

DuPont Position on PFOA

DuPont's Commitment to Safety

DuPont is committed to putting our science to work to ensure our workers are safe, the public is safe, our products are safe and the environment is well protected. DuPont products made with or containing trace amounts of PFOA are safe for consumers – this has been verified by regulatory agencies in the United States and in other countries. Occupational exposure to PFOA has been associated with small increases in some lipids (e.g. cholesterol). It is not known whether these are causal associations. These associations were not observed in a community study. Based on health and toxicological studies, DuPont believes the weight of evidence indicates that PFOA exposure does not pose a health risk to the general public. To date, there are no human health effects known to be caused by PFOA, although study of the chemical continues. Nevertheless, the presence of PFOA at low levels in the blood of the general population has raised questions that need to be addressed. This has also resulted in uncertainties in the marketplace. As a result, we are using our science to create environmentally sustainable, competitively superior solutions to meet and exceed our customers' needs.

Background

In late 2002, the U.S. Environmental Protection Agency (EPA) initiated a review of PFOA that led to a public process to develop new data on the issue and reduce scientific uncertainties surrounding pathways of human exposure and potential risks. That process, formally launched early in 2003, included drafting a preliminary risk assessment; soliciting letters of intent from fluoropolymer and fluorotelomer manufacturers to provide data on a range of topics involving processes, releases, production volumes and toxicity; and developing formal Toxic Substances Control Act (TSCA) Section 4 Enforceable Consent Agreements (ECAs) and Memoranda of Understanding (MOUs). Fluoropolymer and fluorotelomer manufacturers also cooperated in developing voluntary research activities addressing potential toxicity and degradation of our products. Information developed under this process has been entered into the public docket.

DuPont has supported the EPA public process and has worked collaboratively to meet the needs of the Agency in gaining greater knowledge about PFOA and its impact on human health and the environment. In addition, DuPont will work individually and with others in industry to inform EPA's regulatory counterparts in the European Union, Canada, China and Japan about activities and new information surrounding PFOA.

EPA Positions on Safety of Products and Human Health Effects

The EPA's comments with regard to the safety of products are: "The information the EPA has available does not indicate that the routine use of household products poses a concern. At the present time, EPA does not believe there is any reason for consumers to stop using any products because of concerns about PFOA. EPA wants to emphasize that it does not have any indication that the public is being exposed to PFOA through the use of Teflon®-coated or other trademarked nonstick cookware. Teflon® and other trademarked products are not PFOA".

The EPA's comments with regard to human health effects are: "Although our risk assessment activities are not yet complete and new data may change the current picture, to date EPA is not aware of any studies specifically relating current levels of PFOA exposure to human health effects".

Stewardship

Despite the fact that PFOA is not a regulated chemical, DuPont has dramatically reduced emissions of PFOA from our facilities – having achieved a 90 percent reduction globally from 1999 to 2005.

In addition, DuPont has developed technologies which will substantially eliminate PFOA content in our products and emissions from our manufacturing facilities by 2007. All of DuPont actions have been embodied within the U.S EPA PFOA 2010/2015 PFOA Stewardship Program. DuPont was the first company to join the EPA program. As a part our agreement, DuPont will report to the Agency our global progress against our commitment, and that information will be available to our shareholders and the public.

DuPont has proactively also analyzed the content, estimated potential theoretical exposure and conducted risk characterizations to assure the safety of consumer products. These studies were conducted by a third party and peer-reviewed by an independent scientific panel. The results reaffirmed DuPont's position that products are safe for their intended uses, and the use of the products would not result in quantifiable exposure to consumers.

Fluoropolymers

Product Benefits

Products made with fluoropolymers are used in many critically important applications. Because of their unique characteristics they are widely used where dependable performance is essential. Critical industrial uses for fluoropolymers include insulation for wire and cabling, low emissions fuel hoses, pollution filters, high purity handling systems for integrated chip manufacture, and valves, tubing, liners and gaskets for severe service applications.

The products and applications listed above have useful and unique properties such as resistance to chemical or environmental attack, high temperature capabilities, non-stick characteristics, and electrical properties. In addition, non-stick coated cookware facilitates healthy cooking while providing a surface that is easily cleaned.

Role of PFOA

DuPont uses PFOA as an essential processing aid to manufacture fluoropolymers. PFOA is not incorporated in the polymer itself and is largely removed in the manufacturing and conversion process for virtually all industrial fluoropolymer applications. PFOA is also removed in the conversion process for fluoropolymer cookware applications. DuPont research has found no detectable levels of PFOA in cookware products made with DuPont non-stick coatings, including those sold under the Teflon ® brand.

Alternatives to PFOA

For fluoropolymers, to date, we have not identified any viable alternatives to the use of PFOA as a processing aid to make fluoropolymers. Therefore, DuPont has focused on PFOA emissions reductions from manufacturing operations and reducing PFOA content in our products. Since 2000, we have reduced emissions from our worldwide manufacturing plants by 90 percent with a goal of 98 percent reduction by year end 2007. DuPont has also developed low PFOA dispersion products using new technology under the "Echelon" brand. These new products are being launched in 2006 and several grades are fully commercialized.

Fluorotelomers

Product Benefits

Products made with fluorotelomers are used in many critically important applications. Because of their unique characteristics they are widely used where dependable performance is essential. Products made with fluorotelomers protect medical care providers against blood-borne pathogens and provide superior performance in extinguishing hydrocarbon fires, and can contribute significant environmental benefits by extending the life of and providing easier maintenance of many consumer products.

The products and applications listed above bring consumers many benefits, which include ease of care, reduced maintenance, and extended life for a broad range of articles used every day.

Role of PFOA

DuPont uses a completely different chemistry and manufacturing process to produce fluorotelomers, also known as DuPont™ Teflon® and Zonyl® stain-, water- and grease-repellant products. Fluorotelomer products are not made with PFOA, nor is PFOA added during the manufacture of these products. However, PFOA is found in trace amounts in some fluorotelomer products as an unintended by-product of the manufacturing process.

Alternatives

DuPont is committed to continuous improvement of our fluorotelomer manufacturing processes and products even beyond the aggressive goals we have shared with the EPA. New products are constantly being developed to reduce our environmental "footprint", yet still maintain high levels of effectiveness and performance. Success in this effort will depend on timely review and approvals for these new products as well as marketplace acceptance. Assuming success in these areas, in the coming decade, DuPont hopes to commercialize breakthrough products that completely redefine fluorine chemistry applications in order to achieve environmentally sustainable growth of this important product line.

To further meet these goals, DuPont announced in March 2006, a \$20 million investment at our Pascagoula, Mississippi First Chemical site that will help DuPont meet our commitments to EPA by reducing the presence of PFOA in fluorotelomer products. The project will reduce impurities from a chemical intermediate used in surface protection products, resulting in higher quality, more environmentally friendly products. The project will use a newly developed technology to destroy trace amounts of PFOA and direct precursors at a key intermediate step in the production. Water emissions from this operation will be subjected to advanced environmental control technologies shown to be highly effective for PFOA removal. We expect products to be in the marketplace beginning in late 2006 and early 2007.

Litigation and Related Risks

Several shareholders have claimed DuPont faces significant financial risk as a result of class action settlements, civil charges, and pending litigation related to alleged health and environmental impacts of PFOA. While it cannot predict the outcome of pending litigation or foreclose the possibility of additional litigation, the Company believes its position is both factually and legally supported.

Based on its understanding and evaluation of human health and toxicology studies, the Company believes that the weight of evidence suggests that PFOA exposure does not pose a health risk to the general public. To date, no human health effects are known to be caused by PFOA even in workers who have significantly higher exposure levels than the general population.

With respect to its potential obligation, under the Washington Works litigation settlement announced in 2004 to fund a medical monitoring program, it is the responsibility of the independent Science Panel established under the settlement to determine whether a probable link exists between exposure to PFOA and human disease. The Company is obligated to fund up to \$235 million for a medical monitoring program only if the Science Panel makes a finding that there is a probable link between PFOA and one or more human diseases. Thus far, the Panel has not made any such determination, whether definitive or otherwise. The Company believes it is remote that the Science Panel will find any such probable link.

Moreover, if the Science Panel delivers a "No Probable Link" finding for all human diseases, all personal injury claims of any Class member are released. Stated another way, all claims for personal injury will be released except those for any disease for which the Science Panel makes such a probable link finding. Without knowing the Science Panel's conclusions, the Company cannot predict whether it will incur any such losses, although it believes it is remote that the Science Panel will find any such probable link.

With respect to the possibility of any potential additional environmental litigation, it should be noted that, as indicated on the U.S. Environmental Protection Agency website, "PFOA is very persistent in the environment and was being found at very low levels both in the environment and in the blood of the general U.S. population." Accordingly, the mere existence of PFOA in the environment or near a DuPont facility—especially at low levels-- would not support health or other damage claims.

With respect to product related litigation, it should be noted that studies using U.S. Food & Drug Administration (FDA) standard testing methods have found no detectable levels of PFOA in non-stick coatings used for cookware sold under the Teflon® brand. The Danish Technical Institute and China Academy of Inspection and Quarantine tested cookware with Teflon® non-stick coating and did not detect PFOA. Although, according to an October 2005 published study conducted by researchers at the FDA, PFOA was detected in minute quantities in cookware using extreme and abusive test methods – methods that do not reflect what happens when consumers use cookware. The FDA stated that the quantities of PFOA detected through these extreme measures were too small to measure migration of the PFOA out of the cookware.

The FDA has determined that non-stick coatings are acceptable for conventional kitchen use. Also, in 2003 the U.S. Consumer Product Safety Commission rejected a petition to require a label warning for non-stick coatings. And a peer-reviewed study commissioned by DuPont and published in June 2005 concluded that consumer products – including cookware, carpeting and apparel – manufactured with DuPont's materials containing trace levels of PFOA are safe to use. Commenting on PFOA as an essential processing aid in the manufacture of fluoropolymers, the United States Environmental Protection Agency (EPA) has said it "does not believe there is any reason for consumers to stop using any consumer or industrial related products."

Accordingly, the Company does not believe that these product-related lawsuits have any merit and, therefore, believes it is remote that it will incur material losses.

Summary

Through the use of our science and technology in this manner, DuPont believes that the EPA's goals to protect human health and the environment can be achieved while continuing to provide fluoropolymer and fluorotelomer products to meet customer needs and contribute to shareholder value.

The Facts About PFOA

Health

Health Effects

To date, there are no human health effects known to be caused by PFOA. Based on health and toxicological studies conducted by DuPont and other researchers, DuPont believes the weight of evidence indicates that PFOA exposure does not pose a health risk to the general public.

DuPont has conducted a two-phase employee health study on PFOA at its Washington Works site located near Parkersburg, W.Va. Results from the first phase of this study for more than 1,000 workers indicate no association between exposure to PFOA and most of the health parameters that were measured. The only potentially relevant association is a modest increase in some, but not all, lipid fractions, e.g., cholesterol, in some of the highest exposed workers.

The second phase was a mortality study that involved the examination of all causes of death in more than 6,000 employees who worked at the Washington Works site during its more than 50 years of operation. No convincing evidence of increased mortality associated with exposure to PFOA was found. A detailed analysis for coronary heart disease mortality showed a slight increase in one model at one time interval. However, this increase was not observed with other models, and the overall mortality rates for heart disease were not increased in this study. This one observed increase could be a random occurrence or it could mean a small increase in those workers most heavily exposed. A statistically non-significant increase in kidney cancer mortality and a statistically significant increase in diabetes mortality was found across the site when compared to the regional worker population from the same company. These associations did not appear to be related to PFOA exposure, but there were too few cases to make definitive conclusions.

In August 2005, medical researchers from the University of Pennsylvania released the results of a study of 326 residents of four communities in southeastern Ohio who live near the DuPont Washington Works plant. The study was funded through a four-year Environmental Justice Partnership grant from the National Institute of Environmental Health Sciences. The study reported no relationship between elevated PFOA levels and blood-test results that would indicate liver damage or a history of liver disease (including cirrhosis, hepatitis, and any other liver condition), or thyroid damage or a history of thyroid disease.

DuPont disputes claims from the DuPont Shareholders for Fair Value worker blood monitoring. These allegations are from a surveillance report for the Washington Works site which compared mortality rates in Washington Works employees to the U.S. DuPont employee population. No conclusions about potential health effects associated with PFOA exposure can be drawn from this report because it did not categorize exposure to PFOA and most Washington Works employees have never worked with PFOA. DuPont completed the second phase of a two-part employee health study on PFOA at its Washington Works site during the third quarter of 2006 that showed no increase in mortality in workers exposed to PFOA.

Environmental

EPA 2010/15 PFOA Stewardship Program

On January 25, 2006, the EPA announced a voluntary industry initiative that could virtually end public exposure to PFOA. In announcing the program, Susan Hazen of EPA said in a news briefing, "I am pleased to say that DuPont has already responded to Administrator Johnson's letter, and they have alerted us they are formally committed to the program. I would like to commend them for their leadership in moving to voluntarily reduce their emissions and uses of PFOA and I am hopeful that others will follow." Also, the Environmental Working Group (EWG) said, "as harshly as we have singled out DuPont for criticism for its past handling of PFOA pollution, today we want to single out and commend the company, and acknowledge its leadership going forward. We discern in this agreement the DuPont company at its best: forward looking, environmentally sensitive, setting the pace for a cleaner chemical industry, and committed to applying its formidable powers of invention to eliminate pollution from this family of chemicals where they can, and severely restrict it everywhere else. Eventually, we hope DuPont and other companies will find ways to operate without the use of persistent toxic chemicals altogether."

EPA Science Advisory Board

On February 14, 2006, the Science Advisory Board (SAB) released its draft report which included the recommendation to classify PFOA as a "likely" carcinogen. The EPA is considering the SAB report, along with the latest scientific information and cancer/health studies, not considered by the SAB, before the Agency makes a regulatory decision for PFOA.

DuPont disputes the cancer classification of "likely" recommended in the SAB report because it is based on laboratory studies in rats, and does not adequately reflect human health data that show no health effects. The company supports the position of those panel members who agreed with EPA's current draft risk assessment that states PFOA should be classified as a "suggestive" carcinogen. The SAB report represents a science-based review/recommendation to the U.S. EPA – not a definitive conclusion – but widely misreported in media as a conclusion. DuPont continues to support the EPA risk assessment process. A final risk assessment by the EPA could take up to two years. While a final risk assessment is pending, the EPA draft assessment continues to include a classification of "suggestive".

EPA Proposed Rule on Polymer Exemption

The proposed changes to the EPA polymer exemption rule will have a negligible impact on DuPont's Fluorotelomer business. For products sold in the U.S. we have generally not relied on the Polymer Exemption, but rather completed the necessary toxicology work and other requirements in order to have our products listed on the Toxic Substances Control Act (TSCA) inventory. DuPont's focus is on meeting our emissions reduction targets and reductions in the already low levels of PFOA and precursors in our products. The Polymer Exemption will not impact our ability to meet those commitments, since our products are already TSCA inventory listed. Further, the proposed rule does not alter our belief, confirmed by the EPA, that our products are safe.

DuPont Fayetteville Site

Since October 2002, DuPont has been producing PFOA at its Fayetteville Works site in North Carolina. Presently, PFOA is not regulated by the U.S. EPA or by the N.C. Department of Environment and Natural Resources (DENR). DuPont has been voluntarily submitting groundwater and surface-water monitoring results to DENR since we began our monitoring program in 2003. DENR officials have publicly complimented our site on a history of timely submission of regulatory reporting. The EPA and DENR participated in our annual, on-site monitoring program in January 2006. We welcome further involvement from both agencies, as their participation will only strengthen our programs. Also, in a continuing effort of transparency, DuPont has proactively shared its monitoring results with employees, neighbors, the Community Advisory Board and the media, and will continue to do so.

Consumer Products

Environmental Working Group/Glenn Evers Allegations

Allegations made by Environmental Working Group (EWG) and a former DuPont employee, Glenn Evers, that food-contact paper made with DuPont materials contain unsafe levels of PFOA are false.

These products are safe for consumer use. The Food and Drug Administration (FDA) has researched this very question using state-of-the-art methodology and measurement techniques and the agency continues to routinely monitor new developments in scientific knowledge. FDA has cleared these materials for consumer use since the late 1960s, and DuPont has complied with FDA regulations and standards regarding these products.

Published FDA research found trace migration of fluorotelomer products to food simulants but found PFOA to be below the level of quantification in the extracts (Begley, T., et al Food Additives and Contaminants 22 (10) 2005). A FDA letter to DuPont stressed fluorotelomer exposure does not equate to PFOA exposure. The FDA continues to state that these materials are safe for consumer use. Dr. Paul Honigfort, Consumer Safety Officer, Office of Food Additive Safety wrote in that letter, "At this time, we have no reason to change our position that the use of both perfluorocarbon resin and telomer-based coatings are safe".

In addition, a FDA letter to the EWG describes EWG claims as "irrelevant to the safety determination on the use of Zonyl® and the company would not have been required to provide this information to FDA". The letter also provides FDA's estimate that consumers who use food contact paper made with DuPont materials are exposed to levels of the food contact substance that are "approximately 45 times lower than the 0.2 ppm (0.6 mg/day) concentration in the diet determined to be safe in 1967". Dr. George Pauli, FDA Associate Director for Science Policy of Office of Food Additive Safety commented in a media story (Bloomberg, November 17, 2005) that FDA currently has no limit on how much of the chemical can be absorbed in the food, and DuPont was under no obligation to provide the FDA with internal company documents about regulated products.

Non-stick Cookware in China

In response to public concern in China over quality and safety of Teflon® coated non-stick cookware, the General Administration of Quality Supervision, Inspection & Quarantine (AQSIQ) said that locally produced non-stick cookware which meets the compulsory national standards are assured for product quality and safety. The products are safe for consumer use.

In July 2004, the so-called "Teflon Incident" was likely to have been caused by some media's misreporting. This confusion created a negative impact on both consumers and the industry. Consumers were not buying and products were removed from retail. When the General Administration of Quality Supervision, Inspection & Quarantine (AQSIQ) released the test results indicating locally produced non-stick cookware were safe for consumer use in October of 2004, this incident subsided. Regarding current conditions, non-stick cookware export from China achieved double-digit growth in 2005.

DuPont is engaging with regulatory authorities around the world and working to share the science on PFOA. In addition, we are sharing the voluntary reduction commitment made to the EPA which is global in scope.

California Proposition 65

In February 2006, a coalition of environmental and labor groups announced the submission of a petition to place PFOA under California Proposition 65.

Proposition 65, also known as the Safe Drinking Water and Toxic Enforcement Act of 1986, requires the State to publish a list of chemicals known to cause cancer, birth defects or other reproductive harm. Businesses are required to provide a clear and reasonable warning before knowingly exposing anyone to a listed chemical, unless exposure is low enough to pose no significant risk of cancer or is significantly below levels observed to cause birth defects or other reproductive harm.

DuPont believes that PFOA should not be listed under Proposition 65 and thus opposes this request. Published, peer-reviewed health and toxicological studies conducted by DuPont and other researchers have shown there are no human health effects known to be caused by PFOA. The weight of the evidence indicates that PFOA exposure does not pose a health risk to the general public. Given the status of present reviews of this chemical by federal agencies that constitute "authoritative bodies" for purposes of Proposition 65, there is no basis for the California Office of Health Hazard's Carcinogen Identification Committee to consider PFOA at all at the present time, and certainly no basis for doing so on an expedited basis.

Legal

West Virginia Class Action

In February 2005, DuPont reached final settlement of a class action lawsuit brought by residents near its West Virginia plant regarding releases of PFOA from the plant. The settlement placed priority on the community rather than on a lengthy legal proceeding that could have taken years to litigate. The settlement also provided benefit to both the plaintiffs and the company by taking reasonable steps to seek solutions based on science.

Under the terms of the settlement, DuPont agreed to provide cash payments and expenditures valued at \$85 million, plus attorneys' fees of \$23 million in West Virginia and Ohio. The settlement also addressed contingent medical monitoring funding with cash guarantees of up to \$235 million in the event that an independent science panel of experts determines that such monitoring is necessary. The independent science panel is not expected to issue their findings for several years.

EPA TSCA 8(e) Settlement

On December 14, 2005, EPA announced that it reached a settlement with DuPont to resolve two administrative complaints the agency had brought against the company in July and December 2004. The complaints alleged the company failed to report information about PFOA risks, violating the Toxic Substances Control Act (TSCA) and the Resource Conservation and Recovery Act (RCRA). DuPont agreed to pay civil fines of \$10.25 million and to fund two environmental monitoring projects in the local community for an additional \$6.25 million. DuPont expects the projects will be completed by December 2009. DuPont settled the complaint without admitting liability.

EPA said the TSCA requirements meant the company should have reported observed PFOA levels in the umbilical cord from one pregnant woman. But DuPont said it found only trace amounts of PFOA in the employees, and that these levels did not meet the "substantial risk" threshold for TSCA reporting. EPA also said DuPont should have reported the incidents starting in the mid-1980s when it found water samples with PFOA levels higher than the company's internal exposure guidelines. DuPont countered that reporting was unwarranted because the amount of the levels found were significantly less than the level determined to pose "no risk of deleterious effect" to human health by a multi-agency panel of scientists, including EPA experts. It also said the information about PFOA in the women's and infants' blood did not constitute a toxicology report that would be reportable.

Consumer Products Class Actions

Twenty-two class actions have been filed in federal district courts against DuPont on behalf of consumers who purchased cookware with Teflon® non-stick coating. These class actions claim that DuPont materially misrepresented the safety of this cookware, which allegedly is made with, contains, and/or releases harmful and dangerous substances, including PFOA. In addition, a motion was filed by a single plaintiff in the Superior Court for the province of Quebec, Canada seeking authorization to institute a class action on behalf of all Quebec consumers who have purchased or used kitchen items, household appliances or food-packaging containing Teflon® or Zonyl® non-stick coatings. [See "EWG/Evers Allegations" for additional details about these allegations.] The company believes these lawsuits are without merit and will defend itself vigorously.

These lawsuits make allegations concerning what happens during extreme heating of cookware and also take allegations from the scientific debate concerning PFOA--which is an environmental and workplace issue that DuPont has addressed responsibly while working in conjunction with the EPA--and to try to turn them into a consumer products safety issue. Contrary to the allegations, no reliable evidence demonstrates that there is danger to consumers from using Teflon-coated pots and pans under normal cooking conditions. Cookware coated with Teflon® is safe when used properly. In fact, over the past 40 years, there is only one documented case of a minor health effect as a result of non-stick cookware. Independent U.S. public agencies have studied non-stick coatings and have approved their use. The Food and Drug Administration, the leading U.S. health regulatory agency, has found non-stick coating acceptable for conventional kitchen use.

Moreover, studies by DuPont and others, using FDA standard testing methods, have found no detectable levels of PFOA in non-stick coatings sold under the Teflon® brand. No study has detected a significant amount of PFOA in Teflon-coated cookware. After reviewing a recent paper reporting work done by an FDA scientist and others, the FDA stated that "the potential for PFOA migration from perfluorocarbon resins used on cookware is negligible." Also, the U.S. Consumer Product Safety Commission rejected a petition to require a label warning for non-stick coatings. Health regulatory agencies across the globe have approved the use of Teflon® coatings for non-stick cooking surfaces.

According to the U.S. Environmental Protection Agency (EPA), "the information that EPA has available does not indicate that the routine use of household products poses a concern. At the present time, EPA does not believe there is any reason for consumers to stop using any products because of concerns about PFOA. EPA wants to emphasize that it does not have any indication that the public is being exposed to PFOA through the use of Teflon®-coated or other trademarked nonstick cookware."