

DUPONT E I DE NEMOURS & CO  
Form 8-K  
July 25, 2006

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
**PURSUANT TO SECTION 13 OR 15(d) OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported) **July 25, 2006**

**E. I. du Pont de Nemours and Company**  
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
Of Incorporation)

**1-815**  
(Commission  
File Number)

**51-0014090**  
(I.R.S. Employer  
Identification No.)

**1007 Market Street**  
**Wilmington, Delaware 19898**  
(Address of principal executive offices)

Registrant's telephone number, including area code: **(302) 774-1000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition

On July 25, 2006, the Registrant announced its consolidated financial results for the quarter ended June 30, 2006. A copy of the Registrant's earnings news release is furnished on Form 8-K. The information contained in Item 2.02 of this report on Form 8-K shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor incorporated by reference in any registration statement filed by the Registrant under the Securities Act of 1933, as amended.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

E. I. DU PONT DE NEMOURS AND COMPANY  
(Registrant)

/s/ D. B. Smith  
D. B. Smith  
Vice President and Controller

July 25, 2006

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July 25, 2006  
WILMINGTON, Del.

Contact: Anthony Farina  
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**DUPONT REPORTS SECOND QUARTER 2006 EARNINGS OF \$1.04 PER SHARE;  
SEES STRONG YEAR-OVER-YEAR EARNINGS GROWTH IN SECOND HALF**

**Highlights**

- **The company reported second quarter 2006 earnings of \$1.04 per share. Excluding significant items, earnings per share were \$1.01, up 12 percent from \$.90 per share last year.**
- **Average local prices were 2 percent higher and increased for the 10<sup>th</sup> consecutive quarter. Worldwide sales volumes increased 1 percent, while currency effects reduced sales 1 percent.**
- **Total fixed costs declined \$80 million year-over-year, and as a percentage of sales improved 70 basis points to 39.8 percent.**
- **The company reaffirms its full year earnings outlook and expects second half earnings to be up significantly compared to 2005.**

Our results this quarter reflect progress in executing our growth strategies and performance improvement initiatives, said Charles O. Holliday, Jr., DuPont chairman and chief executive officer. Our businesses delivered improved pricing, more new product innovations, and again demonstrated excellent cost control. We also achieved important milestones in our emerging biofuels business and in our seed pipeline. We are well-positioned for strong earnings growth in the second half.

#### **Global Consolidated Net Income and Sales**

Consolidated net income for the second quarter was \$975 million, or \$1.04 per share compared to second quarter 2005 net income of \$1,015 million, or \$1.01 per share. Excluding significant items, earnings per share were \$1.01 in the second quarter 2006 compared to \$.90 in the prior year. See Schedule B for a summary of significant items.

Second quarter 2006 net income reflects higher local selling prices across all regions, lower fixed costs, and the impact of higher energy and ingredient costs. The current quarter net income also reflects higher miscellaneous income and a lower income tax rate.

Consolidated net sales for the second quarter were \$7.4 billion versus \$7.5 billion last year. On a comparable business basis, sales were up 2 percent. For the quarter, total company volumes increased 1 percent, reflecting increases in all regions except the United States.

(Dollars in billions)	Three Months Ended June 30, 2006		Percentage Change Due to:		
	\$	% Change*	Local Price	Currency Effect	Volume
U.S.	\$3.3	(1 )	2		(3 )
Europe	2.0		1	(3 )	2
Asia Pacific	1.2	7	2	(2 )	7
Canada & Latin America	0.9	9	2	2	5
<b>Total Consolidated Sales</b>	<b>\$7.4</b>	<b>2</b>	<b>2</b>	<b>(1 )</b>	<b>1</b>

\* Percentages shown are on a comparable business basis by excluding second quarter 2005 sales of \$202 million for former elastomers businesses transferred to The Dow Chemical Company on June 30, 2005.

**Earnings Per Share**

The table below shows the variances in second quarter 2006 earnings per share (EPS) versus second quarter 2005, by major element:

**EPS ANALYSIS**

	2nd Quarter
EPS - 2005	\$ 1.01
2Q '05 Significant items (see Schedule B)	.11
	\$ .90
Local prices	.11
Volume	.01
Variable costs	(.15 )
Fixed costs	.03
Currency/Misc. income	.04
Lower shares net of higher interest	.05
Tax Rate	.02
Subtotal	1.01
2Q '06 Significant item (see Schedule B)	.03
<b>EPS - 2006</b>	<b>\$ 1.04</b>

Improved local pricing and higher volumes offset a significant portion of higher raw material costs. Fixed cost productivity, measured as a percent of sales, improved 70 basis points versus last year, reflecting an \$80 million year-over-year reduction in total fixed costs. After adjusting for currency effects, volume and portfolio changes, after-tax fixed costs were \$.03 per share lower than last year.



**Business Segment Performance**

Segment pretax operating income (PTOI) for second quarter 2006 was \$1.5 billion, 6 percent below last year. PTOI excluding significant items was essentially flat. Segment PTOI, sales, and percentage changes versus second quarter 2005 are shown in the tables below.

PRETAX OPERATING INCOME (Dollars in millions)	Three Months Ended June 30		% Change vs. 2005
	2006	2005	
Agriculture & Nutrition	\$ 428	\$ 511	(16) %
Coatings & Color Technologies	222	188	18
Electronic & Communication Technologies	169	217	(22) *
Performance Materials	193	190	2
Pharmaceuticals	200	192	4
Safety & Protection	310	283	10
Other	(30)	7	(529) **
<b>Total</b>	<b>\$ 1,492</b>	<b>\$ 1,588</b>	<b>(6) %</b>

\* 2005 PTOI includes a \$48 million gain on the sale of Photomasks.

\*\* 2005 includes a \$39 million gain on the disposition of a Textiles & Interiors affiliate.

SEGMENT SALES* (Dollars in billions)	Three Months Ended June 30		Percentage Change Due to:	
	\$	% Change	U.S. \$ Price	Volume
Agriculture & Nutrition	\$2.0	(4)	(1)	(3)
Coatings & Color Technologies	1.6	2	1	1
Electronic & Communication Technologies	1.0	3	1	2
Performance Materials	1.7	6	3	3