

eCommerce 2009

May 13, 2009

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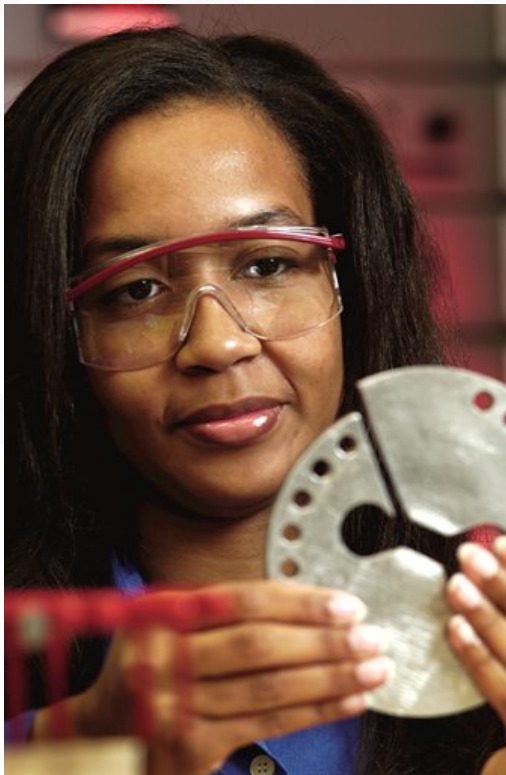
IT Director



The miracles of science™

The Vision of DuPont

**To be the world's most dynamic science company,
creating sustainable solutions
essential to a better, safer, healthier life for people everywhere.**



DuPont Core Values

- **Safety and Health**
- **Environmental Stewardship**
- **Highest Ethical Behavior**
- **Respect for People**

The Goal is Zero

DuPont Mission – Sustainable Growth

The creation of shareholder and societal value while we reduce the environmental footprint along the value chains in which we operate.



* DuPont defines “footprint” as all injuries, illnesses, incidents, waste, emissions, use of water and depletable forms of raw materials and energy.

2008 In Review

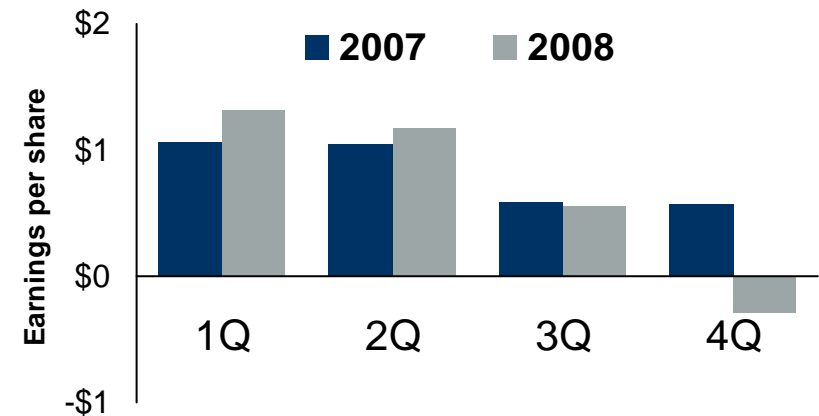
Accomplishments

- Grew Ag & Nutrition earnings* +24%
- Grew emerging markets 13%
- Disciplined pricing on science-based offerings
- Exceeded 2008 goals on cost productivity

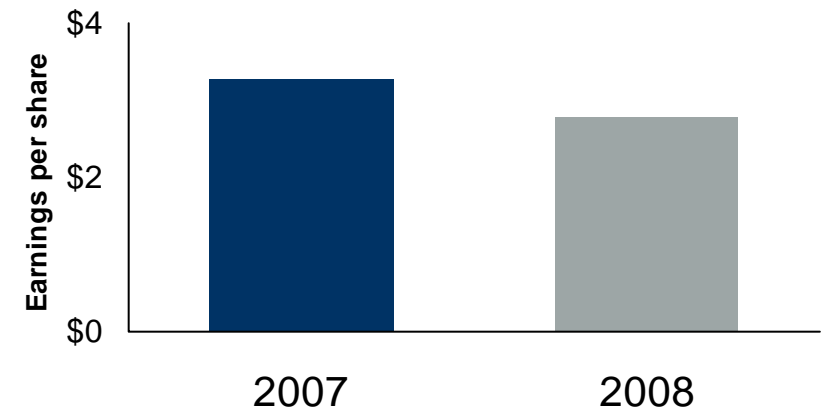
Challenges

- Full year U.S. recession; auto & housing
- 14% raw material, energy and transportation inflation
- Hurricane Impact: third quarter & fourth quarter
- Credit crisis
- Fourth quarter global economic downturn & low visibility in many end markets

'07/'08 EPS* by Quarter



'07/'08 Full Year EPS*



Sales by Market 2008- \$30.5B



MOTOR VEHICLES
20%



**AGRICULTURE/
FOOD**
29%

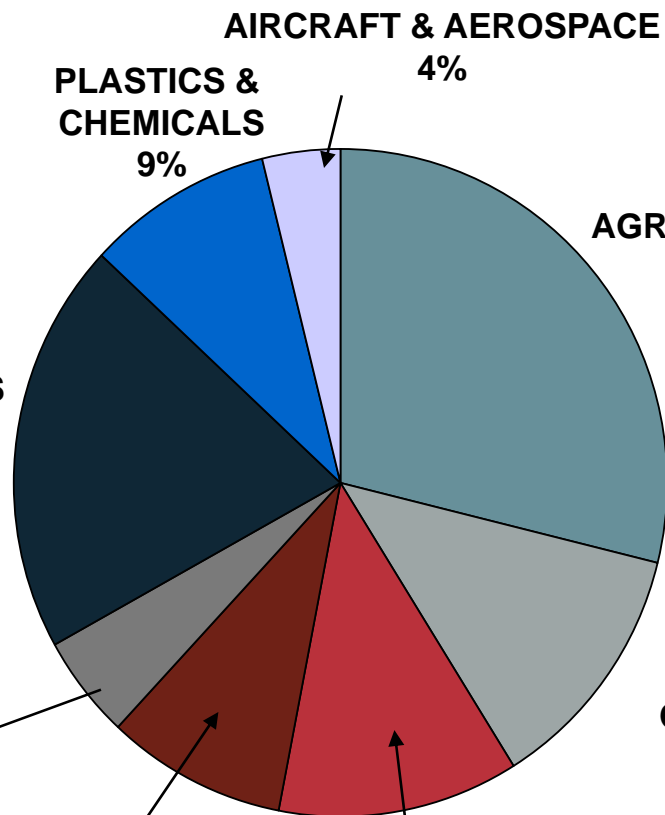
**TEXTILES /
HOME FURNISHINGS**
5%

OTHER
13%

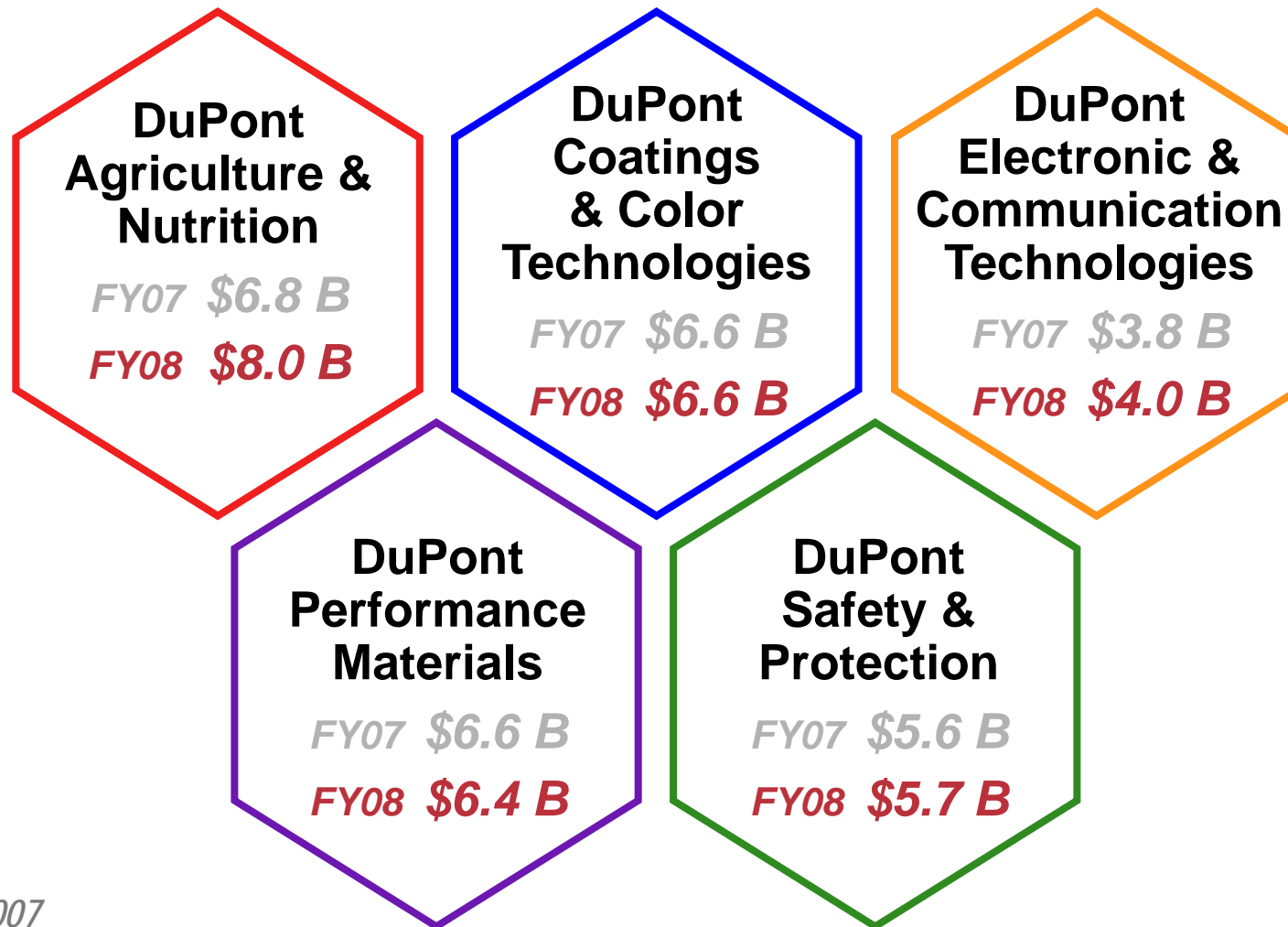


ELECTRONICS
9%

**CONSTRUCTION
MATERIALS**
11%



2008 Segment Sales - by Growth Platform



Sales (\$B):

■ Full Year (FY) 2007

■ Full Year (FY) 2008



2009: Unprecedented Environment

Challenges

- **Broad-based global recession**
- **Fourth quarter conditions extend into first quarter**
- **Raw material, energy & transportation year-over-year decline by second quarter**
- **Currency**

2009 Directives

Drive Sales & Earnings

- Deliver against segment specific targets

Reduce Costs

- ~~\$730 million~~ \$1 billion fixed cost reduction programs

Reduce Capital Spending

- ~~~\$1.6 billion~~ \$1.4 billion

Reduce Working Capital

- \$1 billion target

2009: Unprecedented Opportunity

危机

- **Confronting change**
- **Energy for updating business models**
- **Prepare for the recovery – it will come**
- **Update supply chains**

The Chinese use two brush strokes to write the word 'crisis.' One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger - but recognize the opportunity.

John F. Kennedy (1917 - 1963), *Speech in Indianapolis, April 12, 1959*

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Fundamental Elements of eCommerce Remain

- *Enable structural cost reductions*
- *Position for growth recovery*
- **Improve Customer Satisfaction**
- **Improve receivables (cash flow cycle time)**
- **Optimize inventory**

Elemica Supply Chain Solutions

- **Solutions span all aspects of customer replenishment**
 - **Order Processing:** ERP-ERP integration using traditional EDI/XML messaging
 - **Full VMI:** Replenishment based on integration of inventory & forecast data and transport lead time
 - **Re-Order Point VMI:** Replenishment based solely on the most recent inventory data and transport lead time
 - **Demand Schedule Replenishment:** Converts customer forecasts to supplier orders based on defined business rules
 - **Rail Car Replenishment:** Maintain customer service levels and control working capital through by optimizing railcar utilization.

Why Get Connected?

- **Solution is highly leveragable and helps ease cross-industry process differences and complexities**
- **Leverage existing Sales-to-Cash message suite**
- **Configurable business rules simplify low cost solution re-use**
- **Software as a Service model limits required investment**
- ***Many of your customers already are....***

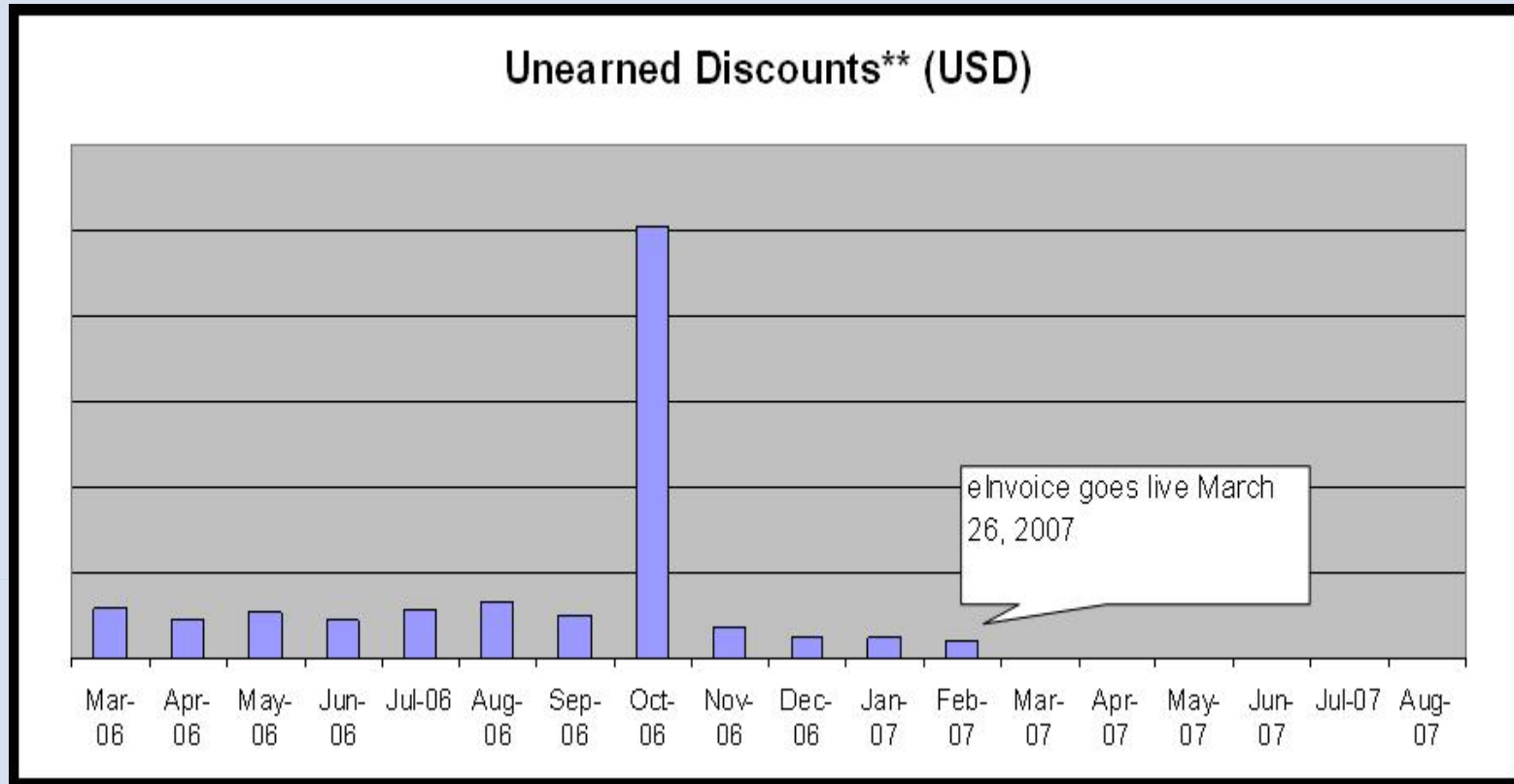
Example – VMI

- **Major customer in a consignment model**
 - **Delivered to via DuPont-owned rail cars**
 - **Known issues with rail car hold time**
 - **Forecast process highly manual and inaccurate**
- **Impact:**
 - **Reduced rail car hold time by an average of 3 days; reduced rail fleet**
 - **Net inventory reduction of 325 tonnes generating a one-time savings**
 - **Maintained customer service level of 97%**
 - **The CSR process changes enable a focus on planning versus reacting**
 - **Minimal cost to extend and scale (new locations and/or SKUs)**
 - **"Manual time that was spent on planning is being used to improve our relationship and forecast information"**

Example – Demand Schedule Replenishment

- **Major customer sends ~200 forecast messages weekly**
 - **CSR maintains spreadsheet and manually submits orders**
 - **DuPont does not send Order Response which customer desires to auto-update on-hand inventory**
- **Impact:**
 - **Convert firm customer forecast into orders**
 - **Estimated 2008 savings of \$250K**
 - **Reduced DSO due to elimination of ~10% error rate**
 - **Rolled out to another site and customer**
 - **Improved Customer Service rating expected in “Material Receiving” and “Problem Solving” Categories**
 - **“The solution allows our on-site team to focus on projects and initiatives that benefit the customer and DuPont.”**

Example – eInvoice



- **Customer stopped taking unearned discounts immediately upon eInvoice go-live due to dispute elimination**
- **Documented annual savings of \$195K**

Why Now?

- “Never waste a good crisis”
- Be ready for the recovery
- Should start small and stay small

The man who moves a mountain begins by carrying away small stones.

Confucius (551 BC - 479 BC)

Final Thought

- **Expertise is not the issue, execution is**



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