

THE DUPONT PENSION AND RETIREMENT PLAN

Pension Funding Update—with Ken Porter, Chief Actuary

Is the DuPont pension plan fully funded?

The DuPont plan has been fully funded for more than two decades, under long-term funding requirements of U.S. Law and the Company has a 100-year history of providing pension payments to our retirees.

Ultimately, pensions are paid by cash that comes from two sources:

- Contributions that the company makes to the pension trust and
- Investment return on pension assets. (Assets are invested by DuPont Capital Management and have earned double-digit returns in each of the last four years and compound double-digit returns over more historical time frames.)

Based on the historical performance of the pension trust and on a reasonable expectation for future investment returns, the Plan is fully funded.

When the company files its annual financial statement to shareholders and the U.S. Securities and Exchange Commission, it is required to report funding status on the **presumption** that pension trust assets will never earn more than today's long-term interest rate. This required disclosure combines the funded status of all DuPont pension plans around the world. DuPont voluntarily disclosed the combined status of all U.S. funded plans as of the end of 2006. These plans enjoyed a combined surplus of \$892 million as of that date.

The best indicator of a strong pension program is the financial strength of the company. We have a strong focus in 2007 in delivering our profit objective and cash objective and this is what every employee can do to help the company succeed now and in the future.

How will the recently enacted Pension Protection Act impact the funding of our 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 pension plans for plan years beginning after 2007. Although significant regulatory guidance is expected prior to the Act's effective date, the company does not anticipate that the Act will have a material near-term impact on its required contributions.

How will the pension and savings changes announced in August 2006 impact the funding of the DuPont pension plan?

These changes are not expected to have a significant impact on the funded status of the Plan. All of the announced changes are expected to improve company earnings by about \$0.03 per share in 2007 and, beginning in 2008, by about \$0.05 per share.