

# DUPONT

## CHAIRMAN'S MESSAGE

**T**hroughout 2003 the ongoing transformation of DuPont continued at a rapid and dramatic pace. We launched a "new" DuPont, powered by science and focused on growth. Our vision is to be the world's most dynamic science company, creating sustainable solutions essential to a better, safer, healthier life for people everywhere. We are intensely focused on opportunities that can deliver results in 2004 and 2005 and help us achieve our goals of 6 percent annual revenue growth and 10 percent annual growth in earnings.

We made good progress last year. Our sales grew by 12 percent in 2003, the biggest annual increase of the past 15 years. Some of this was the result of the change in value of the U.S. dollar, but it was mainly because of the hard work of DuPont people earning customers' trust and integrating recent acquisitions. We have made more than 20 acquisitions in the past two years — nine in countries with emerging economies. As a group they contributed to earnings. The integration of these new businesses has proceeded very effectively, and DuPont is a stronger and more viable company as a result.

The common denominator in everything we do is science. We have 20 global research and development centers. We filed for 1,288 U.S. patents in 2003, up more than 25 percent from 2002. A third of those were in biotechnology, the balance in chemistry and other areas of science. In 2003, 29 percent of our sales were from products less than five years old compared to 22 percent in 2000. Our 2005 goal is 33 percent and to maintain that into the future.

The purpose of this discovery effort is a steady stream of new products for our customers. Among recent products resulting from our research projects are Zytel® HTN high performance polyamide resins, HyperCure® primers for automobile refinishing, Fodel® silver conductors for plasma television screens, Steward® and Avaunt® insecticides, and new composites and laminates for body armor that provides soldiers with more protection at reduced weight. These are just a few examples of how we offer customers the technical strength to answer their questions and solve their problems. Our marketing is "inbound." We want to know what customer

needs will be six months, one year, or two years from now, and customers' answers provide direction for our scientists and engineers.

We continue to capitalize on the power of our five growth platforms. We are encouraged by the traction the growth platform concept has achieved in terms of collaboration across our businesses and creative solutions for our customers. And we are excited about the impact that the growth platforms will have in the immediate future. In 2003 each platform made a significant contribution to our increased revenue. Each platform is demonstrating its ability to grow, to compete and win globally, and to create opportunities in the near term.

As pleased as we are with this progress, there is still enormous benefit to be gained from streamlining and standardizing our processes and by devoting more resources to new products and services and in emerging economies such as China and Central and Eastern Europe. We are now operating in a very different environment in terms of cost inputs. As a result, we are placing increased emphasis on margins and on

### SELECTED ACQUISITIONS AND ALLIANCES 2002 & 2003

| PLATFORM                                | BUSINESS                                                                    | REGION                   |
|-----------------------------------------|-----------------------------------------------------------------------------|--------------------------|
| Agriculture & Nutrition                 | Solise, LLC<br>Griffin, LLC<br>Shandong Denghai Pioneer Seed Company        | Global<br>U.S.<br>China  |
| Electronic & Communication Technologies | ChemFirst, Inc.<br>Merrimac Industries, Inc.<br>Photonics Technologies, LLC | Global<br>U.S.<br>U.S.   |
| Safety & Protection                     | ChemFirst, Inc.<br>Atofina Fluoropolymers<br>Antec International            | U.S.<br>Europe<br>Europe |
| Coatings & Color Technologies           | Renpar, S.A.<br>DuPont Red Lion                                             | S. America<br>China      |
| Performance Materials                   | Eastman LCP and PCT polymer business<br>Wuxi Xingde Nylon Co., Ltd.         | U.S.<br>China            |

### INNOVATION EXAMPLES: NEW PRODUCT COMMERCIALIZATIONS

| PLATFORM                                | PRODUCT                                                                     |
|-----------------------------------------|-----------------------------------------------------------------------------|
| Agriculture & Nutrition                 | Pioneer® Seeds<br>Indoxacarb<br>Improved soy flavor                         |
| Electronic & Communication Technologies | Plasma display panel conductors<br>Cytel® FAST                              |
| Safety & Protection                     | Clean & Disinfect<br>Environmental solutions<br>New aramid sheet structures |
| Coatings & Color Technologies           | Artistri™<br>HyperCure™ clearcoat<br>Super High Solids clearcoat            |
| Performance Materials                   | SentryGlas® Plus<br>Zytel® HTN                                              |