

E. I. DU PONT DE NEMOURS AND COMPANY AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT (Dollars in millions, except per share)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
NET SALES	\$6,142	\$5,482	\$20,519	\$18,324
Other Income(a)	219	255	543	337
Total	<u>6,361</u>	<u>5,737</u>	<u>21,062</u>	<u>18,661</u>
Cost of Goods Sold and Other Operating Charges(b)	4,648	3,851	14,566	12,204
Selling, General and Administrative Expenses	708	621	2,224	1,993
Depreciation	365	339	1,036	958
Amortization of Intangible Assets	61	53	178	154
Research and Development Expense	340	322	1,012	928
Interest Expense(c)	90	79	258	279
Write-Down of Assets and Employee Separation Costs(d)	1,314	(23)	1,314	232
Goodwill Impairment(e)	291	-	291	-
Gain on Sale of DuPont Pharmaceuticals(f)	-	-	-	(19)
Gain on Issuance of Shares by Subsidiary - Non-operating(g)	-	-	(62)	-
Total	<u>7,817</u>	<u>5,242</u>	<u>20,817</u>	<u>16,729</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	(1,456)	495	245	1,932
Provision for Income Taxes(h)	(586)	5	(187)	368
Minority Interests in Earnings of Consolidated Subsidiaries(i)	3	21	66	73
INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	(873)	469	366	1,491
Cumulative Effect of Changes in Accounting Principles, Net of Income Taxes(j)	-	-	(29)	(2,944)
NET INCOME (LOSS)	<u>\$ (873)</u>	<u>\$ 469</u>	<u>\$ 337</u>	<u>\$ (1,453)</u>
BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK(k)(l)				
Income before Cumulative Effect of Changes in Accounting Principles	\$ (.88)	\$.47	\$.36	\$ 1.49
Cumulative Effect of Changes in Accounting Principles	-	-	(.03)	(2.96)
Net Income (Loss)	<u>\$ (.88)</u>	<u>\$.47</u>	<u>\$.33</u>	<u>\$ (1.47)</u>
DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK(k)(l)				
Income before Cumulative Effect of Changes in Accounting Principles	\$ (.88)	\$.47	\$.36	\$ 1.49
Cumulative Effect of Changes in Accounting Principles	-	-	(.03)	(2.95)
Net Income (Loss)	<u>\$ (.88)</u>	<u>\$.47</u>	<u>\$.33</u>	<u>\$ (1.46)</u>
DIVIDENDS PER SHARE OF COMMON STOCK	<u>\$.35</u>	<u>\$.35</u>	<u>\$ 1.05</u>	<u>\$ 1.05</u>

FOOTNOTES TO CONSOLIDATED INCOME STATEMENT

- (a) Third quarter 2003 includes a \$23 benefit resulting from a favorable arbitration ruling in the Pharmaceuticals segment.

Year-to-date 2003 also includes an exchange gain of \$30 resulting from a currency contract purchased to offset movement in the Canadian dollar in connection with the company's acquisition of minority shareholders' interest in DuPont Canada, and a benefit of \$16 from the favorable settlement of arbitration related to the Unifi Alliance.

Third quarter 2002 includes a gain of \$84 resulting from the sale of the Clysar® shrink film business. Year-to-date 2002 also includes an exchange loss of \$63 resulting from the mandatory conversion of the company's U.S. dollar-denominated trade receivables to Argentine pesos and moving from a preferential to a free-market exchange rate.

- (b) Third quarter 2003 includes a \$25 benefit from insurance proceeds related to the settled 1995 Benlate® class action suit. Year-to-date 2003 includes a charge of \$78 related to this case, partly offset by the \$25 in insurance proceeds.

Year-to-date 2002 includes charges of \$47 to write off inventory associated with discontinued specialty herbicide products and \$50 to establish a reserve related to vitamins litigation associated with a previously divested business.

- (c) Year-to-date 2002 includes a charge of \$21 for the early extinguishment of \$242 of outstanding debentures; this charge principally represents premiums paid to investors.
- (d) In connection with the separation of INVISTA, third quarter 2003 reflects impairment charges of \$1,236 to write down to estimated fair market value various manufacturing and other intangible assets held for sale, as well as investments in certain joint ventures. Additional charges of \$78 relate to pension curtailment losses associated with the anticipated separation.

Third quarter 2002 includes a benefit of \$23 resulting from changes in estimates related to prior year restructuring activities. Year-to-date 2002 includes charges of \$209 associated with separation costs for approximately 2,000 employees and the shutdown and dismantlement of several facilities, \$39 to withdraw from a joint venture in China and \$37 associated with an expected loss on the sale of a European manufacturing facility. These charges were partly offset by the \$23 change in estimates described above and a benefit of \$30 resulting principally from a favorable litigation settlement associated with exiting a joint venture in China.

- (e) Third quarter 2003 reflects an estimated charge of \$291 to write off goodwill associated with INVISTA.
- (f) Year-to-date 2002 includes a benefit of \$19 to reflect final settlement with Bristol-Myers Squibb in connection with the sale of DuPont Pharmaceuticals.
- (g) Year-to-date 2003 includes a \$62 non-operating gain associated with the formation of a majority-owned venture, The Solae Company, with Bunge Limited.

FOOTNOTES TO CONSOLIDATED INCOME STATEMENT – (CONT'D)

- (h) Third quarter 2003 includes tax benefits of \$566 relating to the anticipated separation of INVISTA.

Year-to-date 2002 includes a net \$65 non-cash tax benefit, principally due to agreement on certain prior year audit issues previously reserved for, partly offset by the establishment of a reserve for an additional tax contingency. In addition, the year-to-date 2002 tax provision reflects income tax benefits associated with losses on forward exchange contracts that were entered into pursuant to the company's ongoing program to reduce foreign currency exchange exposure.

- (i) Year-to-date 2003 includes a charge of \$28 (\$17 after-tax) for the early extinguishment of the company's Minority Interest Structures in preparation for the planned separation of INVISTA.
- (j) On January 1, 2003, the company adopted SFAS No. 143, "Accounting for Asset Retirement Obligations," which requires companies to record an asset and related liability for the costs associated with the retirement of a long-lived tangible asset if a legal liability to retire the asset exists. The company recorded a cumulative effect adjustment to income of \$29.

The company's adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," resulted in a cumulative effect adjustment to income of \$2,944 effective January 1, 2002.

- (k) Earnings per share are calculated on the basis of the following average number of common shares outstanding:

	Three Months Ended September 30		Nine Months Ended September 30	
	Basic	Diluted	Basic	Diluted
2003	997,028,781	997,028,781	996,470,591	999,745,743
2002	993,838,496	996,979,946	994,429,075	999,125,469

- (l) Year-to-date earnings per share do not equal the sum of quarterly earnings per share due to changes in average share calculations.

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CONSOLIDATED SEGMENT INFORMATION(a) (Dollars in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
<u>SEGMENT SALES(b)</u>				
Agriculture & Nutrition	\$ 803	\$ 609	\$ 4,479	\$ 3,773
Coatings & Color Technologies	1,378	1,276	4,066	3,725
Electronic & Communication Technologies	728	645	2,142	1,905
Performance Materials	1,299	1,252	3,989	3,707
Safety & Protection	998	852	3,044	2,571
Textiles & Interiors	1,744	1,567	5,240	4,687
Other	5	6	12	16
Total Segment Sales	6,955	6,207	22,972	20,384
Elimination of Transfers	(233)	(97)	(706)	(284)
Elimination of Equity Affiliate Sales	(580)	(631)	(1,747)	(1,780)
Miscellaneous	-	3	-	4
CONSOLIDATED NET SALES	<u>\$ 6,142</u>	<u>\$5,482</u>	<u>\$20,519</u>	<u>\$18,324</u>
<u>AFTER-TAX OPERATING INCOME (LOSS) (ATOI)(c)</u>				
Agriculture & Nutrition(d)	\$ (142)	\$ (91)	\$ 618	\$ 464
Coatings & Color Technologies	120	170	326	391
Electronic & Communication Technologies	32	67	92	169
Performance Materials(e)	55	181	203	389
Pharmaceuticals(f)	100	72	249	195
Safety & Protection	126	127	394	349
Textiles & Interiors(g)	(1,047)	60	(1,035)	30
Other(h)	(1)	(18)	(107)	(91)
Total Segment ATOI	\$ (757)	\$ 568	\$ 740	\$ 1,896
Interest & Exchange Gains and Losses(i)	(30)	(5)	(89)	(194)
Corporate Expenses(j)	(86)	(83)	(254)	(180)
Corporate Minority Interest(k)	-	(11)	(31)	(31)
Income Before Cumulative Effect of Changes in Accounting Principles	(873)	469	366	1,491
Cumulative Effect of Changes in Accounting Principles(l)	-	-	(29)	(2,944)
NET INCOME (LOSS)	<u>\$ (873)</u>	<u>\$ 469</u>	<u>\$ 337</u>	<u>\$ (1,453)</u>

FOOTNOTES TO CONSOLIDATED SEGMENT INFORMATION

- (a) Certain reclassifications of segment data have been made to reflect 2003 changes in organizational structure.
- (b) Includes transfers and pro rata share of equity affiliate sales. Beginning in 2003, Textiles & Interiors segment sales include transfers of intermediates to Performance Materials.
- (c) Third quarter and year-to-date 2002 include a benefit of \$17 resulting from changes in estimates related to prior year restructuring activities in the following segments: Agriculture & Nutrition - \$7; Coatings & Color Technologies - \$2; Electronic & Communication Technologies - \$1; Performance Materials - \$2; Safety & Protection - \$3; Textiles & Interiors - \$1; and Other - \$1.
- (d) Year-to-date 2003 includes a \$41 non-operating gain associated with the formation of a majority-owned venture, The Solae Company, with Bunge Limited.

Year-to-date 2002 includes charges of \$29 to write off inventory associated with discontinued specialty herbicide products, and \$25 associated with an expected loss on the sale of a European manufacturing facility.

- (e) Third quarter 2002 includes a gain of \$51 resulting from the sale of the Clysar® shrink film business.
- (f) Third quarter 2003 includes a \$15 benefit resulting from a favorable arbitration ruling in the Pharmaceuticals segment.

Year-to-date 2002 includes a benefit of \$12 to reflect final settlement with Bristol-Myers Squibb in connection with the sale of DuPont Pharmaceuticals.

- (g) In connection with the separation of INVISTA, third quarter 2003 reflects impairment charges of \$696 to write down to estimated fair market value various manufacturing and other intangible assets held for sale, as well as investments in certain joint ventures. In addition, third quarter 2003 reflects an estimated charge of \$291 to write off goodwill, and charges of \$52 related to pension curtailment losses. Year-to-date 2003 also includes a benefit of \$10 from the favorable settlement of arbitration related to the Unifi Alliance.

Year-to-date 2002 includes charges of \$100 related to employee separation costs for approximately 2,000 employees, \$43 related to facility shutdowns and \$29 to withdraw from a polyester joint venture in China, partly offset by a benefit of \$19 resulting principally from a favorable litigation settlement associated with exiting a nylon joint venture in China.

- (h) Third quarter 2003 includes a \$16 benefit related to the settled 1995 Benlate® class action suit. Year-to-date 2003 includes a charge of \$51 related to this case, partly offset by the \$16 in insurance proceeds.

Year-to-date 2002 includes a charge of \$31 to establish a reserve related to vitamins litigation associated with a previously divested business.

FOOTNOTES TO CONSOLIDATED SEGMENT INFORMATION - (CONT'D)

- (i) Year-to-date 2003 includes an exchange gain of \$18 resulting from a currency contract purchased to offset movement in the Canadian dollar in connection with the company's acquisition of minority shareholders' interest in DuPont Canada.

Year-to-date 2002 includes an exchange loss of \$63 resulting from the mandatory conversion of the company's U.S. dollar-denominated trade receivables to Argentine pesos and moving from a preferential to a free-market exchange rate, and a charge of \$17 associated with the early extinguishment of outstanding debentures.

- (j) Year-to-date 2002 includes a net \$65 non-cash tax benefit, principally due to agreement on certain prior year audit issues previously reserved for, partly offset by the establishment of a reserve for an additional tax contingency.

- (k) Represents a rate of return to minority interest investors who made capital contributions to consolidated subsidiaries.

Year-to-date 2003 includes a charge of \$17 for the early extinguishment of the company's Minority Interest Structures in preparation for the planned separation of INVISTA.

- (l) On January 1, 2003, the company adopted SFAS No. 143, "Accounting for Asset Retirement Obligations," which requires companies to record an asset and related liability for the costs associated with the retirement of a long-lived tangible asset if a legal liability to retire the asset exists. The company recorded a cumulative effect adjustment to income of \$29.

The company's adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," resulted in a cumulative effect adjustment to income of \$2,944 effective January 1, 2002.

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SEGMENT SALES(a)
(3rd QUARTER 2003 VS. 3rd QUARTER 2002)

	Segment Sales		Percentage Change Due to:		
	Three Months Ended		U.S. \$	Volume	Other(b)
	September 30				
	\$	% Chg.	Price		
Agriculture & Nutrition	\$ 803	32%	4%	10%	18%
Coatings & Color Technologies	1,378	8	7	(1)	2
Electronic & Communication Technologies	728	13	(3)	11	5
Performance Materials	1,299	4	2	3	(1)
Safety & Protection	998	17	2	9	6
Textiles & Interiors	1,744	11	1	2	8
Other	5	(17)	-	(17)	-
Total	\$6,955	12%	3%	4%	5%

(a) Includes transfers and pro rata share of equity affiliate sales.

(b) Includes impacts from the sale of Clysar®, acquisitions of Liqui-Box, ChemFirst and Renpar S.A., and formation of The Solae Company. In preparation for the planned separation, Textiles & Interiors segment sales include market-based transfers of intermediates to Performance Materials beginning in 2003.

SEGMENT INFORMATION
EXCLUDING IMPACT OF SPECIAL
ITEMS -

(Dollars in millions)

	Three Months Ended			Nine Months Ended		
	September 30			September 30		
	2003	2002	% Chg.	2003	2002	% Chg.
AFTER-TAX OPERATING INCOME						
Agriculture & Nutrition	\$ (142)	\$ (98)	N/M	\$ 577	\$ 511	13%
Coatings & Color Technologies	120	168	(29)%	326	389	(16)
Electronic & Communication Technologies	32	66	(52)	92	168	(45)
Performance Materials	55	128	(57)	203	336	(40)
Pharmaceuticals	85	72	18	234	183	28
Safety & Protection	126	124	2	394	346	14
Textiles & Interiors	(8)	59	N/M	(6)	182	N/M
Other	(17)	(19)	N/M	(72)	(61)	N/M
Total Segment ATOI	251	500	(50)	1,748	2,054	(15)
Interest & Exchange Gains and Losses	(30)	(5)		(107)	(114)	
Corporate Expenses	(86)	(83)		(254)	(245)	
Corporate Minority Interest	-	(11)		(14)	(31)	
INCOME BEFORE SPECIAL ITEMS AND CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	\$ 135	\$401	(66)%	\$ 1,373	\$ 1,664	(17)%
Special Items	(1,008)	68		(1,007)	(173)	
INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	\$ (873)	\$469		\$ 366	\$ 1,491	
Cumulative Effect of Changes in Accounting Principles	-	-		(29)	(2,944)	
NET INCOME (LOSS)	\$ (873)	\$469		\$ 337	\$(1,453)	

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FINANCIAL SUMMARY

(Dollars in millions, except per share)

	<u>3rd Quarter 2003 Versus 3rd Quarter 2002</u>	<u>YTD 2003 Versus YTD 2002</u>
<u>Variance Analysis: Income Before Cumulative Effect of Changes in Accounting Principles</u>		
Local Prices	\$ (35)	\$ (35)
Volume	65	180
Costs	(330)	(735)
Currency	15	135
Other Income	45	110
Tax Rate Change	(60)	20
Other	34	34
Total Before Special Items	(266)	(291)
Special Items	(1,076)	(834)
Total	<u><u>\$ (1,342)</u></u>	<u><u>\$ (1,125)</u></u>

	<u>Three Months Ended September 30</u>			<u>Nine Months Ended September 30</u>		
	<u>2003</u>	<u>2002</u>	<u>% Chg.</u>	<u>2003</u>	<u>2002</u>	<u>% Chg.</u>
<u>Selected Income Statement Data - Excluding Impact of Special Items And Cumulative Effect of Changes In Accounting Principles</u>						
Consolidated Net Sales	\$6,142	\$5,482	12%	\$20,519	\$18,324	12%
Segment Sales	6,955	6,207	12	22,972	20,384	13
Segment ATOI*	251	500	(50)	1,748	2,054	(15)
EBIT*	177	441	(60)	1,963	2,418	(19)
EBITDA*	589	818	(28)	3,133	3,485	(10)
Income	135	401	(66)	1,373	1,664	(17)
EPS - Diluted	.13	.40	(68)	1.37	1.66	(17)

* See Reconciliation of Non-GAAP Measures.

RECONCILIATION OF NON-GAAP MEASURES

(Dollars in millions)

	<u>Reconciliation of Segment ATOI</u>			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Segment ATOI Excluding Special Items	\$ 251	\$500	\$ 1,748	\$2,054
Special Items included in Segment ATOI	<u>(1,008)</u>	<u>68</u>	<u>(1,008)</u>	<u>(158)</u>
Segment ATOI	<u>\$ (757)</u>	<u>\$568</u>	<u>\$ 740</u>	<u>\$1,896</u>

Reconciliation of EBIT / EBITDA to Consolidated Income Statement

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Income Before Income Taxes and Minority Interests	\$ (1,456)	\$ 495	\$ 245	\$1,932
Less:				
Minority Interest in Earnings of Consolidated Subsidiaries(1)	(7)	(14)	(40)	(57)
Add:				
Net Interest Expense(2)	83	67	231	233
Special Items	<u>1,557</u>	<u>(107)</u>	<u>1,527</u>	<u>310</u>
EBIT	177	441	1,963	2,418
Add:				
Depreciation and Amortization(3)	<u>412</u>	<u>377</u>	<u>1,170</u>	<u>1,067</u>
EBITDA	<u>\$ 589</u>	<u>\$ 818</u>	<u>\$3,133</u>	<u>\$3,485</u>

(1) Excludes income taxes and corporate minority interests.

(2) Includes interest expense plus amortization of capitalized interest less interest income.

(3) Excludes amortization of capitalized interest.