activities	**$(1,610)**	$(1,750)	$(1,345)

In 2008, cash used for investing activities totaled $1.6 billion compared to $1.8 billion used in 2007. The $140 million decrease was mainly due to higher proceeds from forward exchange contract settlements, partially offset by increased capital expenditures, lower proceeds from asset sales and higher expenditures for businesses acquired.

In 2007, cash used for investing activities totaled $1.8 billion compared to $1.3 billion used in 2006. The $405 million increase was mainly due to the settlement of forward exchange contracts and a slight increase in capital spending, partially offset by higher proceeds from sales of assets. Due to the impact of a weakening USD, the settlement of forward exchange contracts issued to hedge the company's net exposure, by currency, related to monetary assets and liabilities resulted in the payment of $285 million in 2007 versus the receipt of $45 million in 2006. The forward exchange contract settlements were largely offset by the revaluation of the items being hedged, which are reflected in the appropriate categories in the Consolidated Statements of Cash Flows.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

Purchases of property, plant and equipment totaled $2.0 billion, $1.6 billion and $1.5 billion in 2008, 2007 and 2006, respectively. This incremental spending is primarily based on the company's previously announced investments in Kevlar® and Nomex®. The company expects 2009 purchases of plant, property and equipment to be $1.6 billion.

(Dollars in millions)	2008	2007	2006
Cash provided by (used for) financing activities	**$878**	$(3,069)	$(2,323)

The $3.9 billion increase in cash provided by financing activities in 2008 compared to 2007 was primarily due to the increase in the net proceeds from borrowings and the absence of the purchase of common stock, which were partly offset by the decrease in the proceeds from the exercise of stock options. During the fourth quarter of 2008, interest rate swaps were terminated with a combined notional amount of $1.25 billion for cash proceeds of $226 million, which are classified within financing cash flows in the Consolidated Statements of Cash Flows. This gain will be amortized to earnings as a reduction to interest expense over the remaining life of the debt, through 2018.

The $746 million increase in cash used for financing activities in 2007 compared to 2006 was primarily due to the company's share repurchase activity, partially offset by the increase in proceeds from stock options exercised.

Total debt at December 31, 2008 was $9.7 billion, a $2.4 billion increase from December 31, 2007. The proceeds from the increased borrowings were invested in cash equivalents and used for general corporate purposes.

Total debt at December 31, 2007 was $7.3 billion, a $205 million decrease from December 31, 2006. This decrease was primarily due to the repayment of borrowings related to the 2005 AJCA cash repatriation program, partially offset by the issuance of $750 million in 5 year notes in December 2007.

Dividends paid to common and preferred shareholders were $1.5 billion in 2008, and $1.4 billion in 2007 and 2006. Dividends per share of common stock were $1.64, $1.52 and $1.48 in 2008, 2007 and 2006, respectively. The common dividend declared in the first quarter 2009 was the company's 418th consecutive dividend since the company's first dividend in the fourth quarter 1904.

The company's Board of Directors authorized a $2 billion share buyback plan in June 2001. During 2005, the company purchased and retired 9.9 million shares at a total cost of $505 million. During 2008, 2007 and 2006, there were no purchases of stock under this program. As of December 31, 2008, the company has purchased 20.5 million shares at a total cost of $962 million. Management has not established a timeline for the buyback of the remaining shares of stock under this plan.

In October 2005, the Board of Directors authorized a $5 billion share buyback plan. In October 2005, the company repurchased 75.7 million shares of its common stock under an accelerated share repurchase agreement and paid $3.0 billion for the repurchase. Upon the conclusion of the agreement in 2006, the company paid $180 million in cash to Goldman, Sachs & Co. to settle the agreement. Additionally, in 2006, the company made open market purchases of its shares for $100 million. In 2007, the company purchased 34.7 million shares for $1.7 billion, thereby, completing this program. See Note 20 to the Consolidated Financial Statements for a reconciliation of shares activity.

Cash, Cash Equivalents and Marketable Securities
Cash and cash equivalents and marketable securities totaled $3.7 billion at December 31, 2008, $1.4 billion at December 31, 2007 and $1.9 billion at December 31, 2006. The $2.3 billion increase from 2007 to 2008 is primarily due to net increase in borrowings. The $457 million decrease from 2006 to 2007 is primarily due to the company's share repurchase activity, as well as cash used to meet other business requirements.

Off-Balance Sheet Arrangements
Certain Guarantee Contracts
Indemnifications
In connection with acquisitions and divestitures, the company has indemnified respective parties against certain liabilities that may arise in connection with acquisitions and divestitures and related business activities prior to the

completion of the transaction. The term of these indemnifications, which typically pertain to environmental, tax and product liabilities, is generally indefinite. In addition, the company indemnifies its duly elected or appointed directors and officers to the fullest extent permitted by Delaware law, against liabilities incurred as a result of their activities for the company, such as adverse judgments relating to litigation matters. If the indemnified party were to incur a liability or have a liability increase as a result of a successful claim, pursuant to the terms of the indemnification, the company would be required to reimburse the indemnified party. The maximum amount of potential future payments is generally unlimited. The carrying amounts recorded for all indemnifications as of December 31, 2008 and 2007 were $110 million and $101 million, respectively. Although it is reasonably possible that future payments may exceed amounts accrued, due to the nature of indemnified items, it is not possible to make a reasonable estimate of the maximum potential loss or range of loss. No assets are held as collateral and no specific recourse provisions exist.

In connection with the 2004 sale of the majority of the net assets of Textiles and Interiors, the company indemnified INVISTA against certain liabilities primarily related to taxes, legal and environmental matters and other representations and warranties under the Purchase and Sale Agreement. The estimated fair value of the indemnity obligations under the Purchase and Sale Agreement is $70 million and is included in the indemnifications balance of $110 million at December 31, 2008. Under the Purchase and Sale Agreement, the company's total indemnification obligation for the majority of the representations and warranties cannot exceed $1.4 billion. The other indemnities are not subject to this limit. In March 2008, INVISTA filed suit in the Southern District of New York alleging that certain representations and warranties in the Purchase and Sale Agreement were breached and, therefore, that DuPont is obligated to indemnify it. DuPont disagrees with the extent and value of INVISTA's claims. DuPont has not changed its estimate of its total indemnification obligation under the Purchase and Sale Agreement as a result of the lawsuit.

Obligations for Equity Affiliates and Others

The company has directly guaranteed various debt obligations under agreements with third parties related to equity affiliates, customers, suppliers and other affiliated and unaffiliated companies. At December 31, 2008, the company had directly guaranteed $605 million of such obligations, plus $121 million relating to guarantees of obligations for divested subsidiaries. This represents the maximum potential amount of future (undiscounted) payments that the company could be required to make under the guarantees. The company would be required to perform on these guarantees in the event of default by the guaranteed party. At December 31, 2008 and 2007, a liability of $121 million and $135 million, respectively, was recorded for these obligations, representing the amount of payment/performance risk which the company deems probable. This liability is principally related to obligations of the company's polyester films joint venture which are guaranteed by the company.

Existing guarantees for customers, suppliers and other unaffiliated companies arose as part of contractual agreements. Existing guarantees for equity affiliates and other affiliated companies arose for liquidity needs in normal operations. In certain cases, the company has recourse to assets held as collateral as well as personal guarantees from customers and suppliers.

The company has guaranteed certain obligations and liabilities of its divested subsidiaries including Conoco and Consolidation Coal Sales Company. Conoco and Consolidation Coal Sales Company have indemnified the company for any liabilities the company may incur pursuant to these guarantees. No material loss is anticipated by reason of such agreements and guarantees. At December 31, 2008, the company had no significant liabilities recorded for these obligations.

Additional information with respect to the company's guarantees is included in Note 19 to the Consolidated Financial Statements. Historically, the company has not had to make significant payments to satisfy guarantee obligations; however, the company believes it has the financial resources to satisfy these guarantees.

Master Operating Leases

At December 31, 2008, the company has one master operating lease program relating to miscellaneous short-lived equipment with an unamortized value of approximately $106 million. Lease payments for these assets totaled $55 million in 2008, $59 million in 2007 and $58 million in 2006, and were reported as operating expenses in the Consolidated Income Statements. The leases under this program are considered operating leases and accordingly

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

the related assets and liabilities are not recorded on the Consolidated Balance Sheets. Furthermore, the lease payments associated with this program vary based on one month USD LIBOR. In November 2008, the lessor notified the company that the program will terminate by November 2009. Prior to that time, the company may either purchase the assets for their unamortized value or arrange for the sale of the assets and remit the proceeds to the lessor. If the assets are sold and the proceeds are less than the unamortized value, the company must pay to the lessor the difference between the proceeds and the unamortized value, up to the residual value guarantee, which totaled $92 million at December 31, 2008.

Contractual Obligations
Information related to the company's significant contractual obligations is summarized in the following table:

(Dollars in millions)	Total at December 31, 2008	Payments Due In			
		2009	2010 – 2011	2012 – 2013	2014 and beyond
Long-term and short-term debt [1]	**$ 9,194**	$1,563	$ 949	$2,158	$4,524
Expected cumulative cash requirements for interest payments through maturity	**3,137**	439	706	610	1,382
Capital leases [1]	**10**	3	1	2	4
Operating leases	**1,074**	320	354	238	162
Purchase obligations [2]					
Information technology infrastructure & services	**64**	26	19	11	8
Raw material obligations	**675**	254	198	142	81
Utility obligations	**476**	142	102	75	157
INVISTA-related obligations [3]	**1,811**	343	597	583	288
Human resource services	**327**	18	38	91	180
Other [4]	**20**	19	-	-	1
Total purchase obligations	**3,373**	802	954	902	715
Other liabilities [1,5]					
Workers' compensation	**77**	17	33	13	14
Asset retirement obligations	**60**	9	15	3	33
Environmental remediation	**379**	90	124	85	80
Legal settlements	**49**	24	22	3	-
License agreement [6]	**593**	90	180	174	149
Other [7]	**119**	24	18	14	63
Total other long-term liabilities	**1,277**	254	392	292	339
Total contractual obligations [8]	**$18,065**	$3,381	$3,356	$4,202	$7,126

[1] Included in the Consolidated Financial Statements.

[2] Represents enforceable and legally binding agreements in excess of $1 million to purchase goods or services that specify fixed or minimum quantities; fixed, minimum or variable price provisions; and the approximate timing of the agreement.

[3] Includes raw material supply obligations of $1.7 billion and contract manufacturing obligations of $67 million.

[4] Primarily represents obligations associated with distribution, health care/benefit administration, research and development and other professional and consulting contracts.

[5] Pension and other postretirement benefit obligations have been excluded from the table as they are discussed below within Long-Term Employee Benefits.

[6] Represents remaining expected payments under a license agreement between Pioneer Hi-Bred International, Inc. and Monsanto Company.

[7] Primarily represents employee-related benefits other than pensions and other postretirement benefits.

[8] Due to uncertainty regarding the completion of tax audits and possible outcomes, the estimate of obligations related to unrecognized tax benefits cannot be made. See Note 6 to the Consolidated Financial Statements for additional detail.

The company expects to meet its contractual obligations through its normal sources of liquidity and believes it has the financial resources to satisfy these contractual obligations should unforeseen circumstances arise.

Long-Term Employee Benefits

The company has various obligations to its employees and retirees. The company maintains retirement-related programs in many countries that have a long-term impact on the company's earnings and cash flows. These plans are typically defined benefit pension plans, as well as medical, dental and life insurance benefits for pensioners and survivors and disability and life insurance protection for employees. Approximately 80 percent of the company's worldwide benefit obligation for pensions and essentially all of the company's worldwide other long-term employee benefit obligations are attributable to the U.S. benefit plans. Pension coverage for employees of the company's non-U.S. consolidated subsidiaries is provided, to the extent deemed appropriate, through separate plans. The company regularly explores alternative solutions to meet its global pension obligations in the most cost effective manner possible as demographics, life expectancy and country-specific pension funding rules change. Where permitted by applicable law, the company reserves the right to change, modify or discontinue its plans that provide pension, medical, dental, life insurance and disability benefits.

Benefits under defined benefit pension plans are based primarily on years of service and employees' pay near retirement. Pension benefits are paid primarily from trust funds established to comply with applicable laws and regulations. Unless required by law, the company does not make contributions that are in excess of tax deductible limits. The actuarial assumptions and procedures utilized are reviewed periodically by the plans' actuaries to provide reasonable assurance that there will be adequate funds for the payment of benefits. No contributions are required to be made to the principal U.S. pension plan in 2009 and no contributions are currently anticipated. Contributions beyond 2009 are not determinable since the amount of any contribution is heavily dependent on the future economic environment, investment returns on pension trust assets, and pending regulation. U.S. pension benefits that exceed federal limitations are covered by separate unfunded plans and these benefits are paid to pensioners and survivors from operating cash flows.

Funding for each pension plan is governed by the rules of the sovereign country in which it operates. Thus, there is not necessarily a direct correlation between pension funding and pension expense. In general, however, improvements in plans funded status tends to moderate subsequent funding needs. The company contributed $252 million in 2008 and anticipates that it will make approximately $300 million in contributions in 2009 to pension plans other than the principal U.S. pension plan.

The Pension Protection Act of 2006 (the "Act") was signed into law in the U.S. in August 2006. The Act introduces new funding requirements for single-employer defined benefit pension plans, provides guidelines for measuring pension plan assets and pension obligations for funding purposes, introduces benefit limitations for certain underfunded plans and raises tax deduction limits for contributions to retirement plans. The new funding requirements are generally effective for plan years beginning after December 31, 2007. The implementation of the provisions of this Act did not have a material impact on the company's required contributions.

In August 2006, the company announced major changes to the pension and defined contribution benefits that cover the majority of its U.S. employees. Effective January 1, 2007, for such employees hired on that date or thereafter, and effective January 1, 2008, for such active employees on the rolls as of December 31, 2006, the company contributes 100 percent of the first 6 percent of the employee's contribution election. Additionally, for such employees, the company contributes 3 percent of each eligible employee's compensation regardless of the employee's contribution election. The definition of eligible compensation has also been expanded to be similar to the definition of eligible compensation used in determining pension benefits. Such full service employees on the rolls as of December 31, 2006 will also accrue additional benefits in the pension plan, but the annual rate of pension accrual is about one-third of the previous rate. In addition, company-paid postretirement survivor benefits for such employees do not continue to grow after December 31, 2007. Such employees hired in the U.S. after December 31, 2006 do not participate in the pension and post-retirement medical, dental and life insurance plans.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

As a result of the amendment to the principal U.S. pension plan, the company was required to re-measure its pension expense for the remainder of 2006, reflecting plan assets and benefit obligations as of the re-measurement date. As a result of better than expected return on plan assets and a higher discount rate of 6 percent as of the re-measurement date, pre-tax pension expense decreased by $72 million for 2006. For 2007, the plan amendment resulted in a reduction in pension expense of about $40 million. For 2008, the plan amendment resulted in a reduction of about $40 million in combined pension and defined contribution plans expense. Additional information related to these changes in the plans noted above is included in Note 21 to the Consolidated Financial Statements.

On December 31, 2006, the company adopted SFAS 158 and recorded a $1,555 million after-tax charge to stockholder's equity primarily due to reclassifying unrecognized actuarial losses and prior service costs related to the pension plans.

Medical, dental, life insurance and disability plans are unfunded and the cost of the approved claims is paid from operating cash flows. Pre-tax cash requirements to cover actual net claims costs and related administrative expenses were $326 million, $315 million and $335 million for 2008, 2007 and 2006, respectively. This amount is expected to be about $330 million in 2009. Changes in cash requirements reflect the net impact of higher per capita health care costs, demographic changes and changes in participant premiums, co-pays and deductibles.

The company's income can be significantly affected by pension and defined contribution benefits as well as retiree medical, dental and life insurance benefits. The following table summarizes the extent to which the company's income over each of the last 3 years was affected by pre-tax charges and credits related to long-term employee benefits.

(Dollars in millions)	2008	2007	2006
Defined benefit plan (benefits)/charges	**$(362)**	$ (54)	$191
Defined contribution plan charges	**250** [1]	99	86
Other long-term employee benefit charges	**181**	192	155
Net amount	**$ 69**	$237	$432

[1] Includes an accrual of $16 million for company match and contribution based on compensation paid in 2009 for 2008 service.

The above (benefits)/charges for pension and other long-term employee benefits are determined as of the beginning of each year. The decrease in pension expense in 2008 primarily reflects favorable returns on pension assets during 2007. The decrease in pension expense in 2007 reflects favorable returns on pension assets during 2006, plan amendments and changes in demographics and discount rates. The increase in 2007 other long-term employee benefit charges principally reflects changes in demographics, discount rates and higher than expected health care costs.

The company's key assumptions used in calculating its pension and other long-term employee benefits are the expected return on plan assets, the rate of compensation increases and the discount rate (see Note 21 to the Consolidated Financial Statements). For 2009, lower pension assets and higher health care cost are expected to result in an increase in long-term employee benefits expense of about $565 million.

Environmental Matters

DuPont operates global manufacturing, product handling and distribution facilities that are subject to a broad array of environmental laws and regulations. Company policy requires that all operations fully meet or exceed legal and regulatory requirements. In addition, DuPont implements voluntary programs to reduce air emissions, eliminate the generation of hazardous waste, decrease the volume of waste water discharges, increase the efficiency of energy use and reduce the generation of persistent, bioaccumulative and toxic materials. Management has noted a global upward trend in the amount and complexity of proposed chemicals regulation. The costs to comply with complex environmental laws and regulations, as well as internal voluntary programs and goals, are significant and will continue for the foreseeable future. While these costs may increase in the future, they are not expected to have a material impact on the company's financial position, liquidity or results of operations.

Pre-tax environmental expenses charged to current operations totaled $628 million in 2008 compared with $576 million in 2007 and $521 million in 2006. These expenses include the remediation accruals discussed below; operating, maintenance and depreciation costs for solid waste, air and water pollution control facilities and the costs of environmental research activities. The company expects expenses related to environmental research activities to become proportionally greater as the company increases its participation in businesses for which environmental assessments are required during product development. About 75 percent of total annual environmental expenses resulted from operations in the U.S.

In 2008, DuPont spent approximately $104 million on environmental capital projects either required by law or necessary to meet the company's internal environmental goals. The company currently estimates expenditures for environmental-related capital projects to be approximately $98 million in 2009. In the U.S., significant capital expenditures are expected to be required over the next decade for treatment, storage and disposal facilities for solid and hazardous waste and for compliance with the Clean Air Act (CAA). Until all CAA regulatory requirements are established and known, considerable uncertainty will remain regarding future estimates for capital expenditures. Total CAA capital costs over the next two years are currently estimated to range from $40 million to $70 million.

Registration

The goal of the U.S. Toxic Substances Control Act (TSCA) is to prevent unreasonable risks of injury to health or the environment associated with the manufacture, processing, distribution in commerce, use, or disposal of chemical substances. Under TSCA, the EPA has established reporting, record-keeping, testing and control-related requirements for new and existing chemicals. In 1998, the EPA challenged the U.S. chemical industry to voluntarily conduct screening level health and environmental effects testing on nearly 3,000 High Production Volume (HPV) chemicals or to make equivalent information publicly available. An HPV chemical is a chemical listed on the 1990 Inventory Update Rule with annual U.S. cumulative production and imports of one million pounds or more. The company expects to complete its commitments regarding the HPV chemicals it volunteered to sponsor within the next two years. Approximately 500 chemicals in commerce have attained HPV status since 1990. The Extended HPV (EHPV) program is an expansion of the voluntary HPV program aimed at fulfilling the same goals on these 500 chemicals. DuPont committed to conduct testing on ten of these EHPV chemicals in 2008 and testing is underway and expected to be completed in the next two years.

In December 2006, the European Union adopted a new regulatory framework concerning the Registration, Evaluation and Authorization of Chemicals. This regulatory framework known as REACH entered into force on June 1, 2007. One of its main objectives is the protection of human health and the environment. REACH requires manufacturers and importers to gather information on the properties of their substances that meet certain volume or toxicological criteria and register the information in a central database to be maintained by a Chemical Agency in Finland. The Regulation also contains a mechanism for the progressive substitution of the most dangerous chemicals when suitable alternatives have been identified. DuPont met the deadline of December 1, 2008 for the pre-registration of those chemicals manufactured in, or imported into the European Economic Area in quantities of 1 metric ton or more that were not otherwise exempted. Complete registrations containing extensive data on the characteristics of the chemical will be required in three phases, depending on production usage or tonnage imported per year, and the toxicological criteria of the chemical. The first registrations are required in 2010; subsequent registrations are due in 2013 and 2018. The toxicological criteria considered for registration determinations are carcinogenicity, mutagenicity, reproductive toxicity (category 1 and 2), and aquatic toxicity. By June 1, 2013, the Commission will review whether substances with endocrine disruptive properties should be authorized if safer alternatives exist. By June 1, 2019, the Commission will determine whether to extend the duty to warn from substances of very high concern to those that could be dangerous or unpleasant. Management does not expect that the costs to comply with REACH will be material to its operations and consolidated financial position.

Climate Change

DuPont believes that climate change is an important global issue that will present numerous risks and opportunities to business and society at large. Since the early 1990s when DuPont began taking action to reduce greenhouse gas emissions, the company has achieved major global reductions in emissions. Voluntary emissions reductions implemented by DuPont and other companies are valuable but alone will not be sufficient to effectively address

a problem of this scale. The Kyoto Protocol to the United Nations Framework Convention on Climate Change entered into force in February 2005 and, while not ratified by the U.S., has spurred policy action by many other countries and regions around the world including the European Union. Considerable international attention is now focused on development of a post-2012 international policy framework to guide international action to address climate change when the Kyoto Protocol expires in 2012. Proposed and existing legislative efforts to control or limit greenhouse gas emissions could affect the company's energy source and supply choices as well as increase the cost of energy and raw materials derived from fossil fuels. However, the successful negotiation and implementation of sensible national, regional, and international climate change policies could provide the business community with greater certainty for the regulatory future, help guide investment decisions, and drive growth in demand for low-carbon and energy-efficient products, technologies, and services.

The company actively manages the potential risks that climate change could present, including those associated with the company's physical assets, as well as regulatory and economic issues. DuPont looks for opportunities to make its overall portfolio less energy intensive, and energy use is one factor that is weighed when investments or divestitures are considered. DuPont is committed to continuing to bring to market more products and services to meet new and expanded demands of a low-carbon economy.

Remediation Expenditures

The RCRA extensively regulates and requires permits for the treatment, storage and disposal of hazardous waste. RCRA requires that permitted facilities undertake an assessment of environmental contamination at the facility. If conditions warrant, companies may be required to remediate contamination caused by prior operations. In contrast to CERCLA, the costs of the RCRA corrective action program are typically borne solely by the company. The company anticipates that significant ongoing expenditures for RCRA remediation activities may be required over the next two decades. Annual expenditures for the near term, however, are not expected to vary significantly from the range of such expenditures experienced in the past few years. Longer term, expenditures are subject to considerable uncertainty and may fluctuate significantly. The company's expenditures associated with RCRA and similar remediation activities were approximately $51 million, $47 million and $44 million in 2008, 2007 and 2006, respectively.

From time to time, the company receives requests for information or notices of potential liability from the EPA and state environmental agencies alleging that the company is a PRP under CERCLA or similar state statutes. CERCLA is often referred to as the Superfund and requires companies to undertake certain investigative and research activities at sites where it conducts or once conducted operations or where company generated waste has been disposed. The company has also, on occasion, been engaged in cost recovery litigation initiated by those agencies or by private parties. These requests, notices and lawsuits assert potential liability for remediation costs at various sites that typically are not company owned, but allegedly contain wastes attributable to the company's past operations.

As of December 31, 2008, the company had been notified of potential liability under CERCLA or state laws at 394 sites around the U.S., with active remediation under way at 151 of these sites. In addition, the company has resolved its liability at 160 sites, either by completing remedial actions with other PRPs or by participating in "de minimis buyouts" with other PRPs whose waste, like the company's, represented only a small fraction of the total waste present at a site. The company received notice of potential liability at five new sites during 2008 compared with six similar notices in 2007 and 2006. The company's expenditures associated with CERCLA and similar state remediation activities were approximately $17 million, $20 million and $19 million in 2008, 2007 and 2006, respectively.

For nearly all Superfund sites, the company's potential liability will be significantly less than the total site remediation costs because the percentage of waste attributable to the company versus that attributable to all other PRPs is relatively low. Other PRPs at sites, where the company is a party, typically have the financial strength to meet their obligations and, where they do not, or where PRPs cannot be located, the company's own share of liability has not materially increased. There are relatively few sites where the company is a major participant and the cost to the company of remediation at those sites and at all CERCLA sites in the aggregate, is not expected to have a material impact on the financial position, liquidity or results of operations of the company.

Total expenditures for previously accrued remediation activities under CERCLA, RCRA and similar state laws were $81 million, $68 million and $64 million in 2008, 2007 and 2006, respectively.

Remediation Accruals
At December 31, 2008, the Consolidated Balance Sheets included an accrued liability of $379 million compared to $357 million at December 31, 2007. Considerable uncertainty exists with respect to environmental remediation costs and, under adverse changes in circumstances, potential liability may range up to two to three times the amount accrued as of December 31, 2008. Of the $379 million accrued liability, approximately 8 percent was reserved for non-U.S. facilities. Approximately 69 percent of the reserve balance was attributable to RCRA and similar remediation liabilities, while about 23 percent was attributable to CERCLA liabilities. Remediation accruals of $103 million, $76 million and $71 million were added to the reserve in 2008, 2007 and 2006, respectively.

Facility Security
DuPont recognizes that the security and safety of its operations are critical to its employees, neighbors and, indeed, to the future of the company. As such, the company has merged chemical site security into its safety core value where it serves as an integral part of its long standing safety culture. Physical security measures have been combined with process safety measures (including the use of inherently safer technology), administrative procedures and emergency response preparedness into an integrated security plan. The company has conducted vulnerability assessments at operating facilities in the U.S. and high priority sites worldwide and identified and implemented appropriate measures to protect these facilities from physical or cyber attacks. DuPont is partnering with carriers, including railroad, shipping and trucking companies, to secure chemicals in transit.

In April 2007, the Department of Homeland Security (DHS) issued an interim final rule (Rule) that establishes risk-based performance standards for the security of U.S. chemical facilities. Covered chemical facilities are required to prepare Security Vulnerability Assessments that identify facility security vulnerabilities and to develop and implement Site Security Plans that include measures satisfying the identified risk-based performance standards. The Rule contains associated provisions addressing inspections and audits, recordkeeping, and the protection of information that constitutes Chemical-terrorism Vulnerability Information. DHS can seek compliance through the issuance of Orders, including Orders Assessing Civil Penalty and Orders for the Cessation of Operations.

In November of 2007, DHS finalized the list of chemicals regulated by the Rule and required facilities that have those chemicals in specified quantities to register with DHS. DuPont's U.S. facilities have submitted this information and in June of 2008 DHS notified those facilities that were determined to be covered by the Rule's security requirements. DuPont facilities that were notified by DHS conducted and submitted security vulnerability assessments to DHS. Once DHS has reviewed and approved those assessments, it will work with the company to establish security expectations specific to each facility. DuPont has already devoted substantial effort and resources in assessing security vulnerabilities and taking steps to reinforce security at its chemical manufacturing facilities. Until each facility develops and receives DHS approval for its site security plan, specific requirements can not be determined and considerable uncertainty exists regarding estimates for future capital expenditures. However, based on guidance issued by DHS regarding its risk-based performance standards, it is expected that new security measures will need to be implemented at the regulated facilities and that capital costs to implement such measures over the next three years will be about $50 million.

PFOA
DuPont manufactures fluoropolymer resins and dispersions as well as fluorotelomers, marketing many of them under the Teflon®, Capstone ™ and Zonyl® brands. The fluoropolymer resins and dispersions businesses are part of the Electronic & Communication Technologies segment; the fluorotelomers business is part of the Safety & Protection segment.

Fluoropolymer resins and dispersions are high-performance materials with many end uses including architectural fabrics, telecommunications and electronic wiring insulation, automotive fuel systems, computer chip processing

equipment, weather-resistant/breathable apparel and non-stick cookware. Fluorotelomers are used to make soil, stain and grease repellants for paper, apparel, upholstery and carpets as well as firefighting foams and coatings.

A form of PFOA (collectively, perfluorooctanoic acid and its salts, including the ammonium salt) is used as a processing agent to manufacture fluoropolymer resins and dispersions. For over 50 years, DuPont purchased its PFOA needs from a third party, but beginning in the fall of 2002, it began producing PFOA to support the manufacture of fluoropolymer resins and dispersions. PFOA is not used in the manufacture of fluorotelomers; however, it is an unintended by-product present at trace levels in some fluorotelomer-based products.

DuPont Performance Elastomers, LLC (DPE) uses PFOA in the manufacture of raw materials to manufacture Kalrez® perfluoroelastomer parts. PFOA is also used in the manufacture of some fluoroelastomers marketed by DPE under the Viton® trademark. The wholly owned subsidiary is a part of the Performance Materials segment.

PFOA is bio-persistent and has been detected at very low levels in the blood of the general population. As a result, the EPA initiated a process to enhance its understanding of the sources of PFOA in the environment and the pathways through which human exposure to PFOA is occurring. In 2005, the EPA issued a draft risk assessment on PFOA stating that cancer data for PFOA may be best described as "suggestive evidence of carcinogenicity, but not sufficient to assess human carcinogenic potential" under the EPA's Guidelines for Carcinogen Risk Assessment. At the EPA's request, the Science Advisory Board (SAB) reviewed and commented on the scientific soundness of this assessment. In its May 2006 report, the SAB set forth the view, based on laboratory studies in rats, that the human carcinogenic potential of PFOA is more consistent with the Guideline's descriptor of "likely to be carcinogenic." However, the report stated that additional data should be considered before the EPA finalizes its risk assessment of PFOA. The EPA has acknowledged that it will consider additional data, including new research and testing, and has indicated that another SAB review will be sought after the EPA makes its risk assessment. DuPont disputes the cancer classification recommended in the SAB report. Although the EPA has stated that there remains considerable scientific uncertainty regarding potential risks associated with PFOA, it also stated that it does not believe that there is any reason for consumers to stop using any products because of concerns about PFOA.

DuPont respects the EPA's position raising questions about exposure routes and the potential toxicity of PFOA and DuPont and other companies have outlined plans to continue research, emission reduction and product stewardship activities to help address the EPA's questions. In January 2006, DuPont pledged its commitment to the EPA's 2010/15 PFOA Stewardship Program. The EPA program asks participants (1) to commit to achieve, no later than 2010, a 95 percent reduction in both facility emissions and product content levels of PFOA, PFOA precursors and related higher homologue chemicals and (2) to commit to working toward the elimination of PFOA, PFOA precursors and related higher homologue chemicals from emissions and products by no later than 2015. In October 2008, (for the year 2007), DuPont reported to the EPA that it had achieved a 98 percent reduction of PFOA emissions in U.S. manufacturing facilities. The company achieved about a 97 percent reduction in global manufacturing emissions, exceeding the EPA's 2010 objective. DuPont will work individually and with others in the industry to inform EPA's regulatory counterparts in the European Union, Canada, China and Japan about these activities and PFOA in general, including emissions reductions from DuPont's facilities, reformulation of the company's fluoropolymer dispersions and new manufacturing processes for fluorotelomers products.

In February 2007, DuPont announced its planned commitment to no longer make, use or buy PFOA by 2015 or sooner if possible. DuPont has developed PFOA replacement technology and successfully used this technology in its global manufacturing facilities to produce test materials for all major fluoropolymer product lines. DuPont has begun to supply fluoropolymer products made without PFOA to customers for testing in their processes, and is working to obtain the appropriate regulatory approvals for this technology.

In the meantime, DuPont introduced Echelon™ technology which reduces PFOA content by 99 percent in aqueous fluoropolymer dispersion products. DuPont has now converted customers representing over 95 percent of the sales volume for these products to the newly formulated Echelon™ technology. In the first quarter 2008, DuPont introduced its next generation fluorotelomer products. The products are marketed as DuPont™ Capstone™ products for use in home furnishings, fire fighting foam, fluorosurfactants, and leather goods. Additional products will be introduced for paper packaging, textiles, and other end use markets pending appropriate regulatory approvals.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, *continued*

In November 2006, DuPont entered into an Order on Consent under the Safe Drinking Water Act (SDWA) with the EPA establishing a precautionary interim screening level for PFOA of 0.5 part per billion (ppb) in drinking water sources in the area around the Washington Works site located in Parkersburg, West Virginia. In January 2009 the EPA issued a Provisional Health Advisory for PFOA of 0.4 ppb in drinking water.

In February 2007, the New Jersey Department of Environmental Protection (NJDEP) identified a preliminary drinking-water guidance level for PFOA of 0.04 ppb as part of the first phase of an ongoing process to establish a state drinking-water standard. While the NJDEP will continue sampling and evaluation of data from all sources, it has not recommended a change in consumption patterns.

Occupational exposure to PFOA has been associated with small increases in some lipids (e.g. cholesterol). These associations were also observed in a recent community study. It is not known whether these are causal associations. Based on health and toxicological studies, DuPont believes the weight of evidence indicates that PFOA exposure does not pose a health risk to the general public. To date, there are no human health effects known to be caused by PFOA, although study of the chemical continues.

There have not been any regulatory or government actions that would prohibit the production or use of PFOA. However, there can be no assurance that the EPA, any other regulatory entity or government body will not choose to regulate or prohibit the production or use of PFOA in the future. Products currently manufactured by the company representing approximately $1 billion of 2008 revenues could be affected by any such regulation or prohibition. DuPont has established reserves in connection with certain PFOA environmental and litigation matters (see Note 19 to the Consolidated Financial Statements).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Instruments

Derivatives and Other Hedging Instruments

In the ordinary course of business, the company enters into contractual arrangements (derivatives) to hedge its exposure to foreign currency, interest rate and commodity price risks under established procedures and controls. Derivative instruments utilized include forwards, options, futures and swaps. The counterparties to these contractual arrangements are major financial institutions and major commodity exchanges.

The company hedges certain foreign currency denominated revenues, monetary assets and liabilities, certain business-specific foreign currency exposures and certain energy and agricultural feedstock purchases.

Concentration of Credit Risk

Financial instruments that potentially subject the company to significant concentrations of credit risk consist principally of cash, investments, accounts receivable and derivatives.

As part of the company's risk management processes, it continuously evaluates the relative credit standing of all of the financial institutions that service DuPont and monitors actual exposures versus established limits. The company has not sustained credit losses from instruments held at financial institutions.

The company maintains cash and cash equivalents, marketable securities, derivatives and certain other financial instruments with various financial institutions. These financial institutions are generally highly rated and geographically dispersed and the company has a policy to limit the dollar amount of credit exposure with any one institution.

The company's sales are not materially dependent on a single customer or small group of customers. As of December 31, 2008, no one individual customer balance represented more than 5 percent of the company's total outstanding receivables balance. Credit risk associated with its receivables balance is representative of the geographic, industry and customer diversity associated with the company's global businesses.

The company also maintains strong credit controls in evaluating and granting customer credit. As a result, it may require that customers provide some type of financial guarantee in certain circumstances. Length of terms for customer credit varies by industry and region.

Foreign Currency Risk

The company's objective in managing exposure to foreign currency fluctuations is to reduce earnings and cash flow volatility associated with foreign currency rate changes. Accordingly, the company enters into various contracts that change in value as foreign exchange rates change to protect the U.S. Dollar value of its existing foreign currency-denominated assets, liabilities, commitments, and cash flows.

The company uses foreign currency exchange contracts to offset its net exposures, by currency, related to the foreign currency-denominated monetary assets and liabilities of its operations. The primary business objective of this hedging program is to maintain an approximately balanced position in foreign currencies so that exchange gains and losses resulting from exchange rate changes, net of related tax effects, are minimized. The company also uses foreign currency exchange contracts to offset a portion of the company's exposure to certain foreign currency-denominated revenues so that gains and losses on these contracts offset changes in the U.S. Dollar value of the related foreign currency-denominated revenues. The objective of the hedge program is to reduce earnings and cash flow volatility related to changes in foreign currency exchange rates.

The following table summarizes the impacts of this program on the company's results of operations for the years ended December 31, 2008, 2007 and 2006, and includes the company's pro rata share of its equity affiliates' exchange gains and losses and corresponding gains and losses on foreign currency exchange contracts.

(Dollars in millions)	**2008**	**2007**	**2006**
Pre-tax exchange loss	**$(255)**	$(85)	$ (4)
Tax (expense)/benefit	**83**	54	(26)
After-tax loss	**$(172)**	$(31)	$(30)

Item 7A. Quantitative and Qualitative Disclosures About Market Risk *continued*

From time to time, the company will enter into foreign currency exchange contracts to establish with certainty the USD amount of future firm commitments denominated in a foreign currency. Decisions regarding whether or not to hedge a given commitment are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility and economic trends. Foreign currency exchange contracts are also used, from time to time, to manage near-term foreign currency cash requirements.

Interest Rate Risk

The company uses interest rate swaps to manage the interest rate mix of the total debt portfolio and related overall cost of borrowing.

Interest rate swaps involve the exchange of fixed or floating rate interest payments to effectively convert fixed rate debt into floating rate debt based on USD LIBOR. Interest rate swaps allow the company to maintain a target range of floating rate debt.

Commodity Price Risk

The company enters into over-the-counter and exchange-traded derivative commodity instruments to hedge its exposure to price fluctuations on certain raw material purchases.

A portion of certain energy feedstock purchases are hedged to reduce price volatility using fixed price swaps and options.

The company contracts with independent growers to produce finished seed inventory. Under these contracts, growers are compensated with bushel equivalents that are marketed to the company for the market price of grain during the contract period. Derivative instruments having a high correlation to the underlying commodity are used to hedge the commodity price risk involved in compensating growers.

The company utilizes derivatives to manage the price volatility of soybean meal. These derivative instruments have a high correlation to the underlying commodity exposure and are deemed effective in offsetting soybean meal feedstock price risk.

Additional details on these and other financial instruments are set forth in Note 23 to the Consolidated Financial Statements.

Sensitivity Analysis

The following table illustrates the fair values of outstanding derivative contracts at December 31, 2008 and 2007, and the effect on fair values of a hypothetical adverse change in the market prices or rates that existed at December 31, 2008 and 2007. The sensitivity for interest rate swaps is based on a one percent change in the market interest rate. Foreign currency, agricultural and energy derivative sensitivities are based on a 10 percent change in market rates.

	Fair Value Asset/ (Liability)		Fair Value Sensitivity	
(Dollars in millions)	**2008**	**2007**	**2008**	**2007**
Interest rate swaps	**$ 43**	$19	**$ (16)**	$ (26)
Foreign currency contracts	**(348)**	20	**(581)**	(536)
Agricultural feedstocks	**1**	31	**(49)**	5
Energy feedstocks	**(161)**	-	**(189)**	-

The changes in 2008 sensitivity, as compared to 2007, are the result of an increase in price volatility and an increase in size of the foreign exchange and energy feedstock portfolios.

Since the company's risk management programs are highly effective, the potential loss in value for each risk management portfolio described above would be largely offset by changes in the value of the underlying exposure.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data required by this Item are included herein, commencing on page F-1 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

The company maintains a system of disclosure controls and procedures for financial reporting to give reasonable assurance that information required to be disclosed in the company's reports submitted under the Securities Exchange Act of 1934 (Exchange Act) is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. These controls and procedures also give reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

As of December 31, 2008, the company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), together with management, conducted an evaluation of the effectiveness of the company's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the CEO and CFO concluded that these disclosure controls and procedures are effective.

There has been no change in the company's internal control over financial reporting that occurred during the fourth quarter of 2008 that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting. The company has completed its evaluation of its internal controls and has concluded that the company's system of internal controls was effective as of December 31, 2008 (see page F-2).

The company continues to take appropriate steps to enhance the reliability of its internal control over financial reporting. Management has identified areas for improvement and discussed them with the company's Audit Committee and independent registered public accounting firm.

ITEM 9B. OTHER INFORMATION

None.

Part III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to this Item is incorporated herein by reference to the Proxy. Information related to directors is included within the section entitled, "Election of Directors." The company has not made any material changes to the procedures by which security holders may recommend nominees to its Board of Directors since these procedures were communicated in the company's 2008 Proxy Statement for the Annual Meeting of Stockholders held on April 30, 2008. Information related to the Audit Committee is incorporated herein by reference to the Proxy and is included within the sections entitled "Committees of the Board" and "Committee Membership." Information regarding executive officers is contained in the Proxy section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" and in Part I, Item 4 of this report.

The company has adopted a Code of Ethics for its CEO, CFO and Controller that may be accessed from the company's website at www.dupont.com by clicking on Investor Center and then Corporate Governance. Any amendments to, or waiver from, any provision of the code will be posted on the company's website at the above address.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to this Item is incorporated herein by reference to the Proxy and is included in the sections "Compensation Discussion and Analysis," "2008 Summary Compensation Table," ''2008 Grants of Plan-Based Awards," "Outstanding Equity Awards," "2008 Option Exercises and Stock Vested," "Pension Plan Benefits," "Nonqualified Deferred Compensation," "Potential Payments Upon Termination or Change in Control," and "Directors' Compensation." Information related to the Compensation Committee is included within the sections entitled "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information with respect to Beneficial Owners is incorporated herein by reference to the Proxy and is included in the section entitled "Ownership of Company Stock."

Securities authorized for issuance under equity compensation plans as of December 31, 2008
(Shares in thousands, except per share)

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights [2]	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans [3]
Equity compensation plans approved by security holders	70,895[1]	$46.20	49,155
Equity compensation plans not approved by security holders [4]	11,274	$44.06	-
Total	82,169	$45.88	49,155

[1] Includes stock-settled time-vested and performance-based restricted stock units granted and stock units deferred under the company's Equity and Incentive Plan, Stock Performance Plan, Variable Compensation Plan and the Stock Accumulation and Deferred Compensation Plan for Directors. Performance-based restricted stock units reflect the maximum number of shares to be awarded at the conclusion of the performance cycle (200% of the original grant). The actual award payouts can range from zero to 200 percent of the original grant.

[2] Represents the weighted-average exercise price of the outstanding stock options only; the outstanding stock-settled time-vested and performance-based restricted stock units and deferred stock units are not included in this calculation.

[3] Reflects shares available pursuant to the issuance of stock options, restricted stock, restricted stock units or other stock-based awards under the Equity and Incentive Plan approved by the shareholders on April 25, 2007 (see Note 22 to the Company's Consolidated Financial Statements). The maximum number of shares of stock reserved for the grant or settlement of awards under the Equity and Incentive Plan (the "Share Limit") shall be 60,000 and shall be subject to adjustment as provided therein; provided that each share in excess of 20,000 issued under the Equity and Incentive Plan pursuant to any award settled in stock, other than a stock option or stock appreciation right, shall be counted against the foregoing Share Limit as four shares for every one share actually issued in connection with such award. (For example, if 22,000 shares of restricted stock are granted under the Equity and Incentive Plan, 28,000 shall be charged against the Share Limit in connection with that award.)

[4] Includes options totaling 10,206 granted under the company's 2002 Corporate Sharing Program (see Note 22 to the Consolidated Financial Statements) and 100 options with an exercise price of $46.50 granted to a consultant. Also includes 968 options from the conversion of DuPont Canada options to DuPont options in connection with the company's acquisition of the minority interest in DuPont Canada.

Part III

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information with respect to the company's policy and procedures for the review, approval or ratification of transactions with related persons is incorporated by reference herein to the Proxy and is included in the section entitled "Review and Approval of Transactions with Related Persons." Information with respect to director independence is incorporated by reference herein to the Proxy and is included in the sections entitled "DuPont Board of Directors: Corporate Governance Guidelines," "Guidelines for Determining the Independence of DuPont Directors," "Committees of the Board" and "Committee Membership."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information with respect to this Item is incorporated herein by reference to the Proxy and is included in the sections entitled "Ratification of Independent Registered Public Accounting Firm."

Part IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements, Financial Statement Schedules and Exhibits:

1. Financial Statements (See the Index to the Consolidated Financial Statements on page F-1 of this report).
2. Financial Statement Schedules

Schedule II – Valuation and Qualifying Accounts
(Dollars in millions)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
For the Year Ended December 31, 2008				
Allowance for Doubtful Receivables	$261	$41	$64	$238
Total Allowances Deducted from Assets	$261	$41	$64	$238
For the Year Ended December 31, 2007				
Allowance for Doubtful Receivables	$233	$66	$38	$261
Total Allowances Deducted from Assets	$233	$66	$38	$261
For the Year Ended December 31, 2006				
Allowance for Doubtful Receivables	$205	$58	$30	$233
Total Allowances Deducted from Assets	$205	$58	$30	$233

The following should be read in conjunction with the previously referenced Consolidated Financial Statements:

Financial Statement Schedules listed under SEC rules but not included in this report are omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or notes thereto incorporated by reference.

Condensed financial information of the parent company is omitted because restricted net assets of consolidated subsidiaries do not exceed 25 percent of consolidated net assets. Footnote disclosure of restrictions on the ability of subsidiaries and affiliates to transfer funds is omitted because the restricted net assets of subsidiaries combined with the company's equity in the undistributed earnings of affiliated companies does not exceed 25 percent of consolidated net assets at December 31, 2008.

Separate financial statements of affiliated companies accounted for by the equity method are omitted because no such affiliate individually constitutes a 20 percent significant subsidiary.

3. Exhibits

Part IV

Item 15. Exhibits and Financial Statement Schedules, *continued*

The following list of exhibits includes both exhibits submitted with this Form 10-K as filed with the SEC and those incorporated by reference to other filings:

Exhibit Number	Description
3.1	Company's Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the company's Annual Report on Form 10-K for the year ended December 31, 2007).
3.2	Company's Bylaws, as last amended effective January 1, 2009 (incorporated by reference to Exhibit 99 to the company's current Report on Form 8-K filed on December 15, 2008).
4	The company agrees to provide the Commission, on request, copies of instruments defining the rights of holders of long-term debt of the company and its subsidiaries.
10.1*	The DuPont Stock Accumulation and Deferred Compensation Plan for Directors, as last amended effective January 1, 2009.
10.2*	Form of Award Terms for time-vested restricted stock units granted to non-employee directors under the company's Equity and Incentive Plan (incorporated by reference to Exhibit 10.2 to the company's Quarterly Report on Form 10-Q for the period ended March 31, 2008).
10.3*	Company's Supplemental Retirement Income Plan, as last amended effective June 4, 1996 (incorporated by reference to Exhibit 10.3 to the company's Annual Report on Form 10-K for the year ended December 31, 2006).
10.4*	Company's Pension Restoration Plan, as restated effective July 17, 2006 (incorporated by reference to Exhibit 99.1 to the company's Current Report on Form 8-K filed on July 20, 2006).
10.5*	Company's Rules for Lump Sum Payments adopted July 17, 2006 (incorporated by reference to Exhibit 99.2 to the company's Current Report on Form 8-K filed on July 20, 2006).
10.6*	Company's Stock Performance Plan, as last amended effective January 25, 2007 (incorporated by reference to Exhibit 10.7 to the company's Quarterly Report on Form 10-Q for the period ended March 31, 2007).
10.7*	Company's Equity and Incentive Plan as approved by the company's shareholders on April 25, 2007 (incorporated by reference to pages C1-C13 of the company's Annual Meeting Proxy Statement dated March 19, 2007).
10.8*	Terms and conditions, as last amended effective January 1, 2007, of performance-based restricted stock units granted in 2006 and 2007 under the company's Stock Performance Plan (incorporated by reference to Exhibits 10.8 and 10.12, respectively, to the company's Quarterly Report on Form 10-Q for the period ended March 31, 2007).
10.9*	Form of Award Terms under the company's Equity and Incentive Plan (incorporated by reference to Exhibits 10.10, 10.11, 10.13 and 10.14 to the company's Quarterly Report on Form 10-Q for the period ended March 31, 2008).
10.10*	Company's Retirement Savings Restoration Plan, as last amended effective January 1, 2009 (incorporated by reference to Exhibit 10.15 to the company's Quarterly Report on Form 10-Q for the period ended June 30, 2008).
10.11*	Company's Retirement Income Plan for Directors, as last amended August 1995 (incorporated by reference to Exhibit 10.17 to the company's Annual Report on Form 10-K for the year ended December 31, 2007).
10.12*	Letter Agreement and Employee Agreement, dated as of December 9, 2008, as amended, between the company and R.R. Goodmanson.
10.13*	Company's Bicentennial Corporate Sharing Plan, adopted by the Board of Directors on December 12, 2001 and effective January 9, 2002 (incorporated by reference to Exhibit 10.19 to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).
10.14*	Company's Management Deferred Compensation Plan, adopted on May 2, 2008, as last amended July 16, 2008 (incorporated by reference to Exhibit 10.20 to the company's Quarterly Report on Form 10-Q for the period ended June 30, 2008).

Part IV

Item 15. Exhibits and Financial Statement Schedules, *continued*

10.15* Supplemental Deferral Terms for Deferred Long Term Incentive Awards and Deferred Variable Compensation Awards.
12 Computation of the Ratio of Earnings to Fixed Charges.
21 Subsidiaries of the Registrant.
23 Consent of Independent Registered Public Accounting Firm.
31.1 Rule 13a-14 (a)/15d-14 (a) Certification of the company's Principal Executive Officer.
31.2 Rule 13a-14 (a)/15d-14 (a) Certification of the company's Principal Financial Officer.
32.1 Section 1350 Certification of the company's Principal Executive Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
32.2 Section 1350 Certification of the company's Principal Financial Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K.

Signatures

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 12, 2009

E. I. DU PONT DE NEMOURS AND COMPANY

By: /s/ J. L. KEEFER

J. L. Keefer
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated:

Signature	Title(s)	Date
/s/ E. J. Kullman E. J. Kullman	Chief Executive Officer and Director (Principal Executive Officer)	February 12, 2009
/s/ C. O. Holliday, Jr. C. O. Holliday, Jr.	Chair of the Board and Director	February 12, 2009
/s/ R. H. Brown R. H. Brown	Director	February 12, 2009
/s/ R. A. Brown R. A. Brown	Director	February 12, 2009
/s/ B. P. Collomb B. P. Collomb	Director	February 12, 2009
/s/ C. J. Crawford C. J. Crawford	Director	February 12, 2009
/s/ A. M. Cutler A. M. Cutler	Director	February 12, 2009
/s/ J. T. Dillon J. T. Dillon	Director	February 12, 2009
/s/ E. I. du Pont, II E. I. du Pont, II	Director	February 12, 2009
/s/ M. A. Hewson M. A. Hewson	Director	February 12, 2009
/s/ L. D. Juliber L. D. Juliber	Director	February 12, 2009
/s/ W. K. Reilly W. K. Reilly	Director	February 12, 2009

E.I. du Pont de Nemours and Company

Index to the Consolidated Financial Statements

	Page(s)
Consolidated Financial Statements:	
Management's Reports on Responsibility for Financial Statements and Internal Control over Financial Reporting	F-2
Report of Independent Registered Public Accounting Firm	F-3
Consolidated Income Statements for the years ended December 31, 2008, 2007 and 2006	F-4
Consolidated Balance Sheets as of December 31, 2008 and December 31, 2007	F-5
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2008, 2007 and 2006	F-6
Consolidated Statements of Cash Flows for the years ended December 31, 2008, 2007 and 2006	F-7
Notes to the Consolidated Financial Statements	F-8

Management's Reports on Responsibility for Financial Statements and Internal Control over Financial Reporting

Management's Report on Responsibility for Financial Statements

Management is responsible for the Consolidated Financial Statements and the other financial information contained in this Annual Report on Form 10-K. The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and are considered by management to present fairly the company's financial position, results of operations and cash flows. The financial statements include some amounts that are based on management's best estimates and judgments. The financial statements have been audited by the company's independent registered public accounting firm, PricewaterhouseCoopers LLP. The purpose of their audit is to express an opinion as to whether the Consolidated Financial Statements included in this Annual Report on Form 10-K present fairly, in all material respects, the company's financial position, results of operations and cash flows. Their report is presented on the following page.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The company's internal control over financial reporting includes those policies and procedures that:

i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the company's assets that could have a material effect on the financial statements. Internal control over financial reporting has certain inherent limitations which may not prevent or detect misstatements. In addition, changes in conditions and business practices may cause variation in the effectiveness of internal controls.

Management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2008, based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on its assessment and those criteria, management concluded that the company maintained effective internal control over financial reporting as of December 31, 2008.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has issued an audit report on the effectiveness of the company's internal control over financial reporting as of December 31, 2008, which is presented on the following page.

Ellen J. Kullman
Chief Executive Officer
and Director

Jeffrey L. Keefer
Executive Vice President
and Chief Financial Officer

February 12, 2009

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
E. I. du Pont de Nemours and Company:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' equity and cash flows present fairly, in all material respects, the financial position of E. I. du Pont de Nemours and Company and its subsidiaries at December 31, 2008 and December 31, 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a) (2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's Reports on Responsibility for Financial Statements and Internal Control over Financial Reporting" appearing on page F-2. Our responsibility is to express opinions on these financial statements and financial statement schedule and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe our audits provide a reasonable basis for our opinions.

As discussed in Note 6 to the consolidated financial statements, the company changed the manner in which it accounted for uncertainty in income taxes in 2007.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 12, 2009

E. I. du Pont de Nemours and Company

Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENTS
(Dollars in millions, except per share)

For The Year Ended December 31,	2008	2007	2006
Net sales	**$30,529**	$29,378	$27,421
Other income, net	**1,307**	1,275	1,561
Total	**31,836**	30,653	28,982
Cost of goods sold and other operating charges	**24,083**	21,746	20,636
Selling, general and administrative expenses	**3,593**	3,396	3,255
Research and development expense	**1,393**	1,338	1,302
Interest expense	**376**	430	460
Total	**29,445**	26,910	25,653
Income before income taxes and minority interests	**2,391**	3,743	3,329
Provision for income taxes	**381**	748	196
Minority interests in earnings (losses) of consolidated subsidiaries	**3**	7	(15)
Net income	**$ 2,007**	$ 2,988	$ 3,148
Basic earnings per share of common stock	**$ 2.21**	$ 3.25	$ 3.41
Diluted earnings per share of common stock	**$ 2.20**	$ 3.22	$ 3.38

See Notes to the Consolidated Financial Statements beginning on page F-8.

E. I. du Pont de Nemours and Company

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except per share)

December 31,	2008	2007
Assets		
Current assets		
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
Property, plant and equipment	**27,954**	26,593
Less: Accumulated depreciation	**16,800**	15,733
Net property, plant and equipment	**11,154**	10,860
Goodwill	**2,135**	2,074
Other intangible assets	**2,710**	2,856
Investment in affiliates	**844**	818
Other assets	**4,055**	4,363
Total	**$36,209**	$34,131
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	**$ 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
Long-term borrowings and capital lease obligations	**7,638**	5,955
Other liabilities	**11,169**	7,255
Deferred income taxes	**140**	802
Total liabilities	**28,657**	22,553
Minority interests	**427**	442
Commitments and contingent liabilities		
Stockholders' equity		
Preferred stock, without par value-cumulative; 23,000,000 shares authorized; issued at December 31, 2008 and 2007:		
$4.50 Series – 1,673,000 shares (callable at $120)	**167**	167
$3.50 Series – 700,000 shares (callable at $102)	**70**	70
Common stock, $.30 par value; 1,800,000,000 shares authorized; Issued at December 31, 2008 – 989,415,000; 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 (Shares: December 31, 2008 and 2007 – 87,041,000)	**(6,727)**	(6,727)
Total stockholders' equity	**7,125**	11,136
Total	**$36,209**	$34,131

See Notes to the Consolidated Financial Statements beginning on page F-8.

E. I. du Pont de Nemours and Company

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in millions, except per share)

	Preferred Stock	Common Stock	Additional Paid in Capital	Reinvested Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity	Comprehensive Income
2006								
Balance January 1, 2006	$237	$302	$7,678	$ 7,990	$ (518)	$(6,727)	$ 8,962	
Net income				3,148			3,148	$ 3,148
Cumulative translation adjustment					77		77	77
Net revaluation and clearance of cash flow hedges to earnings					15		15	15
Minimum pension liability					106		106	106
Net unrealized gain on securities					8		8	8
Total comprehensive income								$ 3,354
Common dividends ($1.48 per share)				(1,368)			(1,368)	
Preferred dividends				(10)			(10)	
Common stock								
Issued – compensation plans		2	317				319	
Repurchased			(180)			(100)	(280)	
Retired		(1)	(18)	(81)		100	-	
Adjustment to initially apply defined benefit plan standard, net of tax of $1,043 and minority interest of $8					(1,555)		(1,555)	
Balance December 31, 2006	$237	$303	$7,797	$ 9,679	$(1,867)	$(6,727)	$ 9,422	
2007								
Net income				2,988			2,988	$ 2,988
Cumulative translation adjustment					94		94	94
Net revaluation and clearance of cash flow hedges to earnings					24		24	24
Pension benefit plans					640		640	640
Other benefit plans					310		310	310
Net unrealized gain on securities					5		5	5
Total comprehensive income								$ 4,061
Common dividends ($1.52 per share)				(1,399)			(1,399)	
Preferred dividends				(10)			(10)	
Common stock								
Issued – compensation plans		3	638				641	
Repurchased						(1,695)	(1,695)	
Retired		(10)	(256)	(1,429)		1,695	-	
Adjustment to initially apply uncertainty in income taxes standard				116			116	
Balance December 31, 2007	$237	$296	$8,179	$ 9,945	$ (794)	$(6,727)	$11,136	
2008								
Net income				**2,007**			**2,007**	**$ 2,007**
Cumulative translation adjustment					**(120)**		**(120)**	**(120)**
Net revaluation and clearance of cash flow hedges to earnings					**(199)**		**(199)**	**(199)**
Pension benefit plans					**(4,122)**		**(4,122)**	**(4,122)**
Other benefit plans					**(272)**		**(272)**	**(272)**
Net unrealized loss on securities					**(11)**		**(11)**	**(11)**
Total comprehensive loss								**$(2,717)**
Common dividends ($1.64 per share)				**(1,486)**			**(1,486)**	
Preferred dividends				**(10)**			**(10)**	
Common stock								
Issued – compensation plans		**1**	**201**				**202**	
Balance December 31, 2008	**$237**	**$297**	**$8,380**	**$10,456**	**$(5,518)**	**$(6,727)**	**$ 7,125**	

See Notes to the Consolidated Financial Statements beginning on page F-8.

E. I. du Pont de Nemours and Company

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

For The Year Ended December 31,	2008	2007	2006
Operating activities			
Net income	**$ 2,007**	$ 2,988	$ 3,148
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	**1,169**	1,158	1,157
Amortization of intangible assets	**275**	213	227
Deferred tax expense (benefit)	**43**	31	(615)
Other noncash charges and credits – net	**817**	365	288
Contributions to pension plans	**(252)**	(277)	(280)
Decrease (increase) in operating assets:			
Accounts and notes receivable	**488**	(214)	(194)
Inventories and other operating assets	**(663)**	(267)	(61)
(Decrease) increase in operating liabilities:			
Accounts payable and other operating liabilities	**(515)**	470	335
Accrued interest and income taxes	**(240)**	(177)	(269)
Cash provided by operating activities	**3,129**	4,290	3,736
Investing activities			
Purchases of property, plant and equipment	**(1,978)**	(1,585)	(1,532)
Investments in affiliates	**(55)**	(113)	(31)
Payments for businesses – net of cash acquired	**(144)**	(13)	(60)
Proceeds from sale of assets – net of cash sold	**50**	251	148
Net decrease (increase) in short-term financial instruments	**40**	(39)	37
Forward exchange contract settlements	**508**	(285)	45
Other investing activities – net	**(31)**	34	48
Cash used for investing activities	**(1,610)**	(1,750)	(1,345)
Financing activities			
Dividends paid to stockholders	**(1,496)**	(1,409)	(1,378)
Net (decrease) increase in short-term (less than 90 days) borrowings	**(891)**	1,117	(263)
Long-term and other borrowings:			
Receipts	**3,527**	1,998	2,611
Payments	**(547)**	(3,458)	(3,139)
Repurchase of common stock	**-**	(1,695)	(280)
Proceeds from exercise of stock options	**94**	445	148
Proceeds from termination of interest rate swap	**226**	-	-
Other financing activities – net	**(35)**	(67)	(22)
Cash provided by (used for) financing activities	**878**	(3,069)	(2,323)
Effect of exchange rate changes on cash	**(57)**	20	10
Increase (decrease) in cash and cash equivalents	**2,340**	(509)	78
Cash and cash equivalents at beginning of year	**1,305**	1,814	1,736
Cash and cash equivalents at end of year	**$ 3,645**	$ 1,305	$ 1,814
Supplemental cash flow information:			
Cash paid during the year for			
Interest, net of amounts capitalized	**$ 336**	$ 527	$ 295
Taxes	**609**	795	899

See Notes to the Consolidated Financial Statements beginning on page F-8.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company follows generally accepted accounting principles in the United States of America (GAAP). The significant accounting policies described below, together with the other notes that follow, are an integral part of the Consolidated Financial Statements.

Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

The Consolidated Financial Statements include the accounts of the company, subsidiaries in which a controlling interest is maintained and variable interest entities (VIE) for which DuPont is the primary beneficiary. For those consolidated subsidiaries in which the company's ownership is less than 100 percent, the outside stockholders' interests are shown as minority interests. Investments in affiliates over which the company has significant influence but not a controlling interest are carried on the equity basis. This includes majority-owned entities for which the company does not consolidate because a minority investor holds substantive participating rights. Investments in affiliates over which the company does not have significant influence are accounted for by the cost method or as available-for-sale securities. Gains or losses arising from issuances by an affiliate or a subsidiary of its own stock are recorded as non-operating items.

Revenue Recognition

The company recognizes revenue when the earnings process is complete. The company's revenues are from the sale of a wide range of products to a diversified base of customers around the world. Revenue for product sales is recognized upon delivery, when title and risk of loss have been transferred, collectibility is reasonably assured and pricing is fixed or determinable. Substantially all product sales are sold FOB (free on board) shipping point or, with respect to non-U.S. customers, an equivalent basis. Accruals are made for sales returns and other allowances based on the company's experience. The company accounts for cash sales incentives as a reduction in sales and noncash sales incentives as a charge to cost of goods sold or selling expense, depending on the nature of the incentive. Amounts billed to customers for shipping and handling fees are included in net sales and costs incurred by the company for the delivery of goods are classified as cost of goods sold and other operating charges in the Consolidated Income Statements. Taxes on revenue-producing transactions are excluded from net sales.

The company periodically enters into prepayment contracts with customers in the Agriculture & Nutrition segment and receives advance payments for product to be delivered in future periods. These advance payments are recorded as deferred revenue and are included in other accrued liabilities on the Consolidated Balance Sheets. Revenue associated with advance payments is recognized as shipments are made and title, ownership and risk of loss pass to the customer.

Licensing and royalty income is recognized in accordance with agreed upon terms, when performance obligations are satisfied, the amount is fixed or determinable and collectibility is reasonably assured.

Cash and Cash Equivalents

Cash equivalents represent investments with maturities of three months or less from time of purchase. They are carried at cost plus accrued interest, which approximates fair value because of the short-term maturity of these instruments.

Investments in Securities

Marketable securities represent investments in fixed and floating rate financial instruments with maturities greater than three months and up to twelve months at time of purchase. They are classified as held-to-maturity and recorded at amortized cost.

Other assets include long-term investments in securities, which comprise investments for which market values are not readily available (cost investments) and available-for-sale securities that are reported at fair value (see Note 13).

Inventories
The majority of the company's inventories are valued at cost, as determined by the last-in, first-out (LIFO) method; in the aggregate, such valuations are not in excess of market. Seed inventories are valued at the lower of cost, as determined by the first-in, first-out (FIFO) method, or market.

Elements of cost in inventories include raw materials, direct labor and manufacturing overhead. Stores and supplies are valued at cost or market, whichever is lower; cost is generally determined by the average cost method.

Property, Plant and Equipment
Property, plant and equipment (PP&E) is carried at cost and is depreciated using the straight-line method. PP&E placed in service prior to 1995 is depreciated under the sum-of-the-years' digits method or other substantially similar methods. Substantially all equipment and buildings are depreciated over useful lives ranging from 15 to 25 years. Capitalizable costs associated with computer software for internal use are amortized on a straight-line basis over 5 to 7 years. When assets are surrendered, retired, sold or otherwise disposed of, their gross carrying values and related accumulated depreciation are removed from the accounts and included in determining gain or loss on such disposals.

Maintenance and repairs are charged to operations; replacements and improvements are capitalized.

Goodwill and Other Intangible Assets
Goodwill and indefinite-lived intangible assets are tested for impairment at least annually; however, these tests are performed more frequently when events or changes in circumstances indicate the carrying value may not be recoverable. The company's fair value methodology is based on quoted market prices, if available. If quoted market prices are not available, an estimate of fair market value is made based on prices of similar assets or other valuation methodologies including present value techniques. Impairment losses are included in cost of goods sold and other operating charges.

Definite-lived intangible assets, such as purchased and licensed technology, patents and customer lists are amortized over their estimated useful lives, generally for periods ranging from 5 to 20 years. The company continually evaluates the reasonableness of the useful lives of these assets. Once these assets are fully amortized, they are removed from the Consolidated Balance Sheets.

Impairment of Long-Lived Assets
The company evaluates the carrying value of long-lived assets to be held and used when events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value of a long-lived asset is considered impaired when the total projected undiscounted cash flows from the asset are separately identifiable and are less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. The company's fair value methodology is based on quoted market prices, if available. If quoted market prices are not available, an estimate of fair market value is made based on prices of similar assets or other valuation methodologies including present value techniques. Long-lived assets to be disposed of other than by sale are classified as held for use until their disposal. Long-lived assets to be disposed by sale are classified as held for sale and are reported at the lower of carrying amount or fair market value less cost to sell and depreciation is discontinued.

Research and Development
Research and development costs are expensed as incurred.

Environmental
Accruals for environmental matters are recorded in operating expenses when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Accrued liabilities do not include claims against third parties and are not discounted.

Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property or reduce or prevent contamination from future operations, in which case, they are capitalized.

Asset Retirement Obligations
The company records asset retirement obligations at fair value at the time the liability is incurred. Accretion expense is recognized as an operating expense using the credit-adjusted risk-free interest rate in effect when the liability was recognized. The associated asset retirement obligations are capitalized as part of the carrying amount of the long-lived asset and depreciated over the estimated remaining useful life of the asset, generally for periods ranging from 1 to 20 years.

Litigation
The company accrues for liabilities related to litigation matters when the information available indicates that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Legal costs such as outside counsel fees and expenses are charged to expense in the period incurred.

Insurance/Self-Insurance
The company self-insures certain risks where permitted by law or regulation, including workers' compensation, vehicle liability and employee related benefits. Liabilities associated with these risks are estimated in part by considering historical claims experience, demographic factors and other actuarial assumptions. For other risks, the company uses a combination of insurance and self-insurance, reflecting comprehensive reviews of relevant risks.

Income Taxes
The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax bases of the company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Provision has been made for income taxes on unremitted earnings of subsidiaries and affiliates, except for subsidiaries in which earnings are deemed to be permanently invested. Investment tax credits or grants are accounted for in the period earned (the flow-through method). Interest accrued related to unrecognized tax benefits is included in miscellaneous income and expenses, net, under other income, net. Income tax related penalties are included in the provision for income taxes. It is reasonably possible that changes from future completed tax examinations could be significant when compared to the company's global unrecognized tax benefits, however, due to the uncertainty regarding the timing of completion of these audits and the possible outcomes, a current estimate of the range of increase or decrease that may occur within the next twelve months cannot be made.

Foreign Currency Translation
The U.S. dollar (USD) is the functional currency of most of the company's worldwide operations. For subsidiaries where the USD is the functional currency, all foreign currency asset and liability amounts are remeasured into USD at end-of-period exchange rates, except for inventories, prepaid expenses, property, plant and equipment, goodwill and other intangible assets, which are remeasured at historical rates. Foreign currency income and expenses are remeasured at average exchange rates in effect during the year, except for expenses related to balance sheet amounts remeasured at historical exchange rates. Exchange gains and losses arising from remeasurement of foreign currency-denominated monetary assets and liabilities are included in income in the period in which they occur.

For subsidiaries where the local currency is the functional currency, assets and liabilities denominated in local currencies are translated into USD at end-of-period exchange rates and the resultant translation adjustments are reported, net of their related tax effects, as a component of accumulated other comprehensive income (loss) in stockholders' equity. Assets and liabilities denominated in other than the local currency are remeasured into the local currency prior to translation into USD and the resultant exchange gains or losses are included in income in the period in which they occur. Income and expenses are translated into USD at average exchange rates in effect during the period.

Variable Interest Entities (VIEs)
The company consolidates VIEs where DuPont is considered the primary beneficiary. At December 31, 2008, the assets, liabilities and operations of these entities are not material to the Consolidated Financial Statements of the company.

The company is also involved with other entities that are VIEs for which the company is not currently the primary beneficiary. Future events may require these VIEs to be consolidated if the company becomes the primary beneficiary. At December 31, 2008, the assets and liabilities of the other VIEs are not material to the Consolidated Financial Statements of the company. The company's share of the net income (loss) of these VIEs is included in other income, net, in the Consolidated Income Statements and is not material.

Hedging and Trading Activities
Derivative instruments are reported on the Consolidated Balance Sheets at their fair values. For derivative instruments designated as fair value hedges, changes in the fair values of the derivative instruments will generally be offset on the income statement by changes in the fair value of the hedged items. For derivative instruments designated as cash flow hedges, the effective portion of any hedge is reported in accumulated other comprehensive income (loss) until it is cleared to earnings during the same period in which the hedged item affects earnings. The ineffective portion of all hedges is recognized in current period earnings. Changes in the fair values of derivative instruments that are not designated as hedges are recorded in current period earnings.

In the event that a derivative designated as a hedge of a firm commitment or an anticipated transaction is terminated prior to the maturation of the hedged transaction, gains or losses realized at termination are deferred and included in the measurement of the hedged transaction. If a hedged transaction matures, or is sold, extinguished, or terminated prior to the maturity of a derivative designated as a hedge of such transaction, gains or losses associated with the derivative through the date the transaction matured are included in the measurement of the hedged transaction and the derivative is reclassified as for trading purposes. Derivatives designated as a hedge of an anticipated transaction are reclassified as for trading purposes if the anticipated transaction is no longer likely to occur.

Cash flows from derivative instruments accounted for as either fair value hedges or cash flow hedges are reported in the same category as the cash flows from the items being hedged. Cash flows from all other derivative instruments are generally reported as investing activities in the Consolidated Statements of Cash Flows. See Note 23 for additional discussion regarding the company's objectives and strategies for derivative instruments.

Reclassifications
Certain reclassifications of prior years' data have been made to conform to 2008 classifications.

Accounting Standards Issued Not Yet Adopted
In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141 (revised 2007) "Business Combinations" (SFAS 141R) which replaces SFAS No. 141. SFAS 141R addresses the recognition and measurement of identifiable assets acquired, liabilities assumed, and non-controlling interests in business combinations. SFAS 141R also requires disclosure that enables users of the financial statements to better evaluate the nature and financial effect of business combinations. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141R will be adopted by the company on January 1, 2009. The company does not believe that at the time of adoption SFAS 141R will have a material impact on its Consolidated Financial Statements. This standard requires significantly different accounting treatment for

business combinations than current requirements. Thus, accounting for potential future business combinations after adoption may produce a significantly different result and financial statement impact than under current standards.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of Accounting Research Bulletin No. 51" (SFAS 160) which changes the accounting and reporting for minority interests and for the deconsolidation of a subsidiary. It also clarifies that a third-party, non-controlling interest in a consolidated subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 also requires disclosure that clearly identifies and distinguishes between the interests of the parent and the interests of the non-controlling owners. SFAS 160 is effective for fiscal years beginning after December 15, 2008. SFAS 160 will be adopted by the company on January 1, 2009. The company does not believe that at the time of adoption SFAS 160 will have a material impact on its Consolidated Financial Statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161). Effective for fiscal years and interim periods beginning after November 15, 2008, the new standard requires enhanced disclosures about derivative and hedging activities that are intended to better convey the purpose of derivative use and the risks managed. SFAS 161 will not affect the company's financial position or results of operations. The new standard solely affects the disclosure of information.

In December 2008, FASB issued FASB Staff Position (FSP) FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets," which is effective for fiscal years ending after December 15, 2009. The new standard expands disclosures for assets held by employer pension and other postretirement benefit plans. FSP FAS 132(R)-1 will not affect the company's financial position or results of operations. The new standard solely affects the disclosure of information.

2. IMPLEMENTATION OF FASB STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 157 "FAIR VALUE MEASUREMENTS" (SFAS 157)

Effective January 1, 2008, the company prospectively implemented the provisions of SFAS 157 for financial assets and financial liabilities reported or disclosed at fair value. As permitted by FASB Staff Position No. FAS 157-2, the company elected to defer implementation of the provisions of SFAS 157 for non-financial assets and non-financial liabilities until January 1, 2009, except for non-financial items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually).

The company uses the following valuation techniques to measure fair value for its financial assets and financial liabilities:

Level 1 – Quoted market prices in active markets for identical assets or liabilities

Level 2 – Significant other observable inputs (e.g. quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs)

At December 31, 2008, the following financial assets and financial liabilities were measured at fair value on a recurring basis using the type of inputs shown:

Financial assets

	December 31, 2008	Fair Value Measurements at December 31, 2008 Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Derivatives	**$ 96**	$ -	$96	$ -
Available-for-sale securities	**22**	22	-	-
	$118	$22	$96	$ -

Financial liabilities

	December 31, 2008	Fair Value Measurements at December 31, 2008 Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Derivatives	**$563**	$ -	$563	$ -

3. OTHER INCOME, NET

	2008	2007	2006
Cozaar®/Hyzaar® licensing income	**$1,019**	$ 943	$ 815
Royalty income	**111**	125	120
Interest income	**138**	154	129
Equity in earnings (losses) of affiliates (Note 12)	**81**	(130)	50
Net gains on sales of assets	**40**	126	78
Net exchange (losses) gains[1]	**(219)**	(65)	16
Miscellaneous income and expenses, net [2]	**137**	122	353
	$1,307	$1,275	$1,561

[1] The company routinely uses foreign currency exchange contracts to offset its net exposures, by currency, related to the foreign currency-denominated monetary assets and liabilities. 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 on net monetary asset positions. The net pre-tax exchange gains and losses are partially offset by the associated tax impact.

[2] Miscellaneous income and expenses, net, includes interest items, insurance recoveries, litigation settlements, and other items.

4. INTEREST EXPENSE

	2008	2007	2006
Interest incurred	**$425**	$475	$497
Interest capitalized	**(49)**	(45)	(37)
	$376	$430	$460

5. RESTRUCTURING ACTIVITIES

During 2008, the company initiated a global restructuring program described below. Employee separation payments, net of exchange impact, of $47 associated with 2006 restructuring activities were made in 2008. At December 31, 2008, total liabilities relating to current and prior restructuring activities were $345.

2008 Activities
In response to the challenging economic environment, the company initiated a global restructuring program during 2008 to reduce costs and improve profitability across its businesses. The program includes the elimination of approximately 2,500 positions principally located in Western Europe and the United States of America (U.S.) primarily supporting the motor vehicle and construction markets. As a result, a charge of $535 was recorded in cost of goods sold and other operating charges. This charge includes $287 related to employee severance costs and $248 of asset-related charges, including $111 for asset shut-downs, $119 for asset impairments and $18 of other non-personnel charges.

The 2008 program charge reduced the 2008 segment earnings as follows: Agriculture & Nutrition – $18; Coatings & Color Technologies – $236; Electronic & Communication Technologies – $55; Performance Materials – $94; Safety & Protection – $101; and Other – $31.

Essentially all employee terminations related to this program will begin in the first quarter of 2009. The program is estimated to be substantially completed in 2010. There were no cash payments related to this program in 2008.

Account balances and activity for the 2008 restructuring program are summarized below:

	Asset - Related	Employee Separation Costs	Other Non-personnel Charges	Total
Net charges to income in 2008	**$ 230**	$287	$18	$ 535
Charges to accounts				
Asset write-offs	**(230)**	-	(2)	(232)
Net Translation Adjustment	**-**	19	1	20
Other	**-**	3	-	3
Balance at December 31, 2008	**$ -**	$309	$17	$ 326

2007 Activities
During 2007, the company did not institute any significant restructuring programs. In 2007, employee separation payments, net of exchange impact, of $77 associated with 2006 restructuring activities were made.

2006 Activities
During 2006, the company initiated restructuring actions within its Agriculture & Nutrition and Coatings & Color Technologies segments to improve the company's global competitiveness. As a result, a net charge of $326 was recorded in cost of goods sold and other operating charges for employee separation and asset write-downs. Further details are discussed below.

Agriculture & Nutrition
During the fourth quarter 2006, the Agriculture & Nutrition segment launched plans to redeploy capital and resources within various segments of the business. The plans included the closing or streamlining of manufacturing units at about twelve sites and the reduction of approximately 1,500 positions globally. Restructuring charges resulting from the plans totaled $194, $72 of which are reflected within Performance Materials segment results following the realignment of certain businesses in 2007. The global program included $64 for severance payments and $130 principally for asset impairments, primarily related to definite-lived intangible assets whose remaining useful lives were reduced, abandoned technology and other non-personnel charges. As of December 31, 2008, 1,300 employees were separated from the company and 200 were redeployed. Essentially all employees have been separated from the company as of December 31, 2008. Cash payments related to these separations were approximately $20 in 2008, $25 in 2007 and $4 in 2006.

Coatings & Color Technologies
A business transformation plan was instituted during the first quarter 2006 within the Coatings & Color Technologies segment to better serve the company's customers and improve profitability. The plan included the elimination of

approximately 1,700 positions. Restructuring charges resulting from the plan totaled $135, including $123 related to severance payments primarily in Europe and the U.S. for approximately 1,300 employees involved in manufacturing, marketing, administrative and technical activities. In connection with this program, a $12 charge was also recorded related to exit costs of non-strategic assets. As of December 31, 2008, all positions identified as a part of the company's 2006 program have been separated from the company. This consisted of 1,200 separations and 450 individuals redeployed. Cash payments related to these separations were approximately $27 in 2008, $52 in 2007 and $28 in 2006.

Account balances and activity for the 2006 restructuring programs are summarized below:

	Write-down of Assets	Employee Separation Costs	Total
Net charges to income in 2006	**$ 142**	$184	$ 326
Charges to accounts			
Employee separation payments	**-**	(32)	(32)
Asset write-offs	**(142)**	-	(142)
Balance at December 31, 2006	**$ -**	$152	$ 152
Employee separation payments	**-**	(77)	(77)
Net charges (credits) to income	**5**	(5)	-
Asset write-offs	**(5)**	-	(5)
Balance at December 31, 2007	**$ -**	$ 70	$ 70
Employee separation payments	**-**	(47)	(47)
Net charges (credits) to income	**-**	(9)	(9)
Other	**-**	(3)	(3)
Balance at December 31, 2008	**$ -**	$ 11	$ 11

6. PROVISION FOR INCOME TAXES

	2008	2007	2006
Current tax expense (benefit):			
U.S. federal	**$ 14**	$ 372	$ 505
U.S. state and local	**(3)**	10	(1)
International	**327**	335	307
	338	717	811
Deferred tax expense (benefit):			
U.S. federal	**210**	92	(297)
U.S. state and local	**-**	(21)	(18)
International	**(167)**	(40)	(300)
	43	31	(615)
Provision for income taxes	**$ 381**	$ 748	$ 196
Stockholders' equity:			
Stock compensation [1]	**(3)**	(25)	(2)
Net revaluation and clearance of cash flow hedges to earnings [2]	**(113)**	15	9
Net unrealized (losses) gains on securities [2]	**(5)**	2	3
Minimum pension liability [2]	**-**	-	248
Pension benefits			
Net losses [3]	**(2,209)**	383	(1,048)
Prior service cost [3]	**5**	5	(51)
Other benefits			
Net losses [3]	**(113)**	223	(391)
Net prior service benefit [3]	**(38)**	(55)	447
	$(2,095)	$1,296	$ (589)

[1] Represents deferred tax benefits for certain stock compensation amounts that are deductible for income tax purposes but do not affect net income.

[2] Represents deferred tax charges (benefits) recorded as a component of accumulated other comprehensive loss in stockholders' equity. See Note 20.

[3] On December 31, 2006, the company adopted prospectively SFAS 158 and as required, the company included in the ending balance of accumulated other comprehensive loss, taxes associated with the gains and losses and prior service costs and credits, that pursuant to SFAS No. 87 and 106 prior to amendment by SFAS 158 had not been recognized as components of net periodic benefit cost. The 2008 tax benefit primarily resulted from the actuarial loss recorded in other comprehensive income as part of the annual defined benefit pension re-measurement.

Deferred income taxes result from temporary differences between the financial and tax basis of the company's assets and liabilities. The tax effects of temporary differences and tax loss/tax credit carryforwards/backs included in the deferred income tax provision are as follows:

	2008	2007	2006
Depreciation	**$ 16**	$ (6)	$ (12)
Accrued employee benefits	**270**	30	(125)
Other accrued expenses	**(20)**	41	(329)
Inventories	**17**	(7)	(52)
Unrealized exchange (loss)	**(15)**	(38)	(62)
Investment in subsidiaries and affiliates	**(20)**	(18)	7
Amortization of intangibles	**(54)**	(18)	(14)
Other temporary differences	**(81)**	29	92
Tax loss/tax credit carryforwards/backs	**(21)**	(22)	65
Valuation allowance – net	**(49)**	40	(185)
	$ 43	$ 31	$(615)

The significant components of deferred tax assets and liabilities at December 31, 2008 and 2007, are as follows:

	2008		2007	
	Asset	Liability	Asset	Liability
Depreciation	**$ -**	**$1,407**	$ -	$1,392
Accrued employee benefits [1]	**3,645**	**21**	1,469	196
Other accrued expenses	**1,270**	**462**	1,225	656
Inventories	**241**	**141**	238	121
Unrealized exchange gains	**4**	**-**	81	-
Tax loss/tax credit carryforwards/backs	**2,745**	**-**	2,830	-
Investment in subsidiaries and affiliates	**24**	**246**	38	338
Amortization of intangibles	**82**	**588**	92	643
Other	**206**	**84**	201	128
	$ 8,217	**$2,949**	$ 6,174	$3,474
Valuation allowance	**(1,693)**		(1,424)	
	$ 6,524		$ 4,750	

[1] The increase in the deferred tax asset is primarily a result of the actuarial loss recorded in other comprehensive income as part of the annual defined benefit pension re-measurement.

Current deferred tax assets of $643 and $564 at December 31, 2008 and 2007, respectively, are included in the caption income taxes within current assets of the Consolidated Balance Sheets. In addition, deferred tax assets of $3,087 and $1,523 are included in other assets at December 31, 2008 and 2007, respectively. See Note 13. Deferred tax liabilities of $15 and $9 at December 31, 2008 and 2007, respectively, are included in the caption income taxes within current liabilities of the Consolidated Balance Sheets.

An analysis of the company's effective income tax rate (EITR) follows:

	2008	2007	2006
Statutory U.S. federal income tax rate	**35.0%**	35.0%	35.0%
Exchange gains/losses [1]	**(0.2)**	(0.9)	0.6
Domestic operations	**(2.8)**	(3.2)	0.1
Lower effective tax rates on international operations-net	**(14.3)**	(7.5)	(12.4)
Tax settlements	**(1.8)**	(3.4)	(10.4)
Lower effective tax rate on export sales	**-**	-	(0.8)
The American Jobs Creation Act of 2004 (AJCA) [2]	**-**	-	(0.6)
Valuation allowance release	**-**	-	(5.6)
	15.9%	20.0%	5.9%

[1] Principally reflects the benefit of non-taxable exchange gains resulting from remeasurement of foreign currency denominated monetary assets and liabilities. Further information about the company's foreign currency hedging program is included in Note 23 under the heading Currency Risk.

[2] Reflects the tax impact associated with the 2005 repatriation of $9.1 billion under the AJCA.

Income before income taxes and minority interests shown below is based on the location of the corporate unit to which such earnings are attributable. However, since such earnings are often subject to taxation in more than one country, coupled with the impact of exchange gains/losses, the income tax provision shown above as U.S. or international does not correspond to the earnings shown in the following table:

	2008	2007	2006
United States (including exports)	**$ 992**	$1,652	$1,947
International	**1,399**	2,091	1,382
	$2,391	$3,743	$3,329

Under the tax laws of various jurisdictions in which the company operates, deductions or credits that cannot be fully utilized for tax purposes during the current year may be carried forward or back, subject to statutory limitations, to reduce taxable income or taxes payable in future or prior years. At December 31, 2008, the tax effect of such carryforwards/backs, net of valuation allowance approximated $1,397. Of this amount, $1,205 has no expiration date, $27 expires after 2008 but before the end of 2013 and $165 expires after 2013.

At December 31, 2008, unremitted earnings of subsidiaries outside the U.S. totaling $10,101 were deemed to be permanently reinvested. No deferred tax liability has been recognized with regard to the remittance of such earnings. It is not practical to estimate the income tax liability that might be incurred if such earnings were remitted to the U.S.

Each year the company files hundreds of tax returns in the various national, state and local income taxing jurisdictions in which it operates. These tax returns are subject to examination and possible challenge by the taxing authorities. Positions challenged by the taxing authorities may be settled or appealed by the company. As a result, there is an uncertainty in income taxes recognized in the company's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes" (SFAS 109) and FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). Effective January 1, 2007, the company adopted FIN 48 which clarifies the application of SFAS 109 by defining criteria that an individual income tax position must meet for any part of the benefit of that position to be recognized in an enterprise's financial statements and provides guidance on measurement, derecognition, classification, accounting for interest in penalties, accounting in interim periods, disclosure and transition.

The company and/or its subsidiaries files income tax returns in the U.S. federal jurisdiction, and various states and non-U.S. jurisdictions. With few exceptions, the company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 1999. It is reasonably possible that changes to the company's global unrecognized tax benefits could be significant, however due to the uncertainty regarding the timing of completion of audits and possible outcomes, a current estimate of the range of increases or decreases that

may occur within the next twelve months cannot be made. A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	2008	2007
Total Unrecognized Tax Benefits as of January 1	**$ 825**	$1,070
Gross amounts of decreases in unrecognized tax benefits as a result of tax positions taken during the prior period	**(49)**	(173)
Gross amounts of increases in unrecognized tax benefits as a result of tax positions taken during the prior period	**51**	34
Gross amounts of increases in unrecognized tax benefits as a result of tax positions taken during the current period	**59**	77
Amount of decreases in the unrecognized tax benefits relating to settlements with taxing authorities	**(157)**	(209)
Reduction to unrecognized tax benefits as a result of a lapse of the applicable statue of limitations	**(14)**	(16)
Exchange gain/(loss)	**(38)**	42
Total Unrecognized Tax Benefits as of December 31	**$ 677**	$ 825
Total unrecognized tax benefits that, if recognized, would impact the effective tax rate	**$ 467**	$ 443
Total amount of interest and penalties recognized in the Consolidated Income Statement	**$ 7**	$ 25
Total amount of interest and penalties recognized in the Consolidated Balance Sheet	**$ 115**	$ 114

7. EARNINGS PER SHARE OF COMMON STOCK

Set forth below is a reconciliation of the numerator and denominator for basic and diluted earnings per share calculations for the periods indicated:

	2008	2007	2006
Numerator:			
Net income	**$ 2,007**	$ 2,988	$ 3,148
Preferred dividends	**(10)**	(10)	(10)
Net income available to common stockholders	**$ 1,997**	$ 2,978	$ 3,138
Denominator:			
Weighted-average number of common shares outstanding – Basic	**902,415,000**	917,132,000	921,474,000
Dilutive effect of the company's employee compensation plans and accelerated share repurchase agreement	**4,956,000**	8,270,000	7,127,000
Weighted average number of common shares outstanding – Diluted	**907,371,000**	925,402,000	928,601,000

The weighted-average number of common shares outstanding in 2008 declined as a result of the company's 2007 repurchase and retirement of its common stock in connection with its $5 billion share buyback plan, which was authorized by the Board of Directors in October 2005. See Note 20 for further information.

The following average number of stock options are antidilutive and therefore, are not included in the diluted earnings per share calculation:

	2008	2007	2006
Average number of stock options	**40,831,000**	23,252,000	63,294,000

The 17 million increase in the average number of stock options that were antidilutive in 2008 compared to 2007 was primarily due to the decrease in the company's average stock price. The 40 million decrease in the average number of stock options that were antidilutive in 2007 compared to 2006 was primarily due to the increase in the company's average stock price. Additionally, there were 12.8 million stock options that expired unexercised and were cancelled in January 2007, which were included in the average number of stock options that were antidilutive in 2006.

8. ACCOUNTS AND NOTES RECEIVABLE

December 31,	2008	2007
Accounts and notes receivable-trade, net of allowances of $238 in 2008 and $261 in 2007	**$3,838**	$4,649
Other [1]	**1,302**	1,034
	$5,140	$5,683

1 Other includes receivables in relation to Cozaar®/Hyzaar® interests, fair value of derivative instruments, value added tax, general sales tax and other taxes.

Accounts and notes receivable are carried at amounts that approximate fair value and include amounts due from equity affiliates of $28 for 2008, and $27 for 2007.

9. INVENTORIES

December 31,	2008	2007
Finished products	**$3,156**	$3,043
Semifinished products	**2,234**	1,865
Raw materials, stores and supplies	**1,199**	1,000
	6,589	5,908
Adjustment of inventories to a LIFO basis	**(908)**	(630)
	$5,681	$5,278

Inventory values, before LIFO adjustment, are generally determined by the average cost method, which approximates current cost. Excluding seeds, stores and supplies, inventories valued under the LIFO method comprised 79 percent and 80 percent of consolidated inventories before LIFO adjustment for the periods ended December 31, 2008 and 2007, respectively. Seed inventories of $1,984 and $1,369 at December 31, 2008 and 2007, respectively, were valued under the FIFO method. Stores and supplies inventories of $268 and $259 at December 31, 2008 and 2007, respectively, were valued under the average cost method.

10. PROPERTY, PLANT AND EQUIPMENT

December 31,	2008	2007
Buildings	**$ 4,284**	$ 4,111
Equipment	**21,783**	20,537
Land	**484**	426
Construction	**1,403**	1,519
	$27,954	$26,593

Property, plant and equipment includes gross assets acquired under capital leases of $54 and $55 at December 31, 2008 and 2007, respectively. Related amounts included in accumulated depreciation were $35 and $33 at December 31, 2008 and 2007.

11. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The following table summarizes changes in the carrying amount of goodwill for the year ended December 31, 2008, by reportable segment:

	Balance as of December 31, 2008	Goodwill Adjustments and Acquisitions	Balance as of December 31, 2007
Agriculture & Nutrition	**$ 466**	$ 5	$ 461
Coatings & Color Technologies	**821**	-	821
Electronic & Communication Technologies	**177**	-	177
Performance Materials	**421**	(1)	422
Safety & Protection	**250**	68	182
Other	**-**	(11)	11
Total	**$2,135**	$ 61	$2,074

Changes in goodwill in 2008 resulted from purchase accounting refinements and other acquisitions and divestitures. In 2008, the company performed impairment tests for goodwill and determined that no significant goodwill impairments existed.

Other Intangible Assets

The following table summarizes the gross carrying amounts and accumulated amortization of other intangible assets by major class:

	December 31, 2008			December 31, 2007		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization (Definite-lived)						
Purchased and licensed technology	**$2,420**	**$(1,356)**	**$1,064**	$2,410	$(1,142)	$1,268
Patents	**128**	**(45)**	**83**	155	(56)	99
Trademarks	**61**	**(19)**	**42**	53	(17)	36
Other [1]	**627**	**(260)**	**367**	536	(237)	299
	3,236	**(1,680)**	**1,556**	3,154	(1,452)	1,702
Intangible assets not subject to amortization (Indefinite-lived)						
Trademarks/tradenames	**179**	**-**	**179**	179	-	179
Pioneer germplasm [2]	**975**	**-**	**975**	975	-	975
	1,154	**-**	**1,154**	1,154	-	1,154
	$4,390	**$(1,680)**	**$2,710**	$4,308	$(1,452)	$2,856

[1] Primarily consists of sales and grower networks, customer lists, marketing and manufacturing alliances and noncompetition agreements.

[2] Pioneer germplasm is the pool of genetic source material and body of knowledge gained from the development and delivery stage of plant breeding. The company recognized germplasm as an intangible asset upon the acquisition of Pioneer. This intangible asset is expected to contribute to cash flows beyond the foreseeable future and there are no legal, regulatory, contractual, or other factors which limit its useful life. Prior to the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," the company amortized germplasm on a straight-line basis over a period of forty years, the maximum period previously allowed under generally accepted accounting principles.

The aggregate pre-tax amortization expense for definite-lived intangible assets was $275 for 2008, $213 for 2007, and $227 for 2006. The estimated aggregate pre-tax amortization expense for 2009, 2010, 2011, 2012 and 2013 is

$270, $210, $200, $180 and $160, respectively, including amounts that will be reported in cost of goods sold and other operating charges.

12. SUMMARIZED FINANCIAL INFORMATION FOR AFFILIATED COMPANIES

Summarized combined financial information for affiliated companies for which the equity method of accounting is used (see Note 1) is shown on a 100 percent basis. The most significant of these affiliates at December 31, 2008, are DuPont Teijin Films, DuPont-Toray Company Ltd. and DuPont-Mitsui, all of which are owned 50 percent by the company. Dividends received from equity affiliates were $87 in 2008, $88 in 2007 and $61 in 2006.

Results of operations	2008	2007	2006
Net sales [1]	**$3,064**	$3,414	$3,491
Earnings before income taxes	**281**	171	205
Net income	**190**	66	85
DuPont's equity in (losses) earnings of affiliates:			
Partnerships-pretax [2]	**(4)**	(19)	3
Corporate joint ventures-after tax	**85**	54	47
Write-down of investment [3]	**-**	(165)	-
	$ 81	$ (130)	$ 50

[1] Includes sales to DuPont of $390 in 2008, $496 in 2007, and $624 in 2006.

[2] Income taxes are reflected in the company's provision for income tax.

[3] Impairment charge of $165 to write down the company's investment in a polyester films joint venture in the Performance Materials segment. As a result, at December 31, 2007, DuPont ceased using the equity method of accounting for three legal entities within the joint venture.

Financial position at December 31,	2008	2007
Current assets	**$1,638**	$1,345
Noncurrent assets	**1,304**	1,325
Total assets	**2,942**	2,670
Short-term borrowings [1]	**496**	420
Other current liabilities	**797**	689
Long-term borrowings [1]	**93**	82
Other long-term liabilities	**143**	118
Total liabilities	**1,529**	1,309
DuPont's investment in affiliates (includes advances)	**$ 844**	$ 818

[1] The company's pro rata interest in total borrowings was $288 in 2008 and $246 in 2007, of which $25 in 2008 and $48 in 2007 were guaranteed by the company. These amounts are included in the guarantees disclosed in Note 19.

13. OTHER ASSETS

December 31,	2008	2007
Employee benefits – pension (Note 21)	**$ -**	$2,187
Long-term investments in securities	**93**	90
Deferred income taxes (Note 6)	**3,087**	1,523
Miscellaneous	**875**	563
	$4,055	$4,363

Included within long-term investments in securities are securities for which market values are not readily available (cost investments) and securities classified as available-for-sale. The company's cost investments totaled $71 and

$61 at December 31, 2008 and 2007, respectively. The company's available for sale securities totaled $22 and $29 at December 31, 2008 and 2007, respectively.

14. ACCOUNTS PAYABLE

December 31,	2008	2007
Trade payables	**$2,591**	$2,610
Payables to banks	**82**	113
Miscellaneous	**455**	449
	$3,128	$3,172

Trade payables includes $73 in 2008 and $34 for 2007 due to equity affiliates. Payables to banks represent checks issued on certain disbursement accounts but not presented to the banks for payment. The reported amounts shown above approximate fair value because of the short-term maturity of these obligations.

15. SHORT-TERM BORROWINGS AND CAPITAL LEASE OBLIGATIONS

December 31,	2008	2007
Commercial paper	**$ 275**	$1,198
Other loans-various currencies	**171**	148
Long-term debt payable within one year	**1,563**	21
Capital lease obligations	**3**	3
	$2,012	$1,370

The estimated fair value of the company's short-term borrowings, including interest rate financial instruments, based on quoted market prices for the same or similar issues, or on current rates offered to the company for debt of the same remaining maturities, was $2,000 and $1,400 at December 31, 2008 and 2007, respectively.

Unused bank credit lines were approximately $2,700 and $4,300 at December 31, 2008 and 2007, respectively. These lines are available to support short-term liquidity needs and general corporate purposes including letters of credit. Outstanding letters of credit were approximately $325 and $255 at December 31, 2008 and 2007, respectively. These letters of credit support commitments made in the ordinary course of business.

The weighted-average interest rate on short-term borrowings outstanding at December 31, 2008 and 2007 was 5.4 and 4.3 percent, respectively. The increase in interest rate for 2008 was due primarily to long-term debt maturing within one year.

16. OTHER ACCRUED LIABILITIES

December 31,	2008	2007
Compensation and other employee-related costs	**$ 841**	$ 905
Deferred revenue	**1,037**	981
Employee benefits (Note 21)	**459**	427
Discounts and rebates	**331**	394
Derivative Instruments	**487**	27
Miscellaneous	**1,305**	1,089
	$4,460	$3,823

Deferred revenue principally includes advance customer payments related to businesses within the Agriculture & Nutrition segment. Miscellaneous other accrued liabilities principally includes accrued plant and operating

expenses, accrued litigation costs, employee separation costs in connection with the company's restructuring programs, the estimated fair value of certain guarantees and accrued environmental remediation costs.

17. LONG-TERM BORROWINGS AND CAPITAL LEASE OBLIGATIONS

December 31,	2008	2007
U.S. dollar:		
Industrial development bonds due 2026, 2029 [1]	**$ 50**	$ 50
Medium-term notes due 2013 – 2041 [2]	**432**	457
5.75% notes due 2009 [3]	**200**	200
5.88% notes due 2009 [3]	**401**	404
6.88% notes due 2009 [3,4]	**894**	889
4.125% notes due 2010 [4]	**936**	914
4.75% notes due 2012	**400**	400
5.00% notes due 2013	**749**	748
5.00% notes due 2013	**743**	-
5.875% notes due 2014	**995**	-
4.875% notes due 2014	**497**	497
5.25% notes due 2016	**598**	598
6.00% notes due 2018 [5]	**1,463**	-
6.50% debentures due 2028	**299**	298
5.60% notes due 2036	**395**	395
Other loans (average interest rate of 3.9 percent) [3]	**24**	24
Foreign currency denominated loans:		
Euro loans (average interest rate of 3.2 percent) [3]	**4**	22
Other loans (various currencies) [3]	**114**	70
	9,194	5,966
Less short-term portion of long-term debt	**1,563**	21
	7,631	5,945
Capital lease obligations	**7**	10
Total	**$7,638**	$5,955

[1] Average interest rates on fixed rate industrial development bonds for December 31, 2008 and 2007, were 6.0 percent.

[2] Average interest rates on medium-term notes at December 31, 2008 and 2007, were 4.0 percent and 5.1 percent, respectively.

[3] Includes long-term debt due within one year.

[4] The company has outstanding interest rate swap agreements with notional amounts totaling $1,150. Over the remaining terms of the notes and debentures, the company will receive fixed payments equivalent to the underlying debt and pay floating payments based on USD LIBOR. The fair value of the swaps was an asset of $43 and $19 at December 31, 2008 and 2007, respectively.

[5] During 2008, the interest rate swap agreement associated with these notes was terminated. The gain will be amortized over the remaining life of the bond, resulting in an effective yield of 3.85 percent.

The increase in total debt for 2008 is mainly due to the issuance of $750 of 5.00% Senior Notes due 2013, $1,250 of 6.00% Senior Notes due 2018 and $1,000 of 5.875% Senior Notes due 2014.

Maturities of long-term borrowings are $936, $13, $400 and $1,758 for the years 2010, 2011, 2012 and 2013, respectively, and $4,524 thereafter.

The estimated fair value of the company's long-term borrowings, including interest rate financial instruments, based on quoted market prices for the same or similar issues or on current rates offered to the company for debt of the same remaining maturities was $7,700 and $6,000 at December 31, 2008 and 2007, respectively.

18. OTHER LIABILITIES

December 31,	2008	2007
Employee benefits:		
Accrued other long-term benefit costs (Note 21)	**$ 3,742**	$3,481
Accrued pension benefit costs (Note 21)	**5,168**	1,663
Accrued environmental remediation costs	**289**	273
Miscellaneous	**1,970**	1,838
	$11,169	$7,255

Miscellaneous includes asset retirement obligations, litigation accruals, tax contingencies, royalty payables and certain obligations related to divested businesses.

19. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees

Product Warranty Liability

The company warrants that its products meet standard specifications. The company's product warranty liability as of December 31, 2008 and 2007 was $24 and $23, respectively. Estimates for warranty costs are based on historical claims experience.

Indemnifications

In connection with acquisitions and divestitures, the company has indemnified respective parties against certain liabilities that may arise in connection with these transactions and business activities prior to the completion of the transaction. The term of these indemnifications, which typically pertain to environmental, tax and product liabilities, is generally indefinite. In addition, the company indemnifies its duly elected or appointed directors and officers to the fullest extent permitted by Delaware law, against liabilities incurred as a result of their activities for the company, such as adverse judgments relating to litigation matters. If the indemnified party were to incur a liability or have a liability increase as a result of a successful claim, pursuant to the terms of the indemnification, the company would be required to reimburse the indemnified party. The maximum amount of potential future payments is generally unlimited. The carrying amount recorded for all indemnifications as of December 31, 2008 and December 31, 2007 was $110 and $101, respectively. Although it is reasonably possible that future payments may exceed amounts accrued, due to the nature of indemnified items, it is not possible to make a reasonable estimate of the maximum potential loss or range of loss. No assets are held as collateral and no specific recourse provisions exist.

In connection with the 2004 sale of the majority of the net assets of Textiles and Interiors, the company indemnified the purchasers, subsidiaries of Koch Industries, Inc. (INVISTA), against certain liabilities primarily related to taxes, legal and environmental matters and other representations and warranties under the Purchase and Sale Agreement. The estimated fair value of the indemnity obligations under the Purchase and Sale Agreement was $70 and was included in the indemnifications balance of $110 at December 31, 2008. Under the Purchase and Sale Agreement, the company's total indemnification obligation for the majority of the representations and warranties cannot exceed $1,400. The other indemnities are not subject to this limit. In March 2008, INVISTA filed suit in the Southern District of New York alleging that certain representations and warranties in the Purchase and Sale Agreement were breached and, therefore, that DuPont is obligated to indemnify it. DuPont disagrees with the extent and value of INVISTA's claims. DuPont has not changed its estimate of its total indemnification obligation under the Purchase and Sale Agreement as a result of the lawsuit.

Obligations for Equity Affiliates & Others

The company has directly guaranteed various debt obligations under agreements with third parties related to equity affiliates, customers, suppliers and other affiliated and unaffiliated companies. At December 31, 2008, the company had directly guaranteed $605 of such obligations, and $121 relating to guarantees of historical obligations for divested subsidiaries. This represents the maximum potential amount of future (undiscounted) payments that the

company could be required to make under the guarantees. The company would be required to perform on these guarantees in the event of default by the guaranteed party.

The company assesses the payment/performance risk by assigning default rates based on the duration of the guarantees. These default rates are assigned based on the external credit rating of the counterparty or through internal credit analysis and historical default history for counterparties that do not have published credit ratings. For counterparties without an external rating or available credit history, the non-investment grade default rate is used.

At December 31, 2008 and December 31, 2007, a liability of $121 and $135, respectively, was recorded for these obligations, representing the amount of payment/performance risk for which the company deems probable. This liability is principally related to obligations of the company's polyester films joint venture, which are guaranteed by the company.

In certain cases, the company has recourse to assets held as collateral, as well as personal guarantees from customers and suppliers. Assuming liquidation, these assets are estimated to cover approximately 18 percent of the $300 of guaranteed obligations of customers and suppliers. Set forth below are the company's guaranteed obligations at December 31, 2008:

	Short-Term	Long-Term	Total
Obligations for customers, suppliers and other affiliated and unaffiliated companies [1, 2]:			
Bank borrowings (terms up to 5 years)	$336	$226	$562
Leases on equipment and facilities (terms less than 1 year)	18	-	18
Obligations for equity affiliates [2]:			
Bank borrowings (terms up to 4 years)	-	22	22
Leases on equipment and facilities (terms up to 2 years)	-	3	3
Total obligations for customers, suppliers, other affiliated and unaffiliated companies and equity affiliates	354	251	605
Obligations for divested subsidiaries [3]:			
Conoco (terms up to 18 years)	2	16	18
Consolidation Coal Sales Company (terms from 2 to 3 years)	-	103	103
Total obligations for divested subsidiaries	2	119	121
	$356	$370	$726

1 Existing guarantees for customers, suppliers and other unaffiliated companies arose as part of contractual agreements.

2 Existing guarantees for equity affiliates and other affiliated companies arose for liquidity needs in normal operations.

3 The company has guaranteed certain obligations and liabilities of its divested subsidiaries Conoco and Consolidation Coal Sales Company. Conoco and Consolidation Coal Sales Company have indemnified the company for any liabilities the company may incur pursuant to these guarantees.

Operating Leases

The company uses various leased facilities and equipment in its operations. The terms for these leased assets vary depending on the lease agreement.

At December 31, 2008, the company has one master operating lease program relating to miscellaneous short-lived equipment with an unamortized value of approximately $106. Lease payments for these assets totaled $55 in 2008, $59 in 2007 and $58 in 2006, and were reported as operating expenses in the Consolidated Income Statements. The leases under this program are considered operating leases and accordingly the related assets and liabilities are not recorded on the Consolidated Balance Sheets. Furthermore, the lease payments associated with this program vary based on one month USD LIBOR. In November 2008, the lessor notified the company that the program will terminate

by November 2009. Prior to that time, the company may either purchase the assets for their unamortized value or arrange for the sale of the assets and remit the proceeds to the lessor. If the assets are sold and the proceeds are less than the unamortized value, the company must pay to the lessor the difference between the proceeds and the unamortized value, up to the residual value guarantee, which totaled $92 at December 31, 2008.

Future minimum lease payments (including residual value guarantee amounts) under non-cancelable operating leases are $320, $193, $161, $134 and $104 for the years 2009, 2010, 2011, 2012 and 2013, respectively, and $162 for subsequent years and are not reduced by non-cancelable minimum sublease rentals due in the future in the amount of $10. Net rental expense under operating leases was $320 in 2008, $322 in 2007, and $282 in 2006.

Asset Retirement Obligations
The company has recorded asset retirement obligations primarily associated with closure, reclamation and removal costs for mining operations related to the production of titanium dioxide in Coatings & Color Technologies. The company's asset retirement obligation liabilities were $60 and $62 at December 31, 2008 and 2007, respectively.

Litigation
PFOA
Environmental Actions Involving the Washington Works Site and Surrounding Area
In November 2006, DuPont entered into an Order on Consent under the Safe Drinking Water Act (SDWA) with the U.S. Environmental Protection Agency (EPA) establishing a precautionary interim screening level for PFOA (collectively, perfluorooctanoic acids and its salts, including the ammonium salt) of 0.5 parts per billion (ppb) in drinking water sources in the area around the DuPont Washington Works site located in Parkersburg, West Virginia. As part of the Order on Consent, DuPont conducted surveys, sampling and analytical testing of certain area public and private water systems, and installed and is operating water treatment systems in the area.

In late 2005 DuPont and the EPA entered into a Memorandum of Understanding (EPA MOU) that required DuPont to monitor PFOA in the soil, air, water and biota around the Washington Works site. The data generated in the monitoring process is subject to a third party peer review. At December 31, 2008, DuPont has accruals of about $0.5 to fund its activities under the EPA MOU and Order on Consent.

EPA Administrative Complaints
In July and December 2004, the EPA filed administrative complaints against DuPont alleging that the company failed to comply with the technical reporting requirements of the Toxic Substances Control Act (TSCA) and the Resource Conservation and Recovery Act (RCRA) regarding PFOA. Under a 2005 agreement settling the matter, the company paid civil fines of $10.25 and will complete two Supplemental Environmental Projects at a total cost of $6.25.

Actions: Drinking Water
In August 2001, a class action, captioned Leach v. DuPont, was filed in West Virginia state court against DuPont and the Lubeck Public Service District. DuPont uses PFOA as a processing aid to manufacture fluoropolymer resins and dispersions at various sites around the world including its Washington Works plant in West Virginia. The complaint alleged that residents living near the Washington Works facility had suffered, or may suffer, deleterious health effects from exposure to PFOA in drinking water. The relief sought included damages for medical monitoring, diminution of property values and punitive damages plus injunctive relief to stop releases of PFOA. DuPont and attorneys for the class reached a settlement agreement in 2004 and as a result, the company established accruals of $108 in 2004. The agreement was approved by the Wood County Circuit Court on February 28, 2005 after a fairness hearing. The settlement binds a class of approximately 80,000 residents. As defined by the court, the class includes those individuals who have consumed, for at least one year, water containing 0.05 ppb or greater of PFOA from any of six designated public water sources or from sole source private wells.

In July 2005, the company paid the plaintiffs' attorneys' fees and expenses of $23 and made a payment of $70, which class counsel has designated to fund a community health project. The company is also funding a series of health studies by an independent science panel of experts in the communities exposed to PFOA to evaluate available scientific evidence on whether any probable link exists between exposure to PFOA and human disease. The company expects the independent science panel to complete these health studies between 2009 and year-end 2011

at a total estimated cost of $26, of which $5 was originally placed in an interest-bearing escrow account. In addition, the company is providing state-of-the art water treatment systems designed to reduce the level of PFOA in water to six area water districts, including the Little Hocking Water Association (LHWA), until the science panel determines that PFOA does not cause disease or until applicable water standards can be met without such treatment. All of the water treatment systems are operating. The estimated cost of constructing, operating and maintaining these systems is about $22 of which $10 was originally placed in an interest-bearing escrow account. At December 31, 2008, the accrual balance relating to the funding of the independent science panel health study and the water treatment systems was $16, including $9 in interest bearing escrow accounts.

The settlement resulted in the dismissal of all claims asserted in the lawsuit except for personal injury claims. If the independent science panel concludes that no probable link exists between exposure to PFOA and any diseases, then the settlement would also resolve personal injury claims. If it concludes that a probable link does exist between exposure to PFOA and any diseases, then DuPont would also fund up to $235 for a medical monitoring program to pay for such medical testing. In this event, plaintiffs would retain their right to pursue personal injury claims. All other claims in the lawsuit would remain dismissed by the settlement. DuPont believes that it is remote that the panel will find a probable link. Therefore, at December 31, 2008, the company had not established any accruals related to medical monitoring or personal injury claims. However, there can be no assurance as to what the independent science panel will conclude.

In June 2007, the LHWA notified DuPont that it intends to file suit under RCRA alleging “imminent and substantial endangerment to health and or the environment” based on detection of PFOA in its wells. DuPont denies any such endangerment exists and intends to vigorously defend itself if a lawsuit is filed.

In September 2007, LHWA refiled the suit it originally filed in Ohio state court and voluntarily dismissed in 2006. The suit claims that perfluorinated compounds, including PFOA, allegedly released from the Washington Works plant contaminated LHWA’s well fields and underlying aquifer. LHWA’s complaint seeks a variety of relief including compensatory and punitive damages, and an injunction requiring DuPont to provide a new “pristine” well field and the infrastructure to deliver it.

In the second quarter 2006, three purported class actions were filed alleging that drinking water had been contaminated by PFOA in excess of 0.05 ppb due to alleged releases from certain DuPont plants. One of these cases was filed in West Virginia state court on behalf of customers of the Parkersburg City Water District, but was removed on DuPont’s motion to the U.S. District Court for the Southern District of West Virginia. In September 2008, the U.S. District Court ruled that the case could not proceed as a class action. Plaintiffs’ appeal of the ruling was denied. The three plaintiffs have filed a case based on their individual claims. The other two purported class actions were filed in New Jersey. One was filed in federal court on behalf of individuals who allegedly drank water contaminated by releases from DuPont’s Chambers Works plant in Deepwater, New Jersey. The second was filed in state court on behalf of customers serviced primarily by the Pennsville Township Water Department and was removed to New Jersey federal district court on DuPont’s motion. The New Jersey cases have been combined for purposes of discovery and the complaints have been amended to allege that drinking water had been contaminated by PFOA in excess of 0.04 ppb. In December 2008, the court denied class action status in both cases, but ordered additional briefing on certain issues. The plaintiff in one of the cases is seeking leave from the Third Circuit Court of Appeals to appeal the denial. The company is defending itself vigorously against these lawsuits alleging contamination of drinking water sources.

While DuPont believes that it is reasonably possible that it could incur losses related to PFOA matters in addition to those matters discussed above for which it has established accruals, a range of such losses, if any, cannot be reasonably estimated at this time.

Consumer Products Class Actions

	Number of Cases
Balance at January 1, 2006	**15**
Filed	**7**
Resolved	**-**
Balance at December 31, 2006	**22**
Filed	**1**
Resolved	**-**
Balance at December 31, 2007	**23**
Filed	**-**
Resolved	**(1)**
Balance at December 31, 2008	**22**

As of December 31, 2008, twenty-two intrastate class actions are pending on behalf of consumers who have purchased cookware with Teflon® non-stick coating in federal district courts against DuPont. The actions were filed on behalf of consumers in California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Illinois, Indiana, Iowa, Kentucky, Massachusetts, Michigan, Missouri, New Jersey, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas and West Virginia. One of the two actions originally filed in California was dismissed in the second quarter 2008 for failure to prosecute. In December 2008, the federal district court for the Southern District of Iowa ruled that the cases could not proceed as a class action, but must be tried separately. Plaintiffs are seeking leave to appeal the ruling.

The actions allege that DuPont violated state laws by engaging in deceptive and unfair trade practices by failing "to disclose to consumers that products containing Teflon® were or are potentially harmful to consumers." The actions seek unspecified monetary damages for consumers who purchased cooking products containing Teflon®, as well as the creation of funds for medical monitoring and independent scientific research, attorneys' fees and other relief. In December 2005, a motion was filed by a single named plaintiff in the Superior Court for the Province of Quebec, Canada seeking authorization to institute a class action on behalf of all Quebec consumers who have purchased or used kitchen items, household appliances or food-packaging containing Teflon® or Zonyl® non-stick coatings. A ruling on this motion is expected from the Court in 2009. Damages are not quantified, but are alleged to include the cost of replacement products as well as one hundred dollars per class member as exemplary damages.

The company believes that the twenty-two class actions and the motion filed in Quebec are without merit and, therefore, believes it is remote that it will incur losses related to these actions. At December 31, 2008, the company had not established any accruals related to these matters.

Elastomers Antitrust Matters

Since 2002, the U.S., European Union (EU) and Canadian antitrust authorities have investigated the synthetic rubber markets for possible violations. These investigations included DuPont Dow Elastomers, LLC (DDE), as a result of its participation in the polychloroprene (PCP) and ethylene propylene diene monomer (EPDM) markets. DDE was a joint venture between The Dow Chemical Company (Dow) and DuPont.

In April 2004, DuPont and Dow entered into a series of agreements under which DuPont obtained complete control over directing DDE's response to these investigations and the related litigation and DuPont agreed to a disproportionate share of the venture's liabilities and costs related to these matters. Consequently, DuPont bears any potential liabilities and costs up to the initial $150. Dow is obligated to indemnify DuPont for up to $72.5 by paying 15 to 30 percent toward liabilities and costs in excess of $150. On June 30, 2005, DDE became a wholly owned subsidiary of DuPont and was renamed DuPont Performance Elastomers, LLC (DPE).

In July 2007, DPE pled guilty to conspiring to fix prices and paid a fine of CDN $4, approximately $3.8 USD, resolving all criminal antitrust allegations against it related to PCP in Canada.

In late March 2007, the EU antitrust authorities issued a Statement of Objections that made antitrust allegations regarding the PCP market against DPE, relating to the joint venture's activities, and DuPont, to which both responded. In December 2007, the EU antitrust authorities issued their decision, including the imposition of fines against DPE, Dow and DuPont totaling EURO 59.25. In February 2008, DuPont appealed the decision to the EU's Court of First Instance which has jurisdiction to review the findings and adjust the fine. It is very unlikely that the fine would be increased as a result of the review. In March 2008, the company provisionally paid the fine of EURO 59.25 ($90.9 USD); a portion of the payment may be refunded if the appeal is successful. While a decision on the February 2008 appeal has not been issued, the EU antitrust authorities revised the December 2007 decision by imposing an incremental fine on Dow of EURO 4.425 ($6.5 USD). Dow provisionally paid the incremental fine in the third quarter of 2008 which DuPont reimbursed under the agreements between the companies.

DDE resolved all criminal antitrust allegations against it related to PCP in the U.S. through a plea agreement with the Department of Justice (DOJ) in January 2005 which was approved by the court on March 29, 2005. The agreement requires the subsidiary to pay a fine of $84 which, at its election, is being paid in six equal, annual installments. The annual installment payments for 2005, 2006, 2007 and 2008 have been made. The agreement also requires the subsidiary to provide ongoing cooperation with the DOJ's investigation.

At December 31, 2008, the company has accruals of approximately $28 related to this matter and a receivable of $3.9 for the remaining amount that it expects to be reimbursed by Dow.

Benlate®

In 1991, DuPont began receiving claims by growers that use of Benlate® 50 DF fungicide had caused crop damage. DuPont has since been served with thousands of lawsuits, most of which have been disposed of through trial, dismissal or settlement. The status of Benlate® cases is indicated in the table below:

	Number of Cases
Balance at January 1, 2006	63
Filed	-
Resolved	(3)
Balance at December 31, 2006	60
Filed	2
Resolved	(48)
Balance at December 31, 2007	14
Filed	-
Resolved	(3)
Balance at December 31, 2008	**11**

At December 31, 2008, there were nine cases pending in Florida state court, involving allegations that Benlate® caused crop damage. Plaintiffs appealed the court's 2006 dismissal of one of the nine cases for failure to prosecute and the appellate court reinstated the case. Two of the nine cases, involving twenty-seven Costa Rican fern growers, were tried during the second quarter of 2006 resulting in a $56 judgment against the company, which was reduced to $24 on DuPont's motion. At trial, the plaintiffs sought damages in the range of $270 to $400. The plaintiffs and DuPont have appealed the verdict. DuPont believes that the appeal will be resolved in its favor and, therefore, has not established an accrual relating to the judgment.

In the remaining two cases pending in Florida, plaintiffs allege damage to shrimping operations. These cases had been decided in DuPont's favor, but in September 2007, the judge granted plaintiffs' motion for new trial thus reinstating the cases.

During the first half of 2008, three actions pending against the company were resolved. One case in which the plaintiffs sought to reopen settlements with the company and one health effects case were effectively dismissed. Plaintiffs failed in their effort to appeal a second reopener case that had been settled in part for $1.2.

The company does not believe that Benlate® caused the damages alleged in each of these cases and denies the allegations of fraud and misconduct. The company continues to defend itself in ongoing matters. As of December 31, 2008, the company has incurred costs and expenses of approximately $2,000 associated with these matters, but does not expect additional significant costs or expenses associated with the remaining 11 cases. The company has recovered approximately $275 of its costs and expenses through insurance and does not expect additional insurance recoveries, if any, to be significant. At December 31, 2008, the company does not have any remaining accruals related to Benlate®.

Spelter, West Virginia
In September 2006, a West Virginia state court certified a class action against DuPont that seeks relief including the provision of remediation services and property value diminution damages for 7,000 residential properties in the vicinity of a closed zinc smelter in Spelter, West Virginia. The action also seeks medical monitoring for an undetermined number of residents in the class area. The smelter was owned and operated by at least three companies between 1910 and 2001, including DuPont between 1928 and 1950. DuPont performed remedial measures at the request of the EPA in the late 1990s and in 2001 repurchased the site to facilitate and complete the remediation. The fall 2007 trial was conducted in four phases: liability, medical monitoring, property and punitive damages. The jury found against DuPont in all four phases awarding $55.5 for property remediation and $196.2 in punitive damages. In post trial motions, the court adopted the plaintiffs' forty-year medical monitoring plan estimated by plaintiffs to cost $130 and granted plaintiffs' attorneys legal fees of $127 plus $8 in expenses. In June 2008, DuPont filed its petitions for appeal with the West Virginia Supreme Court seeking review of a number of issues associated with the trial court's decisions before, during and after the trial. On September 25, 2008, the Court decided to accept the case and consider the parties' appeal on the merits. A decision on the appeal is not expected until the second half of 2009. Effective with DuPont posting a bond, the execution of judgment against the company is stayed pending final disposition of DuPont's appeal to the West Virginia Supreme Court of Appeals. As of December 31, 2008, the company had recorded accruals of $55, although given the uncertainties inherent in litigation, there can be no assurance as to the final outcome.

General
The company is subject to various lawsuits and claims arising out of the normal course of its business. These lawsuits and claims include actions based on alleged exposures to products, intellectual property and environmental matters and contract and antitrust claims. Management has noted a nationwide trend in purported class actions against chemical manufacturers generally seeking relief such as medical monitoring, property damages, off-site remediation and punitive damages arising from alleged environmental torts without claiming present personal injuries. Such cases may allege contamination from unregulated substances or remediated sites. Although it is not possible to predict the outcome of these various lawsuits and claims, management does not anticipate they will have a materially adverse effect on the company's consolidated financial position or liquidity. However, the ultimate liabilities may be significant to results of operations in the period recognized. The company accrues for contingencies when the information available indicates that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated.

Environmental
The company is also subject to contingencies pursuant to environmental laws and regulations that in the future may require the company to take further action to correct the effects on the environment of prior disposal practices or releases of chemical or petroleum substances by the company or other parties. The company accrues for environmental remediation activities consistent with the policy set forth in Note 1. Much of this liability results from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, often referred to as Superfund), the Resource Conservation and Recovery Act (RCRA) and similar state laws. These laws require the company to undertake certain investigative and remedial activities at sites where the company conducts or once conducted operations or at sites where company-generated waste was disposed. The accrual also includes estimated costs related to a number of sites identified by the company for which it is probable that environmental remediation will be required, but which are not currently the subject of CERCLA, RCRA or state enforcement activities.

Remediation activities vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, diverse regulatory agencies and enforcement policies, as well as the presence or absence of potentially responsible parties. At December 31, 2008 and 2007, the Consolidated Balance Sheets included a liability of $379 and $357, respectively, relating to these matters and, in management's opinion, is appropriate based on existing facts and circumstances. The average time frame, over which the accrued or presently unrecognized amounts may be paid, based on past history, is estimated to be 15-20 years. Considerable uncertainty exists with respect to these costs and, under adverse changes in circumstances, potential liability may range up to two to three times the amount accrued as of December 31, 2008.

Other
The company has various purchase commitments incident to the ordinary conduct of business. In the aggregate, such commitments are not at prices in excess of current market.

20. STOCKHOLDERS' EQUITY

The company's Board of Directors authorized a $2 billion share buyback plan in June 2001. During 2008 and 2007, there were no purchases of stock under this program. During 2005, the company purchased and retired 9.9 million shares at a total cost of $505. As of December 31, 2008, the company has purchased 20.5 million shares at a total cost of $962. Management has not established a timeline for the buyback of the remaining stock under this plan.

In addition to the plan described above, in October 2005 the Board of Directors authorized a $5 billion share buyback plan. The company entered into an accelerated share repurchase agreement with Goldman Sachs & Co. (Goldman Sachs) under which the company purchased and retired 75.7 million shares of DuPont's outstanding common stock from Goldman Sachs on October 27, 2005 at a price of $39.62 per share, with Goldman Sachs purchasing an equivalent number of shares in the open market over the following nine-month period.

On July 27, 2006, Goldman Sachs completed its purchase of 75.7 million shares of DuPont's common stock at a volume weighted average price (VWAP) of $41.99 per share. Upon the conclusion of the agreement in 2006, the company paid $180 in cash to Goldman Sachs to settle the agreement. The final settlement price was based upon the difference between the VWAP per share for the nine-month period, which ended July 27, 2006, and the purchase price of $39.62 per share. The amount paid to settle the contract was recorded as a reduction to Additional paid-in capital during the third quarter 2006. In addition, the company made open market purchases of its shares in the third quarter 2006 for $100 at an average price of $42.27 per share.

During 2007, the company paid $1.7 billion to purchase and immediately retire 34.7 million shares at an average price of $48.85 per share. As of December 31, 2007, the company has completed the $5 billion share buyback plan with the purchase and retirement of 112.8 million shares at an average price of $44.33 per share.

Common stock held in treasury is recorded at cost. When retired, the excess of the cost of treasury stock over its par value is allocated between reinvested earnings and additional paid-in capital.

Set forth below is a reconciliation of common stock share activity for the three years ended December 31, 2008:

Shares of common stock	Issued	Held In Treasury
Balance January 1, 2006	1,006,652,000	(87,041,000)
Issued	4,823,000	-
Repurchased	-	(2,366,000)
Retired	(2,366,000)	2,366,000
Balance December 31, 2006	1,009,109,000	(87,041,000)
Issued	11,916,000	-
Repurchased	-	(34,695,000)
Retired	(34,695,000)	34,695,000
Balance December 31, 2007	986,330,000	(87,041,000)
Issued	**3,085,000**	-
Balance December 31, 2008	**989,415,000**	**(87,041,000)**

The pre-tax, tax and after-tax effects of the components of other comprehensive income / (loss) are shown below:

	Pretax	Tax	After-tax
2008			
Cumulative translation adjustment	**$ (120)**	**$ -**	**$ (120)**
Net revaluation and clearance of cash flow hedges to earnings	**(312)**	**113**	**(199)**
Pension benefits (Note 21)	**(6,326)**	**2,204**	**(4,122)**
Other benefits (Note 21)	**(423)**	**151**	**(272)**
Net unrealized losses on securities	**(16)**	**5**	**(11)**
Other comprehensive loss	**$(7,197)**	**$2,473**	**$(4,724)**
2007			
Cumulative translation adjustment	$ 94	$ -	$ 94
Net revaluation and clearance of cash flow hedges to earnings	39	(15)	24
Pension benefits (Note 21)	1,028	(388)	640
Other benefits (Note 21)	478	(168)	310
Net unrealized gains on securities	7	(2)	5
Other comprehensive income	$ 1,646	$ (573)	$ 1,073
2006			
Cumulative translation adjustment	$ 77	$ -	$ 77
Net revaluation and clearance of cash flow hedges to earnings	24	(9)	15
Minimum pension liability adjustment	160	(54)	106
Net unrealized gains on securities	11	(3)	8
Other comprehensive income	$ 272	$ (66)	$ 206

Balances of related after-tax components comprising accumulated other comprehensive loss are summarized below:

December 31,	2008	2007	2006
Cumulative translation adjustment	**$ 130**	$ 250	$ 156
Net revaluation and clearance of cash flow hedges to earnings	**(158)**	41	17
Net unrealized (loss)/gain on securities	**(3)**	8	3
Pension benefits			
Net losses	**(5,527)**	(1,395)	(2,022)
Net prior service cost	**(107)**	(117)	(130)
Other benefits			
Net losses	**(511)**	(307)	(720)
Net prior service benefit	**658**	726	829
	$(5,518)	$ (794)	$(1,867)

21. LONG-TERM EMPLOYEE BENEFITS

The company offers various long-term benefits to its employees. Where permitted by applicable law, the company reserves the right to change, modify or discontinue the plans.

Defined Benefit Pensions

The company has both funded and unfunded noncontributory defined benefit pension plans covering a majority of the U.S. employees. The benefits under these plans are based primarily on years of service and employees' pay near retirement. The company's funding policy is consistent with the funding requirements of federal laws and regulations.

Pension coverage for employees of the company's non-U.S. consolidated subsidiaries is provided, to the extent deemed appropriate, through separate plans. Obligations under such plans are funded by depositing funds with trustees, under insurance policies, or remain unfunded.

Other Long-term Employee Benefits

The parent company and certain subsidiaries provide medical, dental and life insurance benefits to pensioners and survivors, and disability and life insurance protection to employees. The associated plans for retiree benefits are unfunded and the cost of the approved claims is paid from company funds. Essentially all of the cost and liabilities for these retiree benefit plans are attributable to the U.S. parent company plans. The retiree medical plan is contributory with pensioners and survivors' contributions adjusted annually to achieve a 50/50 target sharing of cost increases between the company and pensioners and survivors. In addition, limits are applied to the company's portion of the retiree medical cost coverage.

Employee life insurance and disability benefit plans are insured in many countries. However, primarily in the U.S., such plans are generally self-insured or are fully experience-rated. Obligations and expenses for self-insured and fully experience-rated plans are reflected in the figures below.

Summarized information on the company's pension and other long-term employee benefit plans is as follows:

	Pension Benefits		Other Benefits	
Obligations and Funded Status at December 31,	**2008**	**2007**	**2008**	**2007**
Change in benefit obligation				
Benefit obligation at beginning of year	**$22,206**	$22,849	**$ 3,796**	$ 4,396
Service cost	**209**	383	**29**	34
Interest cost	**1,286**	1,228	**226**	242
Plan participants' contributions	**13**	13	**131**	149
Actuarial loss (gain)	**(664)**	(728)	**347**	(565)
Benefits paid	**(1,548)**	(1,544)	**(457)**	(464)
Amendments	**4**	-	**-**	2
Net effects of acquisitions/divestitures	**-**	5	**-**	2
Benefit obligation at end of year	**$21,506**	$22,206	**$ 4,072**	$ 3,796
Change in plan assets				
Fair value of plan assets at beginning of year	**$22,618**	$21,909	**$ -**	$ -
Actual gain (loss) on plan assets	**(5,142)**	1,963	**-**	-
Employer contributions	**252**	277	**326**	315
Plan participants' contributions	**13**	13	**131**	149
Benefits paid	**(1,548)**	(1,544)	**(457)**	(464)
Net effects of acquisitions/divestitures	**16**	-	**-**	-
Fair value of plan assets at end of year	**$16,209**	$22,618	**$ -**	$ -
Funded status				
U.S. plans with plan assets	**$ (3,420)**	$ 2,061	**$ -**	$ -
Non-U.S. plans with plan assets	**(452)**	(90)	**-**	-
All other plans	**(1,425)** [1]	(1,559)[1]	**(4,072)**	(3,796)
Total	**$ (5,297)**	$ 412	**$(4,072)**	$(3,796)
Amounts recognized in the Consolidated Balance Sheet consist of:				
Other assets (Note 13)	**$ -**	$ 2,187	**$ -**	$ -
Other accrued liabilities (Note 16)	**(129)**	(112)	**(330)**	(315)
Other liabilities (Note 18)	**(5,168)**	(1,663)	**(3,742)**	(3,481)
Net amount recognized	**$ (5,297)**	$ 412	**$(4,072)**	$(3,796)

[1] Includes pension plans maintained around the world where funding is not permissible or customary.

The pre-tax amounts recognized in accumulated other comprehensive loss are summarized below:

	Pension Benefits		Other Benefits	
December 31,	**2008**	**2007**	**2008**	**2007**
Net loss	**$8,401**	$2,060	**$ 792**	$ 475
Prior service cost / (benefit)	**148**	162	**(1,012)**	(1,118)
	$8,549	$2,222	**$ (220)**	$ (643)

The accumulated benefit obligation for all pension plans was $19,779 and $20,404 at December 31, 2008, and 2007, respectively.

Information for pension plans with projected benefit obligation in excess of plan assets	2008	2007
Projected benefit obligation	**$21,482**	$3,183
Accumulated benefit obligation	**19,755**	2,829
Fair value of plan assets	**16,185**	1,408

Information for pension plans with accumulated benefit obligations in excess of plan assets	2008	2007
Projected benefit obligation	**$20,231**	$2,463
Accumulated benefit obligation	**18,646**	2,256
Fair value of plan assets	**15,027**	737

	Pension Benefits		
Components of net periodic benefit cost (credit) and amounts recognized in other comprehensive income	2008	2007	2006
Net periodic benefit (credit) cost			
Service cost	**$ 209**	$ 383	$ 388
Interest cost	**1,286**	1,228	1,192
Expected return on plan assets	**(1,932)**	(1,800)	(1,648)
Amortization of loss	**56**	117	227
Amortization of prior service cost	**18**	18	29
Curtailment/settlement (gain) loss	**1**	-	3
Net periodic benefit (credit) cost	**$ (362)**	$ (54)	$ 191
Changes in plan assets and benefit obligations recognized in other comprehensive income			
Net loss (gain)	**6,397**	(893)	-
Amortization of loss	**(56)**	(117)	-
Prior service cost	**4**	-	-
Amortization of prior service cost	**(18)**	(18)	-
Curtailment/settlement loss	**(1)**	-	-
Total recognized in other comprehensive income	**$ 6,326**	$(1,028)	$ -
Total recognized in net periodic benefit cost and other comprehensive income	**$ 5,964**	$(1,082)	$ 191

The estimated pre-tax net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost during 2009 are $277 and $18, respectively.

	Other Benefits		
Components of net periodic benefit cost and amounts recognized in other comprehensive income	**2008**	**2007**	**2006**
Net periodic benefit cost			
Service cost	**$ 29**	$ 34	$ 33
Interest cost	**226**	242	222
Amortization of loss	**32**	72	56
Amortization of prior service benefit	**(106)**	(156)	(156)
Net periodic benefit cost	**$ 181**	$ 192	$ 155
Changes in plan assets and benefit obligations recognized in other comprehensive income			
Net (gain) / loss	**$ 349**	$(564)	$ -
Amortization of loss	**(32)**	(72)	-
Prior service cost	**-**	2	-
Amortization of prior service benefit	**106**	156	-
Total recognized in other comprehensive income	**$ 423**	$(478)	$ -
Total recognized in net periodic benefit cost and other comprehensive income	**$ 604**	$(286)	$ 155

The estimated pre-tax net loss and prior service credit for the other long-term employee benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost during 2009 are $50 and ($106), respectively.

	Pension Benefits		Other Benefits	
Weighted-average assumptions used to determine benefit obligations at December 31,	**2008**	**2007**	**2008**	**2007**
Discount rate	**6.14%**	6.01%	**6.25%**	6.25%
Rate of compensation increase	**4.30%**	4.28%	**4.50%**	4.50%

	Pension Benefits		Other Benefits	
Weighted-average assumptions used to determine net periodic benefit cost For The Years Ended December 31,	**2008**	**2007**	**2008**	**2007**
Discount rate	**6.01%**	5.56%	**6.25%**	5.75%
Expected return on plan assets	**8.74%**	8.74%	**-**	-
Rate of compensation increase	**4.28%**	4.32%	**4.50%**	4.50%

For determining U.S. plans' net periodic benefit costs, the discount rate, expected return on plan assets and the rate of compensation increase were 6.25 percent, 9.00 percent and 4.50 percent for 2008, and 5.75 percent, 9.00 percent and 4.50 percent for 2007. The discount rate for determining the principal U.S. pension plan's net periodic benefit cost was increased to 6.00 percent as of August 31, 2006 due to re-measurement.

In August 2006, the company announced major changes to the pension and defined contribution benefits that cover the majority of its U.S. employees. Effective January 1, 2008, such full service employees on the rolls as of December 31, 2006 continue to accrue benefits in the pension plan, but at a reduced rate of about one-third of its previous level. In addition, company-paid postretirement survivor benefits for these employees do not continue to grow after December 31, 2007. Such employees hired after December 31, 2006 do not participate in the pension plan. As a result of this plan amendment, the company was required to re-measure its pension expense for the remainder of 2006, reflecting plan assets and benefit obligations as of the re-measurement date. Better than

expected return on plan assets and a higher discount rate of 6.00 percent decreased pre-tax pension expense for 2006 by $72. For 2007, the plan amendment resulted in a reduction in pre-tax pension expense of about $40. For 2008, the plan amendment resulted in a reduction of about $40 in combined pension and defined contribution plans expense.

The company utilizes published long-term high quality corporate bond indices to determine the discount rate at measurement date. Where commonly available, the company considers indices of various durations to reflect the timing of future benefit payments.

The long-term rate of return on assets in the U.S. was selected from within the reasonable range of rates determined by (a) historical real returns (net of inflation) for the asset classes covered by the investment policy and (b) projections of inflation over the long-term period during which benefits are payable to plan participants. For non-U.S. plans, assumptions reflect economic assumptions applicable to each country.

Assumed health care cost trend rates at December 31,	2008	2007
Health care cost trend rate assumed for next year	**8%**	9%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	**5%**	5%
Year that the rate reaches the ultimate trend rate	**2012**	2012

Assumed health care cost trend rates have a modest effect on the amount reported for the health care plan. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of service and interest cost	$ 6	$ (5)
Effect on postretirement benefit obligation	66	(63)

Plan Assets

The strategic asset allocation targets of the company's pension plans as of December 31, 2008, and the weighted average asset allocation of these plans at December 31, 2008, and 2007, by asset category were as follows:

		Plan Assets at December 31,	
Asset Category	Strategic Target	2008	2007
Equity securities	52%	49%	55%
Debt securities	31%	31%	30%
Real estate	7%	7%	5%
Other *	10%	13%	10%
Total	100%	100%	100%

* Mainly private equity and private debt.

All pension plan assets in the U.S. are invested through a single master trust fund. The strategic asset allocation for this trust fund is selected by management, reflecting the results of comprehensive asset liability modeling. The general principles guiding investment of U.S. pension assets are those embodied in the Employee Retirement Income Security Act of 1974 (ERISA). These principles include discharging the company's investment responsibilities for the exclusive benefit of plan participants and in accordance with the "prudent expert" standard and other ERISA rules and regulations. The company establishes strategic asset allocation percentage targets and appropriate benchmarks for significant asset classes with the aim of achieving a prudent balance between return and risk. Strategic asset allocations in other countries are selected in accordance with the laws and practices of those countries. Where appropriate, asset liability studies are utilized

in this process. U.S. plan assets and a significant portion of non-U.S. plan assets are managed by investment professionals employed by the company. The remaining assets are managed by professional investment firms unrelated to the company. The company's pension investment professionals have discretion to manage the assets within established asset allocation ranges approved by senior management of the company. Plans invest in securities from a variety of countries to take advantage of the investment opportunities that a global portfolio presents and to increase portfolio diversification. Additionally, pension trust funds are permitted to enter into certain contractual arrangements generally described as "derivatives." Derivatives are primarily used to reduce specific market risks, hedge currency and adjust portfolio duration and asset allocation in a cost-effective manner.

The company's pension plans directly held $252 (2 percent of total plan assets) and $440 (2 percent of total plan assets) of DuPont common stock at December 31, 2008 and 2007, respectively.

Cash Flow

Contributions

In 2008, the company contributed $252 to its pension plans. No contributions were required or made to the principal U.S. pension plan trust fund in 2008 and no contributions are required or expected to be made to this Plan in 2009. The Pension Protection Act of 2006 (the "Act") was signed into law in the U.S. in August 2006. The Act introduced new funding requirements for single-employer defined benefit pension plans, provided guidelines for measuring pension plan assets and pension obligations for funding purposes, introduced benefit limitations for certain underfunded plans and raised tax deduction limits for contributions to retirement plans. The new funding requirements are generally effective for plan years beginning after December 31, 2007. The implementation of the provisions of this Act did not have a material impact on the company's required contributions. The company expects to contribute approximately $300 in 2009 to its pension plans other than the principal U.S. pension plan and also expects to make cash payments of $330 in 2009 under its other long-term employee benefit plans.

In 2007, the company made contributions of $277 to its pension plans. No contributions were required or made to the principal U.S. pension plan trust fund in 2007. In 2006, the company made contributions of $280 to its pension plans. No contributions were required or made in the principal U.S. pension plan trust fund for 2006.

Estimated Future Benefit Payments

The following benefit payments, which reflect future service, as appropriate, are expected to be paid:

	Pension Benefits	Other Benefits
2009	$1,546	$ 331
2010	1,495	327
2011	1,494	319
2012	1,505	313
2013	1,511	309
Years 2014 – 2018	7,878	1,526

Defined Contribution Plan

The company sponsors several defined contribution plans, which cover substantially all U.S. employees. The most significant is The Savings and Investment Plan (the Plan). This Plan includes a non-leveraged Employee Stock Ownership Plan (ESOP). Employees are not required to participate in the ESOP and those who do are free to diversify out of the ESOP. The purpose of the Plan is to provide additional retirement savings benefits for employees and to provide employees an opportunity to become stockholders of the company. The Plan is a tax qualified contributory profit sharing plan, with cash or deferred arrangement and any eligible employee of the company may participate. The company contributed an amount to the Plan in 2006 and 2007 equal to 50 percent of the first 6 percent of the employee's contribution election. As part of the retirement plan changes in August 2006, effective January 1, 2007, for employees hired on that date or thereafter and effective January 1, 2008, for active employees as of December 31, 2006, the company contributes 100 percent of the first 6 percent of the employee's contribution

election and also contributes 3 percent of each eligible employee's eligible compensation regardless of the employee's contribution. In addition, the definition of eligible compensation has been expanded to be similar to the definition of eligible compensation used in determining pension benefits.

The company's contributions to the U.S. parent company's defined contribution plans were $189, $57 and $52 for the years ended December 31, 2008, 2007, and 2006, respectively. The company's matching contributions vest immediately upon contribution. The 3 percent automatic company contribution also vests immediately for employees with at least three years of service. In addition, the company made contributions of $45, $42 and $34 for the years ended December 31, 2008, 2007 and 2006, respectively, to other defined contribution plans. The company expects to contribute about $255 to its defined contribution plans in 2009.

22. COMPENSATION PLANS

Effective January 1, 2006, the company adopted SFAS 123R using the modified prospective application transition method. As a result of the adoption of the fair value recognition provisions of SFAS 123, as amended, prospectively on January 1, 2003, the adoption of SFAS 123R did not have a material impact on the company's financial position or results of operations. Prior to adoption of SFAS 123R, the nominal vesting approach was followed for all awards. Upon adoption of SFAS 123R on January 1, 2006, the company began expensing new stock-based compensation awards using a non-substantive approach, under which compensation costs are recognized over at least six months for awards granted to employees who are retirement eligible at the date of the grant or would become retirement eligible during the vesting period of the grant. Prior to the adoption of SFAS 123R, the company reported the tax benefit of stock option exercises as operating cash flows. Upon the adoption of SFAS 123R, tax benefits resulting from tax deductions in excess of compensation cost recognized for those options or restricted stock units are reported as financing cash flows.

The total stock-based compensation cost included in the Consolidated Income Statements was $112, $144 and $140 for 2008, 2007 and 2006, respectively. The income tax benefits related to stock-based compensation arrangements were $37, $48 and $46 for 2008, 2007 and 2006, respectively.

On April 25, 2007, the shareholders approved the DuPont Equity and Incentive Plan ("EIP"). The EIP consolidated several of the company's existing compensation plans (the Stock Performance Plan, Variable Compensation Plan, and equity awards of the Stock Accumulation and Deferred Compensation Plan for Directors) into one plan providing for equity-based and cash incentive awards to certain employees, directors and consultants. Currently, equity-based compensation awards consist of stock options, time-vested restricted stock units (RSUs), performance-based restricted stock units (PSUs) and stock appreciation rights.

Under the EIP, the maximum number of shares reserved for the grant or settlement of awards is 60 million shares, provided that each share in excess of 20 million that is issued with respect to any award that is not an option or stock appreciation right will be counted against the 60 million share limit as four shares. At December 31, 2008, approximately 49 million shares were authorized for future grants under the company's EIP. Awards or grants made in 2007, prior to shareholder approval of the EIP, were issued under the company's previously existing compensation plans. Awards outstanding under each of these plans have not been terminated. These awards remain outstanding and are administered under the terms of the applicable existing plan. No further awards will be made under the company's previously existing compensation plans.

The company's Compensation Committee determines the long-term incentive mix, including stock options, RSUs and PSUs and may authorize new grants annually.

Stock Options

The purchase price of shares subject to option is equal to the market price of the company's stock on the date of grant. Prior to 2004, options expired 10 years from date of grant; however, beginning in 2004, options serially vest over a three-year period and carry a six-year option term. The plan allows retirement eligible employees to retain any granted awards upon retirement provided the employee has rendered at least six months of service following grant date.

For purposes of determining the fair value of stock options awards, the company uses the Black-Scholes option pricing model and the assumptions set forth in the table below. The weighted-average grant-date fair value of options granted in 2008, 2007 and 2006 was $5.30, $9.47 and $7.28, respectively.

	2008	2007	2006
Dividend yield	**3.7%**	2.9%	3.8%
Volatility	**18.86%**	21.11%	25.02%
Risk-free interest rate	**2.6%**	4.7%	4.4%
Expected life (years)	**4.5**	4.5	4.5

The company determines the dividend yield by dividing the current annual dividend on the company's stock by the option exercise price. A historical daily measurement of volatility is determined based on the expected life of the option granted. The risk free interest rate is determined by reference to the yield on an outstanding U.S. Treasury note with a term equal to the expected life of the option granted. Expected life is determined by reference to the company's historical experience.

Stock option awards as of December 31, 2008, and changes during the year then ended were as follows:

	Number of Shares (In thousands)	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2007	74,537	$46.66		
Granted	8,902	$44.74		
Exercised	(2,233)	$41.42		
Forfeited	(392)	$45.67		
Cancelled	(4,784)	$57.85		
Outstanding, December 31, 2008[1]	76,030	$45.89	2.75	$ -
Exercisable, December 31, 2008	55,952	$44.55	2.43	$ -

[1] Includes 10.2 million options outstanding from the 2002 Corporate Sharing Program grants of 200 shares to all eligible employees at an option price of $44.50. These options are currently exercisable and expire 10 years from date of grant.

The aggregate intrinsic values in the table above represent the total pre-tax intrinsic value (the difference between the company's closing stock price on the last trading day of 2008 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their in-the-money options at year end. The amount changes based on the fair market value of the company's stock. Total intrinsic value of options exercised for 2008, 2007 and 2006 were $18, $96 and $22, respectively. In 2008, the company realized a tax benefit of $6 from options exercised.

As of December 31, 2008, $21 of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 1.58 years.

RSUs and PSUs

In 2004, the company began issuing RSUs in addition to stock options. These RSUs serially vest over a three-year period and, upon vesting, convert one-for-one to DuPont common stock. A retirement eligible employee retains any granted awards upon retirement provided the employee has rendered at least six months of service following the grant date. Additional RSUs are also granted periodically to key senior management employees.

These RSUs generally vest over periods ranging from two to five years. The fair value of all stock-settled RSUs is based upon the market price of the underlying common stock as of the grant date.

The company also grants PSUs to senior leadership. In 2008, there were 306,480 PSUs granted. Vesting for PSUs granted in 2008 is equally based upon corporate revenue growth relative to peer companies and total shareholder return (TSR) relative to peer companies. Performance and payouts are determined independently for each metric. The actual award, delivered as DuPont common stock, can range from zero percent to 200 percent of the original grant. The grant-date fair value of the PSUs, subject to the TSR metric, was $63.86, estimated using a Monte Carlo simulation. The grant-date fair value of the PSUs, subject to the revenue metric, was based upon the market price of the underlying common stock as of the grant date.

For PSUs granted prior to 2008, vesting occurs upon attainment of (i) corporate revenue growth relative to peer companies and (ii) return on invested capital objectives (relative to peer companies for periods prior to 2007 and relative to internal targets for periods beginning in 2007). The actual award, delivered as DuPont common stock, can range from zero percent to 200 percent of the original grant. The fair value of PSUs granted prior to 2008 is based upon the market price of the underlying common stock as of the grant date.

Non-vested awards of RSUs and PSUs as of December 31, 2008 and 2007 are shown below. The weighted-average grant-date fair value of RSUs and PSUs granted during 2008, 2007, and 2006 was $45.70, $51.00, and $39.47, respectively. The table also includes Board of Directors' cash-settled RSUs granted prior to 2008.

	Number of Shares (In thousands)	Weighted Average Grant Date Fair Value (per share)
Nonvested, December 31, 2007	3,873	$45.67
Granted	1,823	$45.70
Vested	(1,352)	$44.63
Forfeited	(335)	$48.07
Nonvested, December 31, 2008	4,009	$45.72

As of December 31, 2008, there was $48 unrecognized stock-based compensation expense related to nonvested awards. That cost is expected to be recognized over a weighted-average period of 1.75 years. The total fair value of stock units vested during 2008, 2007 and 2006 was $60, $53 and $23, respectively.

Other Cash-based Awards

Cash awards under the EIP plan may be granted to employees who have contributed most to the company's success, with consideration being given to the ability to succeed to more important managerial responsibility. Such awards were $140, $163 and $153 for 2008, 2007 and 2006, respectively. The amounts of the awards are dependent on company earnings and are subject to maximum limits as defined under the governing plans.

In addition, the company has other variable compensation plans under which cash awards may be granted. These plans include Pioneer's Annual Reward Program and the company's regional and local variable compensation plans. Such awards were $196, $217 and $178 for 2008, 2007 and 2006, respectively.

23. DERIVATIVES AND OTHER HEDGING INSTRUMENTS

Objectives and Strategies for Holding Derivative Instruments

In the ordinary course of business, the company enters into contractual arrangements (derivatives) to reduce its exposure to foreign currency, interest rate and commodity price risks under established procedures and controls. The company has established a variety of approved derivative instruments to be utilized in each risk management program, as well as varying levels of exposure coverage and time horizons based on an assessment of risk factors related to each hedging program. Derivative instruments utilized during the period include forwards, options, futures and swaps. The company has not designated any non-derivatives as hedging instruments.

The corporate financial risk management policy establishes an oversight committee and risk management guidelines that authorize the use of specific derivative instruments and further establishes procedures for

control and valuation, counterparty credit approval and routine monitoring and reporting. The counterparties to these contractual arrangements are major financial institutions and major commodity exchanges. The company is exposed to credit loss in the event of nonperformance by these counterparties. The company manages this exposure to credit loss through the aforementioned credit approvals, limits and monitoring procedures and, to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. The company does not anticipate nonperformance by counterparties to these contracts and no material loss would be expected from such nonperformance. Market and counterparty credit risks associated with these instruments are regularly reported to management.

The company hedges foreign currency-denominated monetary assets and liabilities, certain foreign currency-denominated revenues, certain business specific foreign currency exposures, and certain energy type and agricultural feedstock purchases.

Fair Value Hedges

During the year ended December 31, 2008, the company maintained a number of interest rate swaps that involve the exchange of fixed for floating rate interest payments which allows the company to maintain a target range of floating rate debt. All interest rate swaps qualify for the shortcut method of hedge accounting, thus there is no ineffectiveness related to these hedges. Changes in the fair value of derivatives that hedge interest rate risk are recorded in interest expense each period. The offsetting changes in the fair values of the related debt are also recorded in interest expense. The company maintains no other fair value hedges. During the fourth quarter of 2008, interest rate swaps were terminated with a combined notional amount of $1.25 billion for cash proceeds of $226, which are classified within financing cash flows in the Consolidated Statements of Cash Flows. This gain will be amortized to earnings as a reduction to interest expense over the remaining life of the debt, through 2018.

Cash Flow Hedges

The company maintains a number of cash flow hedging programs to reduce risks related to foreign currency and commodity price risk. Foreign currency programs involve hedging a portion of certain foreign currency-denominated revenues outside of the U.S. Commodity price risk management programs serve to reduce exposure to price fluctuations on purchases of inventory such as natural gas, ethane, corn, soybeans and soybean meal. While each risk management program has a different time maturity period, most programs currently do not extend beyond the next two-year period.

Hedges of foreign currency-denominated revenues are reported on the net sales line of the Consolidated Income Statements, and the effects of hedges of inventory purchases are reported as a component of cost of goods sold and other operating charges. Cash flow hedge results are reclassified into earnings during the same period in which the related exposure impacts earnings. Reclassifications are made sooner if it appears that a forecasted transaction will not materialize. Cash flow hedge ineffectiveness reported in earnings for 2008 was a pre-tax loss of $19. Pre-tax hedge losses excluded from the assessment of hedge effectiveness for 2008 was $1. The following table summarizes the effect of cash flow hedges on accumulated other comprehensive loss for 2008:

	Pretax	Tax	After-tax
Beginning balance	$ 66	$ (25)	$ 41
Additions and revaluations of derivatives designated as cash flow hedges	(299)	106	(193)
Clearance of hedge results to earnings	(13)	7	(6)
Ending balance	$(246)	$ 88	$(158)
Portion of ending balance expected to be reclassified into earnings over the next twelve months	$(150)	$ 58	$ (92)

Hedges of Net Investment in a Foreign Operation

During the year ended December 31, 2008, the company did not maintain any hedges of net investment in a foreign operation.

Derivatives not Designated in Hedging Relationships

The company uses foreign currency exchange contracts to reduce its net exposure, by currency, related to foreign currency-denominated monetary assets and liabilities. The netting of such exposures precludes the use of hedge accounting. However, the required revaluation of the foreign currency exchange contracts and the associated foreign currency-denominated monetary assets and liabilities results in a minimal earnings impact, after taxes. In addition, the company has risk management programs for agricultural commodities that do not qualify for hedge accounting treatment.

Currency Risk

The company uses foreign exchange contracts to offset its net exposures, by currency, related to monetary assets and liabilities of its operations that are denominated in currencies other than the designated functional currency. The primary business objective is to maintain an approximately balanced position in foreign currencies so that exchange gains and losses resulting from exchange rate changes, net of related tax effects, are minimized. In addition, foreign currency exchange contracts are used to offset a portion of the company's exposure to certain foreign currency denominated revenues. The objective of the hedge program is to reduce earnings and cash flow volatility related to changes in foreign currency exchange rates.

From time to time, the company will enter into foreign currency exchange contracts to establish with certainty the functional currency amount of future firm commitments denominated in another currency. Decisions regarding whether or not to hedge a given commitment are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility and economic trends. Foreign currency exchange contracts are also used to manage near-term foreign currency cash requirements.

Interest Rate Risk

The company primarily uses interest rate swaps to manage the interest rate mix of the total debt portfolio and related overall cost of borrowing.

Interest rate swaps involve the exchange of fixed for floating rate interest payments that are fully integrated with underlying fixed-rate bonds or notes to effectively convert fixed rate debt into floating rate debt based on USD LIBOR.

At December 31, 2008, the company had interest rate swap agreements with total notional amounts of approximately $1,150, whereby the company, over the remaining terms of the underlying notes, will receive a fixed rate payment equivalent to the fixed interest rate of the underlying note and pay a floating rate of interest that is based on USD LIBOR.

Interest rate swaps did not have a material effect on the company's overall cost of borrowing at December 31, 2008 and 2007. See Note 17 for additional descriptions of interest rate swaps.

Commodity Price Risk

The company enters into over-the-counter and exchange-traded derivative commodity instruments to hedge the commodity price risk associated with energy feedstock and agricultural commodity exposures.

24. GEOGRAPHIC INFORMATION

	2008		2007		2006	
	Net Sales [1]	Net Property [2]	Net Sales [1]	Net Property [2]	Net Sales [1]	Net Property [2]
United States	**$11,091**	**$ 7,784**	$11,277	$ 7,687	$11,123	$ 7,449
Europe						
Belgium	**$ 350**	**$ 157**	$ 346	$ 166	$ 218	$ 176
Germany	**2,220**	**309**	2,045	319	1,826	319
France	**1,072**	**115**	1,039	121	992	120
Italy	**912**	**28**	864	27	832	26
Luxembourg	**88**	**247**	79	232	60	200
The Netherlands	**240**	**229**	187	275	213	283
Spain	**521**	**297**	466	184	455	162
United Kingdom	**605**	**138**	641	142	617	147
Other	**3,478**	**332**	3,162	288	2,708	303
Total Europe	**$ 9,486**	**$ 1,852**	$ 8,829	$ 1,754	$ 7,921	$ 1,736
Asia Pacific						
China/Hong Kong	**$ 1,656**	**$ 309**	$ 1,594	$ 270	$ 1,415	$ 210
India	**485**	**60**	424	31	345	30
Japan	**1,302**	**102**	1,187	105	1,103	114
Taiwan	**420**	**132**	427	128	447	116
Korea	**534**	**78**	551	80	569	78
Singapore	**153**	**42**	152	44	150	38
Other	**933**	**39**	842	35	730	37
Total Asia Pacific	**$ 5,483**	**$ 762**	$ 5,177	$ 693	$ 4,759	$ 623
Canada & Latin America						
Brazil	**$ 1,775**	**$ 300**	$ 1,485	$ 282	$ 1,191	$ 275
Canada	**907**	**157**	963	161	921	146
Mexico	**843**	**225**	801	211	810	205
Argentina	**335**	**28**	325	30	271	30
Other	**609**	**46**	521	42	425	34
Total Canada & Latin America	**$ 4,469**	**$ 756**	$ 4,095	$ 726	$ 3,618	$ 690
Total	**$30,529**	**$11,154**	$29,378	$10,860	$27,421	$10,498

[1] Net sales are attributed to countries based on the location of the customer.

[2] Includes property, plant and equipment less accumulated depreciation.

25. SEGMENT INFORMATION

The company has six reportable segments. Five of the segments constitute the company's growth segments: Agriculture & Nutrition, Coatings & Color Technologies, Electronic & Communication Technologies, Performance Materials and Safety & Protection. The sixth segment, Pharmaceuticals, is limited to income from the company's interest in two drugs, Cozaar® and Hyzaar®.

Major products by segment include: Agriculture & Nutrition (hybrid seed corn and soybean seed, herbicides, fungicides, insecticides, value enhanced grains and soy protein); Coatings & Color Technologies (automotive finishes, industrial coatings and white pigments); Electronic & Communication Technologies (fluorochemicals, fluoropolymers, photopolymers and electronic materials); Performance Materials (engineering polymers, packaging and industrial polymers, films and elastomers); Safety & Protection (specialty and industrial chemicals, nonwovens, aramids and solid surfaces); and Pharmaceuticals (representing the company's interest in the collaboration relating to Cozaar®/Hyzaar® antihypertensive drugs, which is reported as other income). The company operates globally in substantially all of its product lines.

In general, the accounting policies of the segments are the same as those described in the Summary of Significant Accounting Policies. Exceptions are noted as follows and are shown in the reconciliations below. Prior years' data have been reclassified to reflect the 2008 organizational structure. Segment sales include transfers to another business segment. Products are transferred between segments on a basis intended to reflect, as nearly as practicable, the market value of the products. Segment pre-tax operating income/(loss) (PTOI) is defined as operating income before income taxes, minority interests, exchange gains/(losses), corporate expenses, interest and the cumulative effect of changes in accounting principles. Segment net assets includes net working capital, net permanent investment and other noncurrent operating assets and liabilities of the segment. Affiliate net assets (pro rata share) excludes borrowing and other long-term liabilities. Depreciation and amortization includes depreciation on research and development facilities and amortization of other intangible assets, excluding write-down of assets which is discussed in Note 5. Expenditures for long-lived assets exclude investments in affiliates and include payments for property, plant and equipment as part of business acquisitions.

	Agriculture & Nutrition	Coatings & Color Technologies	Electronic & Communication Technologies	Performance Materials	Safety & Protection	Pharma-ceuticals	Other	Total
2008								
Segment sales	$7,952	$6,606	$3,988	$6,425	$5,729	$ -	$ 160	$30,860
Less transfers	-	(55)	(121)	(39)	(98)	-	(18)	(331)
Net sales	7,952	6,551	3,867	6,386	5,631	-	142	30,529
Pretax operating income (loss)	1,087	326	436	128	829	1,025	(181)	3,650
Depreciation and amortization	460	217	175	219	196	-	4	1,271
Equity in earnings of affiliates	25	1	36	44	29	-	(18)	117
Segment net assets	5,972	3,598	2,518	3,619	3,560	201	145	19,613
Affiliate net assets	184	15	347	437	96	41	50	1,170
Expenditures for long-lived assets	376	215	229	271	621	-	27	1,739
2007								
Segment sales	$6,842	$6,609	$3,797	$6,630	$5,641	$ -	$ 178	$29,697
Less transfers	-	(53)	(114)	(43)	(91)	-	(18)	(319)
Net sales	6,842	6,556	3,683	6,587	5,550	-	160	29,378
Pretax operating income (loss)	894	840	594	626	1,199	949	(224)	4,878
Depreciation and amortization	418	205	167	214	190	-	4	1,198
Equity in earnings of affiliates	3	1	36	(155)	22	-	(14)	(107)
Segment net assets	5,712	4,045	2,530	3,794	3,253	183	157	19,674
Affiliate net assets	157	12	314	421	91	32	52	1,079
Expenditures for long-lived assets	249	284	215	273	404	-	14	1,439
2006								
Segment sales	$6,008	$6,290	$3,573	$6,179	$5,496	$ -	$ 180	$27,726
Less transfers	-	(49)	(109)	(46)	(82)	-	(19)	(305)
Net sales	6,008	6,241	3,464	6,133	5,414	-	161	27,421
Pretax operating income (loss)	604	817	577	559	1,080	819	(173)	4,283
Depreciation and amortization	428	220	159	210	187	-	5	1,209
Equity in earnings of affiliates	(3)	-	48	10	20	-	(8)	67
Segment net assets	5,812	3,959	2,476	4,112	3,032	200	133	19,724
Affiliate net assets	51	10	293	713	87	40	55	1,249
Expenditures for long-lived assets	214	370	212	254	320	-	8	1,378

Reconciliation to Consolidated Financial Statements

PTOI to income before income taxes and minority interests	2008	2007	2006
Total segment PTOI	**$ 3,650**	$ 4,878	$4,283
Net exchange (losses)/gains (includes affiliates)	**(255)**	(85)	(4)
Corporate expenses and interest	**(1,004)**	(1,050)	(950)
Income before income taxes and minority interests	**$ 2,391**	$ 3,743	$3,329

Segment net assets to total assets	2008	2007	2006
Total segment net assets	**$19,613**	$19,674	$19,724
Corporate assets [1]	**8,815**	6,649	5,874
Liabilities included in net assets	**7,781**	7,808	6,179
Total assets	**$36,209**	$34,131	$31,777

[1] Pension assets are included in corporate assets.

Other items	Segment Totals	Adjustments	Consolidated Totals
2008			
Depreciation and amortization	**$1,271**	**$ 173**	**$1,444**
Equity in earnings of affiliates	**117**	**(36)**	**81**
Affiliate net assets	**1,170**	**(326)**	**844**
Expenditures for long-lived assets	**1,739**	**239**	**1,978**
2007			
Depreciation and amortization	$1,198	$ 173	$1,371
Equity in earnings of affiliates	(107)	(23)	(130)
Affiliate net assets	1,079	(261)	818
Expenditures for long-lived assets	1,439	146	1,585
2006			
Depreciation and amortization	$1,209	$ 175	$1,384
Equity in earnings of affiliates	67	(17)	50
Affiliate net assets	1,249	(446)	803
Expenditures for long-lived assets	1,378	154	1,532

Additional Segment Details

2008 included the following pre-tax benefits (charges):

Agriculture & Nutrition [2, 3]	$ (22)
Coatings & Color Technologies [3]	(236)
Electronic & Communication Technologies [2, 3]	(57)
Performance Materials [2, 3]	(310)
Safety & Protection [2, 3]	(106)
Other [1, 3]	20
	$(711)

1 Includes a $51 benefit from a litigation settlement.

2 Includes a $227 charge for damaged facilities, inventory write-offs, clean-up costs, and other costs related to the hurricanes, in the following segments: Agriculture & Nutrition – $4; Electronic & Communication Technologies – $2; Performance Materials – $216; and Safety & Protection – $5.

3 Includes a $535 restructuring charge impacting the segments as follows: Agriculture & Nutrition – $18; Coatings & Color Technologies – $236; Electronic & Communication Technologies – $55; Performance Materials - $94; Safety & Protection – $101; and Other – $31.

2007 includes the following pre-tax benefits (charges):

Performance Materials [1, 2]	$(185)
Other [3]	(40)
	$(225)

1 Included a net $20 charge for existing litigation in connection with the elastomers antitrust matter. See Note 19 for more details.

2 Included a $165 impairment charge to write-down the carrying value of the company's investment in a polyester films joint venture.

3 Included a $40 charge for existing litigation relating to a former business. See Note 19 for more details.

2006 includes the following pre-tax benefits (charges):

Agriculture & Nutrition [1, 2]	$(115)
Coatings & Color Technologies [1, 3, 4]	10
Electronic & Communication Technologies [1]	10
Performance Materials [1, 2]	(60)
Safety & Protection[1, 3, 5]	(14)
	$(169)

1 Included a benefit of $61 of insurance recoveries, net of fees, which related to asbestos litigation expenses incurred by the company in prior periods. Pre-tax amounts by segment for the insurance recoveries were: Agriculture & Nutrition – $7; Coatings & Color Technologies – $19; Electronic & Communication Technologies – $10; Performance Materials - $12; and Safety & Protection – $13.

2 Included a restructuring charge of $194 in the following segments: Agriculture & Nutrition – $122 and Performance Materials – $72. See Note 4 for more details.

3 Included insurance recoveries relating to the damage suffered from Hurricane Katrina in 2005. Pre-tax amounts by segment were: Coatings & Color Technologies – $123 and Safety & Protection – $20.

4 Included a net restructuring charge of $132 in the Coatings & Color Technologies segment. See Note 4 for more details.

5 Included an asset impairment charge of $47 associated with an underperforming industrial chemicals asset held for sale within the Safety & Protection segment.

26. QUARTERLY FINANCIAL DATA (UNAUDITED)

	For The Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
2008				
Net sales	$8,575	$8,837	$7,297	$5,820
Cost of goods sold and other expenses [1]	7,220	7,773	7,149	6,927
Income (loss) before income taxes and minority interests	1,470	1,412	470 [3]	(961) [4]
Net income (loss)	1,191	1,078	367	(629)
Basic earnings (loss) per share of common stock [2]	1.32	1.19	0.40	(0.70)
Diluted earnings (loss) per share of common stock [2]	1.31	1.18	0.40	(0.70)
2007				
Net sales	$7,845	$7,875	$6,675	$6,983
Cost of goods sold and other expenses [1]	6,750	6,823	6,297	6,610
Income before income taxes and minority interests	1,312 [5]	1,308	630 [6]	493 [7]
Net income	945	972	526	545 [8]
Basic earnings per share of common stock [2]	1.02	1.05	0.57	0.60
Diluted earnings per share of common stock [2]	1.01	1.04	0.56	0.60

1 Excludes interest expense and nonoperating items.

2 Earnings per share for the year may not equal the sum of quarterly earnings per share due to changes in average share calculations.

3 Includes a $227 charge for damaged facilities, inventory write-offs, clean-up costs, and other costs related to the Hurricanes Ike and Gustav.

4 Includes a $535 charge for employee separation payments and asset-related charges associated with the 2008 global restructuring program.

5 Includes a net $52 charge for existing litigation in the Performance Materials segment in connection with the elastomers antitrust matter. See Note 19 for more details.

6 Includes a $40 charge for existing litigation in Other relating to a former business. See Note 19 under the heading Spelter, West Virginia, for more details.

7 Includes an impairment charge of $165 to write down the company's investment in a polyester films joint venture in the Performance Materials segment. This charge was partially offset by a net $32 benefit resulting from the reversal of certain litigation accruals in the Performance Materials segment established in prior periods for the elastomers antitrust matter (see Note 19 for more details) and a $6 benefit for the reversal of accrued interest associated with the favorable settlement of certain prior year tax contingencies.

8 Includes a benefit of $108 for the reversal of income tax accruals associated with the favorable settlement of certain prior year tax contingencies.

Information for Investors

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E-mail: **find.info@usa.dupont.com**

2009 Annual Meeting
The annual meeting of the shareholders will be held at 10:30 a.m., Wednesday, April 29, in The DuPont Theatre in the DuPont Building, 1007 Market Street, Wilmington, Delaware.

Stock Exchange Listings
DuPont common stock (Symbol DD) is listed on the New York Stock Exchange, Inc. (NYSE) and on certain foreign exchanges. Quarterly high and low market prices are shown in Item 5 of the Form 10-K. On May 27, 2008, the company certified to the NYSE that it is not aware of any violations of the NYSE's Corporate Governance listing standards. The company filed the required certifications under Section 302 of the Sarbanes-Oxley Act with its annual report for the year ended December 31, 2008, on Form 10-K.

DuPont preferred stock is listed on the New York Stock Exchange, Inc. (Symbol DDPrA for $3.50 series and Symbol DDPrB for $4.50 series).

Dividends
Holders of the company's common stock are entitled to receive dividends when they are declared by the Board of Directors. While it is not a guarantee of future conduct, the company has continuously paid a quarterly dividend since the fourth quarter 1904. Dividends on common stock and preferred stock are usually declared in January, April, July and October. When dividends on common stock are declared, they are usually paid mid March, June, September and December. Preferred dividends are paid on or about the 25th of January, April, July and October.

Shareholder Services
Inquiries from shareholders about stock accounts, transfers, certificates, dividends (including direct deposit and reinvestment), name or address changes and electronic receipt of proxy materials may be directed to DuPont's stock transfer agent:
Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
or call: in the United States and Canada
888 983-8766 (toll-free)
other locations-781 575-2724
for the hearing impaired –
TDD: 800 952-9245 (toll-free)
or visit Computershare's home page at
http://www.computershare.com

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
Two Commerce Square, Suite 1700
2001 Market Street
Philadelphia, PA 19103

Investor Relations
Institutional investors and other representatives of financial institutions should contact:
E. I. du Pont de Nemours and Company
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1007 Market Street-D-11018
Wilmington, DE 19898
or call 302 774-4994

Bondholder Relations
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DuPont Finance
1007 Market Street-D-8028
Wilmington, DE 19898
or call 302 774-0564
or 302 774-8802

DuPont on the Internet
Financial results, news and other information about DuPont can be accessed from the company's website at **http://www.dupont.com**. This site includes important information on products and services, financial reports, news releases, environmental information and career opportunities. The company's periodic and current reports filed with the SEC are available on its website, free of charge, as soon as reasonably practicable after being filed.

Product Information / Referral
From the United States and Canada:
800 441-7515 (toll-free)
From other locations: 302 774-1000
E-mail: find.info@usa.dupont.com
On the Internet: http://www.dupont.com

Printed Reports Available to Shareholders
The following company reports may be obtained, without charge:
1. 2008 Annual Report to the Securities and Exchange Commission, filed on Form 10-K;
2. Proxy Statement for 2009 Annual Meeting of Stockholders; and
3. Quarterly reports to the Securities and Exchange Commission, filed on Form 10-Q

Requests should be addressed to:
DuPont Corporate Information Center
CRP705-GS38
P.O. Box 80705
Wilmington, DE 19880-0705
or call 302 774-5991
E-mail: find.info@usa.dupont.com

Services for Shareholders

Online Account Access
Registered shareholders may access their accounts and obtain online answers to stock transfer questions by signing up for Internet account access. Call toll-free 888 983-8766 (outside the United States and Canada, call 781 575-2724) to obtain by mail a temporary personal identification number and information on viewing your account over the Internet.

Dividend Reinvestment Plan
An automatic dividend reinvestment plan is available to all registered shareholders. Common or preferred dividends can be automatically reinvested in DuPont common stock. Participants also may add cash for the purchase of additional shares. A detailed account statement is mailed after each investment. Your account can also be viewed over the Internet if you have Online Account Access (see above). To enroll in the plan, please contact Computershare (listed above).

Online Delivery of Proxy Materials
Stockholders may request their proxy materials electronically in 2009 by visiting **http://enroll.icsdelivery.com/dd**.

Direct Deposit of Dividends
Registered shareholders who would like their dividends directly deposited in a U.S. bank account should contact Computershare (listed above).