DUPONT

Authorization req'd: (CEO, OCE, BOD)	OCE
Requires 8K Disclosure:	No

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To: Office of the Chief Executive

From: Diane Gulyas, President
DuPont Performance Polymers

Approval to Conduct an Auction and Negotiate the Sale of Neoprene (Project Elm)

The associated marketing plan focused on the home markets of North America and Europe where the higher value applications and long standing customers were well established, and withdrawing from lower priced regions and end use applications. While DPE's strategy has allowed it to maintain the position as the primary supplier to the US markets and maintain a significant role in Europe, there are several major concerns regarding the future.

1. The chloroprene monomer risk classification was modified by the EPA. The EPA classified the chloroprene monomer used to manufacture neoprene as a likey carcinogen and proposed new more stringent standards for exposure to the monomer. Local regulatory agencies may use this new guidance change and set acceptable exposure levels in the workplace and community. DPE anticipates that the local air quality board in Louisiana will review the new information and possibly change the rules for chloroprene monomer emissions in 2012 or 2013. If a change is made, there will be an adequate period of time to allow the business to achieve compliance with the new regulations. Measures required to achieve compliance may entail capital expenditure.

2. The Pontchartrain facility relies on Butadiene as the primary feedstock to manufacture Neoprene. Historically the facility received 100% of the Butadiene supply via a pipeline from Shell. With the changes in the US natural gas market, Shell temporarily suspended the operation of it's C-4 unit which supplies the Butadiene in 2009 and Shell has since indicated it wishes to supply no more than 50% of Pontchartrain's Butadiene needs. An alternative supply using P&IP supplied C-4 from Sabine and a toller has been established, but the cost and reliability of Butadiene supply is likely to be an ongoing concern and will certainly impact the business margin and value..