



## **J.P. MORGAN AVIATION, TRANSPORTATION AND INDUSTRIALS CONFERENCE MARCH 5, 2015**

**Matt Trerotola, Executive Vice President  
E. I. du Pont de Nemours and Company**

## Regulation G

The attached charts include company information that does not conform to generally accepted accounting principles (GAAP). Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other companies. This data should be read in conjunction with previously published company reports on Forms 10-K, 10-Q, and 8-K. These reports, along with reconciliations of non-GAAP measures to GAAP are available on the Investor Center of [www.dupont.com](http://www.dupont.com) under Filings and Reports – Reconciliations and Other Data. Reconciliations of non-GAAP measures to GAAP are also included with this presentation.

## Forward-Looking Statements

This document contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “believes,” “intends,” “estimates,” “anticipates” 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, regulatory approval, market position, anticipated benefits of recent acquisitions, timing of anticipated benefits from restructuring actions, outcome of contingencies, such as litigation and environmental matters, expenditures and financial results, are forward looking statements. Forward-looking statements are not guarantees of future performance and are based on certain assumptions and expectations of future events which may not be realized. Forward-looking statements also involve risks and uncertainties, many of which are beyond the company's control. 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 are: fluctuations in energy and raw material prices; failure to develop and market new products and optimally manage product life cycles; ability to respond to market acceptance, rules, regulations and policies affecting products based on biotechnology; significant litigation and environmental matters; failure to appropriately manage process safety and product stewardship issues; changes in laws and regulations or political conditions; global economic and capital markets conditions, such as inflation, interest and currency exchange rates; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war, weather events and natural disasters; ability to protect and enforce the company's intellectual property rights; successful integration of acquired businesses and separation of underperforming or non-strategic assets or businesses and successful completion of the proposed spinoff of the Performance Chemicals segment including ability to fully realize the expected benefits of the proposed spinoff. The company undertakes no duty to update any forward-looking statements as a result of future developments or new information.

## Developing Markets

Total developing markets is comprised of Developing Asia, Developing Europe, Middle East & Africa, and Latin America. A detailed list of all developing countries is available on the Earnings News Release link on the Investor Center website at [www.dupont.com](http://www.dupont.com).

# Decisions Driven by Three Strategic Priorities...

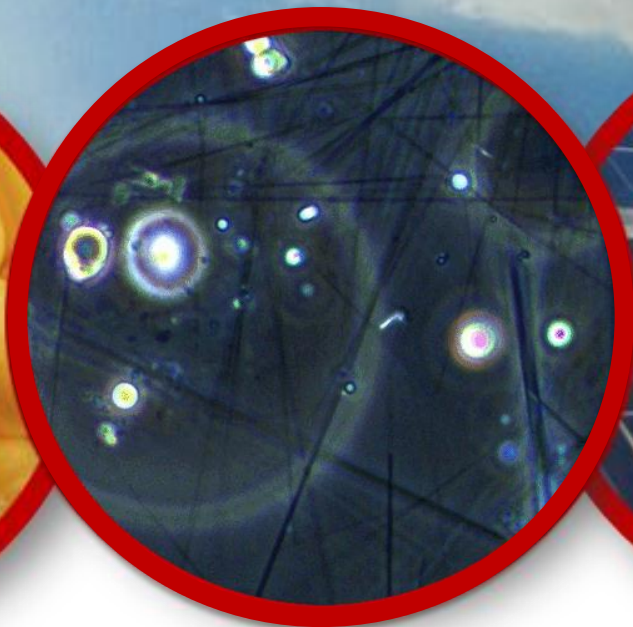


## AGRICULTURE & NUTRITION



Extend leadership across the high-value, science-driven segments of the Ag and Food value chain.

## BIO-BASED INDUSTRIALS



Develop world-leading industrial biotech capabilities to create transformational new bio-based businesses.

## ADVANCED MATERIALS



Strengthen and grow leading position in differentiated high-value materials through science-based solutions.

**Higher Growth, Higher Value Company  
Through Three World-Leading Positions**



# ...Together with Three Operational Priorities



## INNOVATION



- Leverage multi-disciplinary science and technology platform to bring unique solutions to customers
- Deliver breakthrough and transformational new products while continuing to renew current product portfolio

## GLOBAL REACH



- Expand presence and drive penetration in fast-growing, developing markets
- Utilize innovation centers to leverage global applications, development capabilities and tailor local solutions to key customer needs

## EXECUTION



- Drive volume growth, share gain, and margin expansion
- Aggressive fixed cost reduction programs and ongoing productivity enhancements
- Ensure clear management accountability throughout the company

# 2014 Progress



- **Strong progress in 2014 leaves DuPont poised to deliver higher growth and higher value in 2015 and beyond**
  - Continued portfolio transformation as a dynamic science company driven by innovation, execution, and global reach
  - Continued focus on innovation and development of new products and solutions
- **Initiated operational redesign and related cost cutting program**
  - Hired world-class management consultant to undertake thorough assessment
  - Increased target cost reductions to \$1.3 billion by end of 2017
- **Progress on Chemours**
  - Reached strategic milestones with initial Form 10 filing in December
  - Separation on track to be completed mid-year
- **Demonstrated commitment to capital return**
  - \$2 billion of common shares repurchased in 2014
  - Common stock dividend increased 4 percent in July
  - Proceeds from Chemours separation expected to be returned to shareholders via share repurchases

# Growing Advanced Materials



# Advanced Materials – Strong Position, Large, Exciting Space



## Large market size

\$50B market today, \$500B potential market overall

## Strong long-term growth drivers

- ✓ *Automotive and Aerospace light-weighting*
- ✓ *Fuel efficiency*
- ✓ *Clean air/water*
- ✓ *Miniaturization of electronics / high speed data transfer*
- ✓ *Digitization of printing*
- ✓ *Reduction of food waste*

## Excellent market position today

- ✓ *Science, technology, engineering, applications development*
- ✓ *Market access and consumer recognized brand names: DuPont™ Kevlar®, Tyvek®, Corian®, Nomex®, Surlyn®*



*Handheld Devices*



*Transportation*



*Aerospace*



*Construction*



*Protective Apparel*



*Photovoltaics*

## Focused Initiatives to Accelerate Growth

# Advanced Materials – Market Relevance and Integrated Science



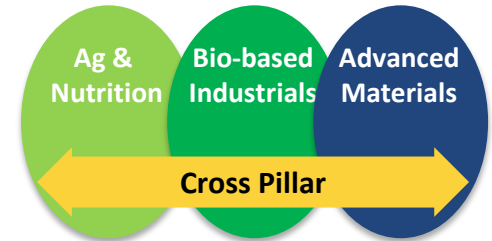
## Maximum customer relevance and access in key segments

- DuPont Photovoltaic Solutions, Building Innovations
- Networks – Aero, Auto, Consumer Electronics, Oil & Gas
- Strategic Account Program



## The Power of DuPont Integrated Science

- Rubber composites
- Solamet® paste innovation
- Thermoplastic composites



## Cross-pillar opportunities

- Tyvek® irrigation
- Renewables routes to existing products
- Biotech pathways to engineer new materials







## **Advanced Materials: Segment Commentary**



# Performance Materials Key Markets



Market	Market CAGR 2014-2019	Trends
 Packaging	4-5%	<ul style="list-style-type: none"><li>Food safety, convenience, affordability, enhanced performance, and sustainability</li></ul>
 Transportation	3-5%	<ul style="list-style-type: none"><li>Durability, safety and protection, energy conservation, and light-weighting for improved fuel efficiency</li></ul>
 Industrial/Construction	3-5%	<ul style="list-style-type: none"><li>Durability, safety and protection, energy conservation, lightweight, and systems cost effectiveness</li></ul>
 Electronics and Consumer	3-5%	<ul style="list-style-type: none"><li>Advanced aesthetics, improved performance, lightweight, impact resistance, and affordability</li></ul>

**Diverse Applications Drive Growth**

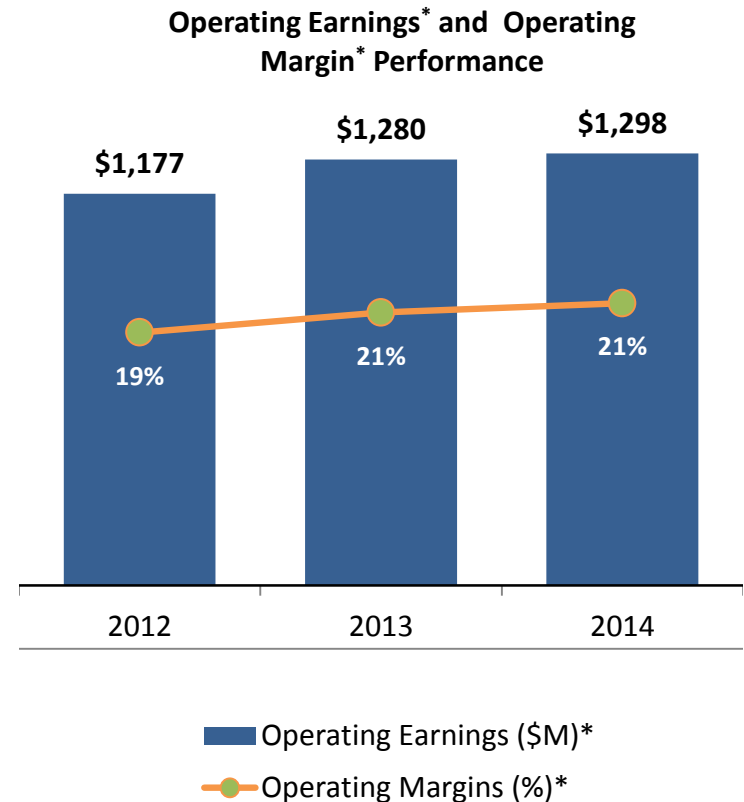


# Performance Materials Financial Performance



## Focus on Delivering Improved and Consistent Results

- Increased operating margin\* by 200 basis points from 2012-2014
- Margin improvement from volume growth and productivity
- 2014 operating earnings and margins increased despite ~2 month ethylene cracker shutdown, portfolio divestitures



\* Excludes non-operating pension/OPEB costs and significant items. See appendix for a reconciliation of non-GAAP measures.



# Performance Materials Summary



## Key Growth Drivers

- Global Application Development
- Targeted Investments
- Asset Cost Competitiveness
- Productivity
- Renewable Polymers







**Maintain Differentiated Position, Best in Class Margins**





# Safety & Protection Key Markets



Markets	Market CAGR 2014-2019	Trends
 Industrial	3-6%	<ul style="list-style-type: none"><li>• New infrastructure investments in developing regions</li><li>• Light-weighting and performance in transportation</li><li>• Increased safety, sustainability and environment regs.</li></ul>
 Consumer and Healthcare	3-6%	<ul style="list-style-type: none"><li>• Aging population driving healthcare growth</li><li>• Sustainability focus in packaging and advertising</li></ul>
 Construction	5-7%	<ul style="list-style-type: none"><li>• Energy efficiency</li><li>• Sustainable building requirements</li><li>• Functional materials</li></ul>
 Military and Law Enforcement	1-3%	<ul style="list-style-type: none"><li>• Increasing value for safety in developing regions</li><li>• Increasing ballistics requirements</li></ul>

**Focused in Industrial, Aerospace and Transportation Markets**

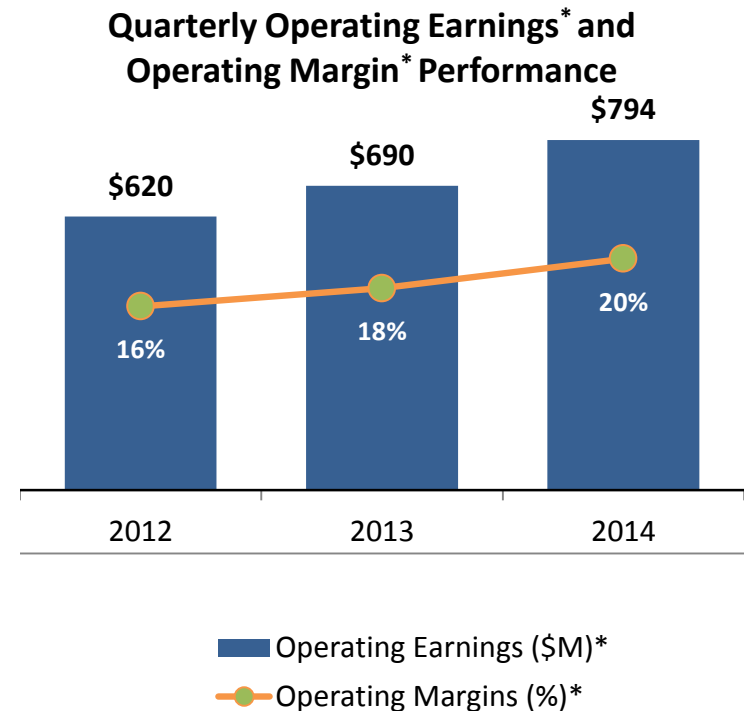


# Safety & Protection Financial Performance



## Focus on Delivering Improved and Consistent Results

- Consistent operating earnings and margin improvement
- Margin improvement from increased demand and sustained operational productivity
- 2014 operating earnings up 15% with operating margins up 260 bps versus prior year



\* Excludes non-operating pension/OPEB costs and significant items. See appendix for a reconciliation of non-GAAP measures.



## Key Growth Drivers

- Driving product innovation and application development
- Investing in downstream marketing and brands
- Dynamic management of cost and growth investments







**Innovation Remains a Critical Growth Driver**



# Electronics & Communications Key Markets



Market	Market CAGR 2014-2019	Trends
 Photovoltaics	15-20% gigawatt 10-15% materials	<ul style="list-style-type: none"><li>• Efficiency gains</li><li>• Module lifetime, durability and cost</li><li>• Globalization of end use markets</li></ul>
 Consumer Electronics	Overall ~5% Smartphones 10%+ PCs and tablets ~0%	<ul style="list-style-type: none"><li>• Thinner devices</li><li>• High speed data transfer</li><li>• Heat dissipation</li></ul>
 Advanced Printing	~3%	<ul style="list-style-type: none"><li>• Food packaging proliferation</li><li>• Digitization of commercial printing</li><li>• Sustainability</li></ul>
 Displays	3-5%	<ul style="list-style-type: none"><li>• Better visual performance</li><li>• Reduction in power consumption</li><li>• Lower manufacturing costs</li></ul>

Enabling Technology in Priority Growth Markets



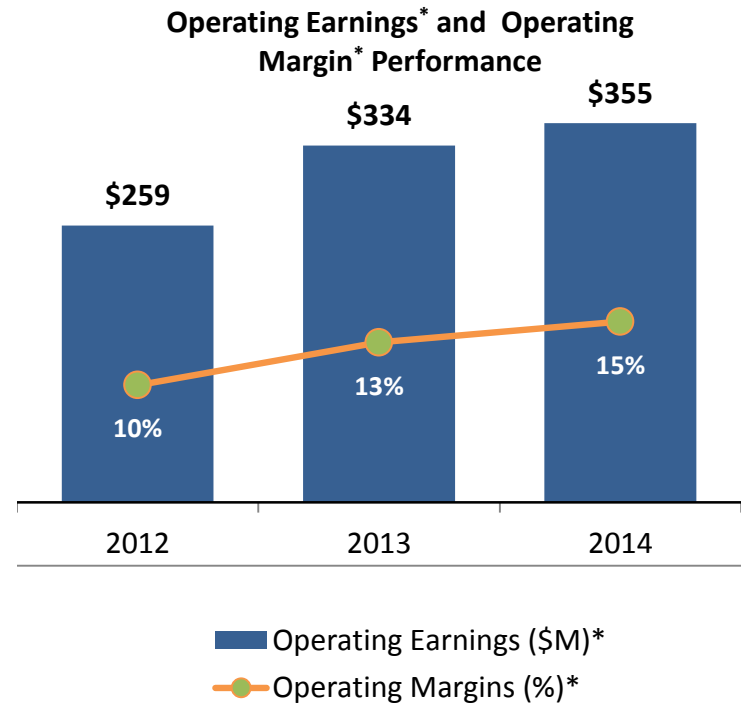


# Electronics & Communications Financial Performance



## Focus on Delivering Improved and Consistent Results

- Consistent operating earnings and margin improvement
- Margin improvement from volume growth and productivity
- 2014 operating earnings up 6% with operating margins up 170 bps versus prior year

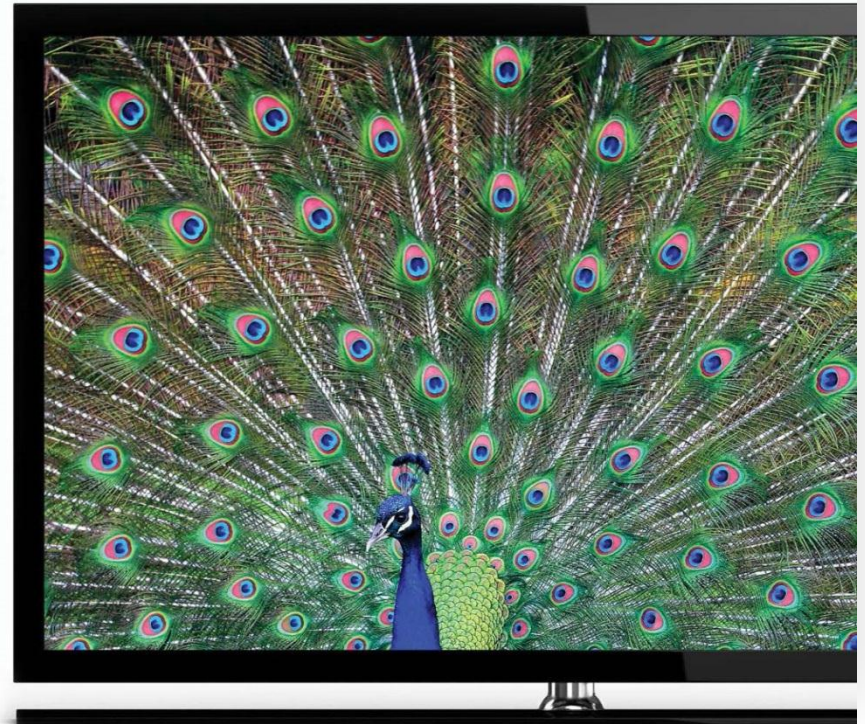


\* Excludes non-operating pension/OPEB costs and significant items. See appendix for a reconciliation of non-GAAP measures.



## Key Growth Drivers

- Improving lifetime, efficiency and cost of photovoltaic modules
- Enabling higher performance and versatility in consumer electronics
- Commercializing OLED technology for TVs



**Strengthening our Market Position in Key Markets Through Innovation**

# 2015 Focus – Advanced Materials



Strong financial momentum

Application development and productivity focus

Industry leadership through innovation

Maximizing relevance at key customers and end users

Revenue and earnings growth in Advanced Materials

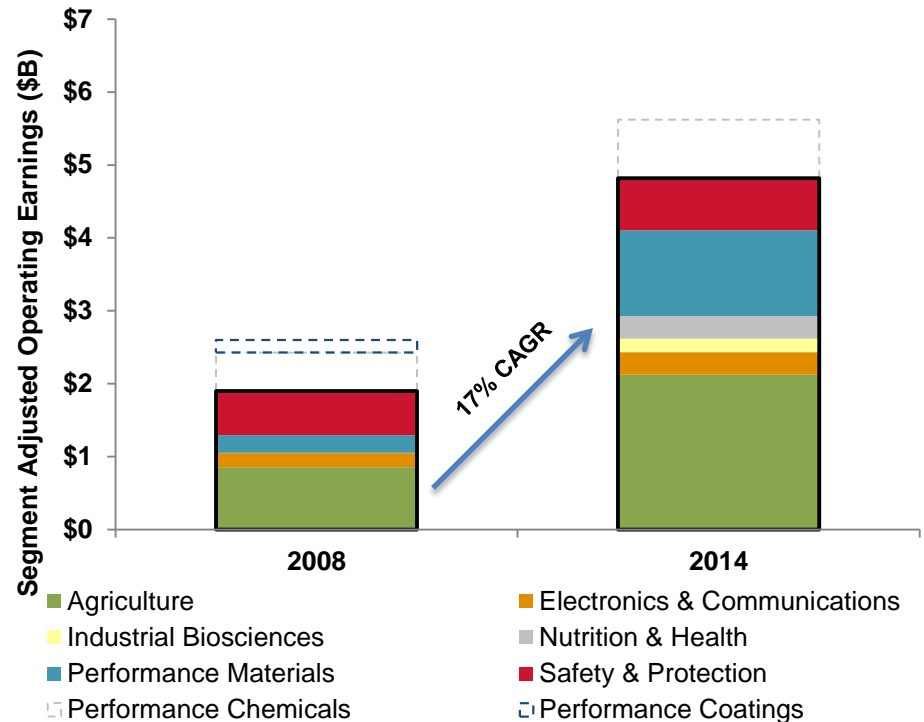
**Delivering Innovation, Extending Market Leadership,  
Creating Value**

# Summary



- Excellent progress in Advanced Materials segments
- Committed to further improving operating earnings and margins
- Driving to accelerate growth in support of DuPont strategy to build a higher growth, higher value company

## Segment Adjusted Operating Earnings\*



**Commitment to Build a Higher Growth, Higher Value Company**

\* Segment adjusted operating earnings are calculated using segment pre-tax operating income (GAAP) less significant items; calculations included certain corporate expenses and excluded adjusted operating earnings of Performance Coatings, Performance Chemicals, Pharma and Other. See appendix for a reconciliation of non-GAAP measures.



# **Appendix:**

## **Reconciliations of Non-GAAP Measures**

**E. I. DU PONT DE NEMOURS AND COMPANY AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES (UNAUDITED)**  
(dollars in millions)



**RECONCILIATION OF SEGMENT PRE-TAX OPERATING INCOME (PTOI) TO OPERATING EARNINGS**

<i>Electronics &amp; Communications</i>	<b>Year 2014</b>	<b>Year 2013</b>	<b>Year 2012</b>	
Segment PTOI (GAAP) <sup>(a)</sup>	271	203	222	
Add: Significant Items Charge included in Segment PTOI	84	131	37	
<b>Segment Operating Earnings (Non-GAAP)</b>	<b>355</b>	<b>334</b>	<b>259</b>	
Segment Sales <sup>(b)</sup>	2,393	2,549	2,701	
Segment PTOI Margin % (PTOI / Segment Sales)	11.3%	8.0%	8.2%	
Segment Operating Earnings Margin % (Operating Earnings / Segment Sales)	14.8%	13.1%	9.6%	
<i>Performance Materials</i> <sup>(c)</sup>	<b>Year 2014</b>	<b>Year 2013</b>	<b>Year 2012</b>	<b>Year 2011</b>
Segment PTOI (GAAP) <sup>(a)</sup>	1,590	1,264	1,073	1,031
Add: Significant Items Charge/ (Benefit) included in Segment PTOI	(292)	16	104	(47)
<b>Segment Operating Earnings (Non-GAAP)</b>	<b>1,298</b>	<b>1,280</b>	<b>1,177</b>	<b>984</b>
Segment Sales <sup>(b)</sup>	6,129	6,239	6,185	6,554
Segment PTOI Margin % (PTOI / Segment Sales)	25.9%	20.3%	17.3%	15.7%
Segment Operating Earnings Margin % (Operating Earnings / Segment Sales)	21.2%	20.5%	19.0%	15.0%
<i>Safety &amp; Protection</i>	<b>Year 2014</b>	<b>Year 2013</b>	<b>Year 2012</b>	
Segment PTOI (GAAP) <sup>(a)</sup>	742	694	562	
Add: Significant Items Charge/ (Benefit) included in Segment PTOI	52	(4)	58	
<b>Segment Operating Earnings (Non-GAAP)</b>	<b>794</b>	<b>690</b>	<b>620</b>	
Segment Sales <sup>(b)</sup>	3,896	3,884	3,825	
Segment PTOI Margin % (PTOI / Segment Sales)	19.0%	17.9%	14.7%	
Segment Operating Earnings Margin % (Operating Earnings / Segment Sales)	20.4%	17.8%	16.2%	

**E. I. DU PONT DE NEMOURS AND COMPANY AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES (UNAUDITED)**  
(dollars in millions)

**RECONCILIATION OF SEGMENT PRE-TAX OPERATING INCOME (PTOI) TO OPERATING EARNINGS**

<u>Industrial Biosciences</u>	<u>Year 2014</u>	<u>Year 2013</u>
Segment PTOI (GAAP) <sup>(a)</sup>	198	170
Add: Significant Items Charge/ (Benefit) included in Segment PTOI	13	(1)
<b><u>Segment Operating Earnings (Non-GAAP)</u></b>	<b><u>211</u></b>	<b><u>169</u></b>

(a) Segment PTOI is defined as income (loss) from continuing operations before income taxes excluding non-operating pension and other postretirement employee benefit costs, exchange gains (losses), corporate expenses and interest.

(b) Segment sales includes transfers.

(c) Prior periods reflect the reclassifications of Viton<sup>®</sup> fluoroelastomers from Performance Materials to Performance Chemicals.



**E. I. DU PONT DE NEMOURS AND COMPANY AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP MEASURES (UNAUDITED)**  
(dollars in millions)

	Year <b><u>2014</u></b>	Year <b><u>2008</u></b>
<b><u>SEGMENT ADJUSTED OPERATING EARNINGS</u></b>		
Segment Pre-tax Operating Income (PTOI) (GAAP)	6,356	3,373
Less: Performance Chemicals PTOI <sup>(a)</sup>	913	619
Less: Other/Pharma PTOI	(391)	839
Less: Corporate Expenses <sup>(b)</sup>	572	479
Add: Significant Items <sup>(c)</sup>	(444)	466
<b>Segment Adjusted Operating Earnings (excluding Performance Chemicals and Other/Pharma) (Non-GAAP)</b>	<b><u>4,818</u></b>	<b><u>1,902</u></b>

(a) Prior periods reflect the reclassifications of Viton<sup>®</sup> fluoroelastomers from Performance Materials to Performance Chemicals.

(b) Represents total corporate expenses excluding significant items, an estimate of DuPont Performance Coatings residual costs and an estimate for an amount that would be allocated to Performance Chemicals.

(c) Represents significant items included in Segment PTOI, excluding those related to Performance Chemicals and Other/Pharma.





*The miracles of science™*

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