DUPONT CHAIR AND CEO ELLEN KULLMAN CHARTS THE FUTURE OF ONE OF AMERICA'S GREAT COMPANIES

Ellen Kullman
Chair and CEO
DuPont

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Excerpts from Ms. Kullman's Remarks

What does DuPont do? Many people are surprised to learn that we don't sell nylon or polyester anymore. These are areas we pioneered. However, we are one of the world's largest seed companies. Our materials are used in over half of the world's 400 million solar panels installed since 1975. We're a leader in biofuels development. And we make enzymes that are in much of the world's ice cream and other foods that you eat.

So we're no longer the chemical giant, which is a term that is still used in many places in the media to describe us. Rather, we're combining biological science, chemistry, materials science, and engineering to drive new growth opportunities. And from what we've seen, the most exciting changes in the world science are going to drive at the intersection of these sciences.

The biggest advances in areas that really will solve some of the toughest problems that we face are going to come at the interface of biology, of chemistry, materials science, and nanotechnology. So this is what I mean when I say and use the phrase "integrated science." We believe it will be transformational for our company as this century continues to unfold.

How is DuPont using science in its business? We're using the power of integrated science to build our strengths in three areas. So if science is the "what," where are we going to use it? The first is in agriculture and nutrition. We're already a major global player in agriculture and our strategy is to extend that leadership across high-value science-driven segments in the ag and the food value chain.

The second is in bio-based industrials. Our strategy here is to develop world leading industrial biotechnology capabilities to help transform new materials and new businesses that are bio-based.

And the third area is in advanced materials. We've been a leader in materials science for many years and our strategy here is to strengthen and to grow our position in highly differentiated performance materials. Now, the key to success in these strategic areas will be our ability to create innovative solutions that respond to local needs. And this is occurring everywhere around the world – where science meets demand.

What about outreach and networking? We've been open very much to working outside our company. It's just not the science we create, but we work collaboratively with others at every level, so that the inventions in the laboratory become really answers and solutions for the world. Because the challenges we face, no matter where we are in

the world, are very large and very complex and I don't believe there's one company, one country, or one institution that has all the tools to help create those solutions.

So to facilitate collaboration, we've built a global network to bring our science closer to local markets, and these are innovation centers, and each one of them allows our customers and other strategic partners to work with us to solve their problems locally.

Now, at a DuPont innovation center, partners of ours can connect with the more than 10,000 scientists and engineers in our company, no matter where they are in the world, to help create a solution or an answer to create a new application, a new product to help them be more successful.

How many products do you actually manufacture? I've never counted. But I know in the last, what, four years, about 29 percent of our revenue is from products – last year – 29 percent of our 2012 revenue was from products that were introduced in the last four years. There are about 10,000 of those.

What about Teflon and Kevlar? The hardest thing about Teflon is not about things not sticking to it. It's about getting it to stick to something that you want it to. So you think about whether it's a frying pan or a pipe in oil and gas, where you don't want stuff to build up, we have to figure out how to make something that nothing sticks to stick to something. So that's – [laughter] – quite an engineering challenge.

Kevlar's everywhere. It's in life protection, so military and first-responder vests….Kevlar has the ability to absorb energy and dissipate it out so that a bullet then flattens and the energy gets dissipated... It's very tough and very lightweight and it's used in, like hockey sticks…so they don't break when they're being used.

Of DuPont's 65,000 employees, how many are in the United States? About half….60 percent of our revenue is from outside of the U.S. and Canada.

What about China? We've been there a long time. And we continue to grow there. It is about that they have markets that are opening up and allowing more innovation from the outside to come take a position. And, you know, we're going to be part of that, whether it's in agriculture or in food ingredients.

You think about the stress of 7 billion people in the world going to 9 billion people. And a lot of those people are not going to be in the United States and Western China. The growth is coming from the developing world….moving from a world food system to an urban food system and the issues you get there, not only with the waste that's occurring in the value chain, the need to grow more food, packaging materials. It's about the nutrition of the food, not just the quantity. And you see a lot of change taking place in places like China, in India, in ASEAN[1], in other places in the world. So that creates opportunity. And so we leverage our global science to create very local solutions to be relevant there.

Where do you see your biggest competition coming? Most of our competition is coming from emerging markets, as companies create and continue to grow and evolve….But you know, the interesting thing is that competition is good, right? I think competition's good for the economy….good for us because it keeps us on our game. It keeps us focused on what's important, on how to continue to create innovation that makes a difference to our customers….then, we as a company create value. Our shareholders participate in that. And I think of that as great…. really winning in the marketplace is what it's all about.

[1] Association of Southeast Asian Nations.

DAVID RUBENSTEIN: Welcome, members and guests of The Economic Club of Washington, welcome to this luncheon event at The Grand Hyatt in Washington, DC. This is the sixth Club event this year, our 27th season. I'm David Rubenstein, President of the Club. I'm pleased to welcome our members and guests today to our special lunch with the chair of the board and CEO of DuPont, Ellen Kullman.

DuPont is, obviously, a company you're very familiar with. DuPont is now 211 years old, started in 1802, and I think is the company that has been on the Dow Jones the longest of any current company on the Dow Jones. The company today has about a $53 billion market cap, $35 billion in revenue, and about 65,000 employees. Ellen Kullman became the CEO of the company in 2010, and she has been the chair and CEO for several years now. Since she became the chair and CEO, the company's stock is up over 100 percent and it's up about 25 percent this year. [Applause.]

So she assumed her position as chair of the board and CEO, both positions as of January 1, 2009. She has been at the company since 1988, came there from GE. She started her business career actually at Westinghouse while she was in graduate school at Northwestern business school, worked during the day, and got her master's degree in business at night. She did her undergraduate work at Tufts. When she joined DuPont, she had a series of positions and worked her way up to be president and then later chair and CEO.

Earlier today, *Forbes* magazine disclosed that she's one of the most highly regarded women in the business world and said that she is the third most powerful woman in American business. [Applause.] She was also voted by *Forbes* one of the top 40 women in the entire world in terms of power as well.

So she's obviously a leader in the U.S. business world and a leader in the global business world. And DuPont is a company that is a global company as we'll hear in a moment. So it is my pleasure to introduce the chair and CEO of DuPont, Ellen Kullman. [Applause.]

ELLEN KULLMAN: Thank you, David, very much. It's a great pleasure to be here. I am certain that when we scheduled this, we had no idea what was going to be going on in Washington this week. But before we get into the conversation, I think it is important for me to take a couple of minutes and talk about DuPont Company today. You know, David did express that we're 211 years old, but obviously a very different company today than then and have changed quite a bit in the last decade. And I'm amazed, as I go around and talk to people, how when I describe the company today, they're surprised at the amount of change that's taken place in our company.

So, many people are surprised to learn that we don't sell nylon or polyester anymore. These are areas we pioneered. However, we are one of the world's largest seed companies. Our materials are used in over half of the world's 400 million solar panels installed since 1975. We're a leader in biofuels development. And we make enzymes that are in much of the world's ice cream and other foods that you eat.

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And of course, in only a few minutes, I can only scratch the surface, but I wanted to take the time to give you this sort of review so that as David and I are continuing our conversation and you hear me talk about soybeans or corn or cellulosic ethanol, you know that I'm talking about DuPont, but it's a transformed DuPont.

So the bottom line is that our science and our markets are different, but our core values and our purpose as the company are the same. And really it's the determination of our 65,000 employees around the world that create this and they're as solid as ever.

We have an extraordinary set of scientific capability. We have tremendous insights into local markets. And we are very well positioned to continue to use this science to create solutions that make people's lives better, creating value for our customers and our shareholders.

Well, thank you very much and I look forward to our dialogue. [Applause.]

MR. RUBENSTEIN: Thank you very much. So let me start by asking, do you think for a woman to become the chairman and CEO of a Fortune 15 company, does she have to be twice as smart as a man or just one and a half times as smart? [Laughter.]

MS. KULLMAN: Well, I'm not sure what the IQ needs to be, but I think it's based on the fact that we multitask. We get so much more done than the guys do. [Laughter.] I really do think that's so – [applause].

MR. RUBENSTEIN: So when you worked at Westinghouse and then General Electric, in 1988 you came over to DuPont and you're from Wilmington. So was that a factor in wanting to go back to a company based in the state that you were born in or raised, was that a factor or not?

MS. KULLMAN: Well, you know, I was married. My husband and I had lived in Connecticut with GE, then in Milwaukee, and we wanted to get back to the East Coast. And you know, the amazing thing to me is at DuPont at that time more than 50 percent of their business centers were located in Wilmington. My husband's an engineer and an MBA as well, and he and I both worked in the company. He retired earlier this year, but he and I both worked in the company and never ran into each other for the first seven years at the office.

So, you know, we could both have great careers and continue to do things we were interested in and see each other at night and the weekends.

MR. RUBENSTEIN: So when you joined from General Electric, did you actually think it was realistic that a woman could become the CEO of that company or any large company of that type?

MS. KULLMAN: Yes, I don't think back in '88 that was the discussion. I had just graduated from grad school. My goal was to be a marketing manager in a high-tech company. I failed. I don't think DuPont would be considered in the tech world. But you know, where I found my passion at DuPont and the reason I stayed 25 years is I started wandering around in the laboratories. I was working in one of the businesses and met our research and development folks and started wandering the halls, finding out what they were working on. And I really felt, as an engineer with an MBA, my passion was how to connect that science to the marketplace to really help our customers succeed and hence DuPont succeed. And I got very excited about what I found and just really had a great time working in different businesses in DuPont in my career doing just that.

MR. RUBENSTEIN: So when you became the CEO – and DuPont is obviously the biggest company in Delaware and obviously employs a lot of people in Wilmington and so forth – did all of a sudden a lot of people call you up and say, I knew you in high school, I didn't realize you were a CEO – [laughter] – and you got a lot of new friends and new relatives –

MS. KULLMAN: Oh, yeah. Well, there were several teachers, yes, that did connect.

MR. RUBENSTEIN: They said they knew you had it in you and that kind of thing?

MS. KULLMAN: Well, apparently, I've always been somebody who's, you know, had a high bar, got things done, focused on how to – how to win. I played basketball in high school and college and I could out-jump six-footers.

MR. RUBENSTEIN: Really?

MS. KULLMAN: Let's just say that.

MR. RUBENSTEIN: OK. So you didn't consider a career in professional basketball, no.

MS. KULLMAN: No, no, not, not. I really focused on engineering. I really thought that was a better path for me. [Laughter.]

MR. RUBENSTEIN: OK. Well, it seemed to have worked out. So – [laughter] – when you became the CEO, there was a free-fall in the U.S. economy at the time and we were in a terrible financial meltdown. Were you worried about your ability to engineer earnings increases and so forth at that time?

MS. KULLMAN: Yeah, you know, we had a couple of things. Number one is, you know, in the last couple of years before I became CEO, I was taking on more responsibility in the company, and I realized I maybe had an opportunity to lead the firm.

And so I had a plan. I said, gee, if the board ever called me and said, you know, what would you do differently, I had plan A. And the hardest thing I had to do was open the drawer and put plan A in it and close the drawer and create plan B because the world was changing so quickly. It was a very different place. And you had to work your way through the financial crisis. We had to generate enough cash to pay our dividend, to continue to invest in the research and development, which we thought was key in differentiating us from our competition coming out of it. We really had needed to create operating leverage, so that when the economy returned we could, you know, continue on our path the transformation.

MR. RUBENSTEIN: So do you get irritated or upset when people say DuPont is a chemical company because they thought of that as a chemical company for a long time, because you've pointed out that's really not a chemical company so much as a science company? Or do you just say, let me explain what the company does now?

MS. KULLMAN: No, I don't get irritated. I use that as an avenue to tell our story, to talk about how we've really utilized – chemistry is really important. And chemistry and biology, nanotechnology – when you work across those sciences, you can create great opportunities, whether it's a novel insecticide that's friendly to humans and can be used in small quantities and very efficacious, I mean, just changing the whole point there. I mean, materials that protect, you know, firefighters, that are much lighter weight, more flexible. I mean, so science can create a lot of positives for our customers down the value chain. And I think that's where the focus is.

MR. RUBENSTEIN: So some of the products are well known. How many products do you actually manufacture?

MS. KULLMAN: I've never counted. But I know in the last, what, four years, about 29 percent of our revenue is from products – last year – 29 percent of our 2012 revenue was from products that were introduced in the last four years. There are about 10,000 of those.

MR. RUBENSTEIN: Wow.

MS. KULLMAN: And that's innovation and it's science and it really is advancing, whether it's in agriculture and nutrition, bio-based industrials, or in advanced materials.

MR. RUBENSTEIN: Well, let me mention two products that are probably pretty well known. One is Teflon. DuPont invented Teflon. Is that right?

MS. KULLMAN: Yes.

MR. RUBENSTEIN: So how does that actually work? Explain that –

MS. KULLMAN: Very low – [laughs] – so where's my board? I need a whiteboard. I can draw it for you. Very low coefficient of friction. But you know, the hardest thing

about Teflon is not about things not sticking to it. It's about getting it to stick to something that you want it to. So you think about whether it's a frying pan or a pipe in oil and gas, where you don't want stuff to build up, we have to figure out how to make something that nothing sticks to stick to something. So that's – [laughter] – quite an engineering challenge.

MR. RUBENSTEIN: OK. All right. Let me ask you another one. Kevlar, Kevlar is something that's thought to be very important. That's a chest protector, other things. How does Kevlar actually keep the bullet from penetrating?

MS. KULLMAN: Yes. Kevlar's everywhere. And it's in life protection, so military and first-responder vests. It dissipates energy. So Kevlar has the ability to absorb energy and dissipate it out so that a bullet then flattens and the energy gets dissipated across the chest or wherever, helmets. It's very tough and very lightweight and it's used in– you know – like hockey sticks. They're used in hockey sticks so they don't break when they're being used.

MR. RUBENSTEIN: So very often, large companies have R&D operations and they say to their scientists, we want a product that does something like along these lines. And some other companies say, just put the smart scientists together and they will come up with something that might ultimately be useful, but we won't know originally what they're going to come up with.

So how did you do that? Do you say to your scientists, come up with a product that'll solve this problem? Or do you say think of something that you think is interesting and maybe something good will come from it?

MS. KULLMAN: So you know, it's an "and" equation, right? So the first thing is that the process of innovation has changed greatly over the last few decades. And it used to be in the '40s and '50s, we would invent it, throw it over the wall. What could the marketers do with it? Now it's an integrated process. It starts with our customers, no matter where they are in the world in these innovation centers, connecting into our scientists or engineers or whatever they need. It's a very collaborative process and inclusive. And it's through that kind of breaking down the barriers between us and our value chains and our customers, we learn a lot from them about not only the functionality of the product, but also how to make it run better in their manufacturing process that can create productivity for them. And so it's a greatly collaborative and inclusive process today and very, very different than the past. And that enables us to create those new products to generate top-line growth and bottom-line growth for a company.

MR. RUBENSTEIN: But your job is to say to a scientist, I have an idea and go see if you can make it work. I mean, you're not the person whose job it is to come up with scientific breakthroughs that they're going to go try to figure out they can make it work. And that's not the CEO's job, right, you don't tell them what to do and –

MS. KULLMAN: Well, if I have an idea, I'm more than willing to share it with them, but I can tell you – [laughter].

MR. RUBENSTEIN: Well, when you say that somebody comes up with a product along these lines, I assume they're probably responsive, but – no?

MS. KULLMAN: You know, it creates an interesting dialogue. And you know, for one thing, we do basic research and we do applied research and development, and all the way down through product introduction and manufacturing. And so, you know, it's interesting because some of the most novel things that we've come up with – I remember going to our chief technology officer, it was about four years ago, a woman by the name of Uma Chowdhry. And I said, how did this product come to be? It opened up a new market for us in China that we couldn't address economically with the historic products. And she said, I wish I could tell you there was a recipe. These two guys ran into each other in a cafeteria. They hadn't seen each other in five years. They sat down and started talking and a new product was born. One was working on a need in an area and the other one said, have you ever thought about doing A, B, and C? And they got together and worked on it and a new product was launched.

And so you know, you can't schedule innovation, but what you can do is create the opportunity for those things to happen.

MR. RUBENSTEIN: So you mentioned China and I guess that leads to the question of overseas international operations. Today, you have about 65,000 employees. How many of them are in the United States?

MS. KULLMAN: About half.

MR. RUBENSTEIN: Half? And those in Delaware, about 10,000 or so?

MS. KULLMAN: Yes.

MR. RUBENSTEIN: And of the ones overseas, did you have more revenue from overseas? It was about half the revenue is from overseas –

MS. KULLMAN: No, 60 percent of our revenue is from outside of the U.S. and Canada.

MR. RUBENSTEIN: OK. And today, as you look at the government shutdown that we're living through, how is that affecting DuPont? Is it, you know, doing something dramatically bad to you or you're not being affected by it that much or what?

MS. KULLMAN: You know, I think we're seeing a slowdown. I mean, it started with sequestration, right, with limited budgets from the military or other areas, because we do sell products to the government. My biggest concern is the economic slowdown that is occurring and will occur the longer this goes on. It will impact the U.S. economy.

People, you know, lack of confidence is one of the major issues we have today. And I think we need to get after that.

MR. RUBENSTEIN: So you're in Washington today, obviously. Suppose the President called you up after this and said, come on over, I'd like some ideas from a businessperson about how I can solve this debt problem. What would you tell him he should do?

MS. KULLMAN: Well, I mean, I'm an engineer. You're the economist. So you probably have more ideas than that. Well, you know, when I think of some of the problems that we face in business, we focus on creating the answer, but then afterwards, we go to root cause and say, how do you fix the process? I see so many people today trying to focus on who's at fault, as opposed to focus on what we need to do to go forward. So I'd ask for the conversation to look forward and say what do we need to do to make this better. And we can always figure out how we improve our process in order to have this not happen again.

MR. RUBENSTEIN: So if the President said, OK, I take it you don't want to give me advice, but I need a senior Cabinet officer at some point or some future President. Would you ever go into government in a senior position or you've had enough of –

MS. KULLMAN: I have a reputation for speaking my mind and not being able to control that many times. And so it probably wouldn't be a good career choice for me.

MR. RUBENSTEIN: OK. [Laughter.] So let's talk about China for a moment. You mentioned it earlier. Do you see it as the great growth engine for your company in the sense that it's a gigantic emerging market and a lot of American companies are trying to sell a lot of things there, or is that a great prospect for you, or not as important as other markets?

MS. KULLMAN: No, we've been there a long time. And we continue to grow there. It is about that they have markets that are opening up and allowing more innovation from the outside to come take a position. And you know, we're going to be part of that, whether it's in agriculture or in food ingredients.

You think about the stress of 7 billion people in the world going to 9 billion people. And a lot of those people are not going to be in the United States and Western China. The growth is coming from the developing world. And you think moving from a world food system to an urban food system and the issues you get there, not only with the waste that's occurring in the value chain, the need to grow more food, packaging materials. It's about the nutrition of the food, not just the quantity. And you see a lot of change taking place in places like China, in India, in ASEAN, in other places in the world. So that creates opportunity. And so we leverage our global science to create very local solutions to be relevant there.

MR. RUBENSTEIN: In the food area, you've become a major producer of food seeds and other kinds of agricultural products. Can you explain what the concern is about

genetically modified food products? Do you think it's a legitimate concern and how do you try to address that concern?

MS. KULLMAN: Well, you know, I think that any of us as individuals or countries need to be able to choose how science impacts us. And countries need to choose from a regulatory environment where they set that bar. I think it needs to be done from a scientific framework, not an emotional framework. I'm very comfortable with the technology. You know, it is one of the most studied technologies between EPA, FDA, and the various regulatory regimes around the world. But I'm very clear that we as individuals and we as a country need to make that determination.

Now, I'm a big believer that science is becoming a bigger part of all of our lives, not a smaller part. And we're not doing our job as a country in educating our children to be able to live in a world where they need to make these decisions. And they need to do it from a base of knowledge. And I think, you know, that's being done around improving the curriculum, in STEM, in science-based areas, is critical to our future.

MR. RUBENSTEIN: You have three children. Have they followed your advice? Are they going into these areas? Are they getting educated in those areas?

MS. KULLMAN: Two out of three, so I –

MR. RUBENSTEIN: That's not bad.

MS. KULLMAN: So far. So two are still in college in engineering school.

MR. RUBENSTEIN: OK, so today, as you look at DuPont, do you see it as a company that is helped by being based in Delaware or hurt, or that makes no difference? In other words, it's a small state, some might say. And it's a state that isn't the center of the financial world like the way New York is. But do you see it as a plus or a minus or it doesn't make a difference?

MS. KULLMAN: Well, strategically located between Washington and New York, what else could be more perfect than that?

For any business leader today, what you need access to is transportation. You need to be close to whether it's rail or air because I spend more time out of the headquarters than I spend in the headquarters because it is about connecting to the customer. It's about walking our laboratories around the world. It's about sitting with farmers in India or – a couple of weeks ago, I was up in Northeastern China with farmers, and understanding what changes are occurring in that value chain and how do we need to change to address that. So access to a good airport and I'm fine.

MR. RUBENSTEIN: Of your travel time, are you out of the United States a large amount of your travel time? Is that because your customers are outside or –

MS. KULLMAN: Yes, about half my travel is outside the U.S.

MR. RUBENSTEIN: OK. And then today, you know, if you were to say to some people, you were to speak to people at a business school or an engineering school, come work at DuPont, what would be your argument why they should come to DuPont as an exciting place to have a career?

MS. KULLMAN: To me, that's the most exciting part of my job – chief recruiting officer. And I go out to engineering schools and I go to places because we recruit Ph.D.s and engineers and scientists. And what I say is, with the changes that are occurring in the world and the need for science to address that change, feeding a growing population, you know, energy choices for that growing population, and protecting people and the environment – they're the areas that DuPont is focused on from a science standpoint and working with customers focused on that and understanding how it creates a huge difference in our world and the impact that science can have. Because kids today, they want a good job, but they want to work for somebody that also does good. And they have choices.

You know, I recruit a lot of engineers, and engineer unemployment is at the lowest of any different group in the United States these days. So it is. Young kids today have a passion for helping the world become a better place. And I talk about the impact that DuPont has had and the impact we will have in the future.

MR. RUBENSTEIN: So from the time somebody in your labs comes up with a new idea till it becomes a product, is that typically a multi-year period of time? And how do you eliminate the bureaucratic tendency to slow things down when you're trying to get new products to the market?

MS. KULLMAN: You know, so we measure it, right? We measure cycle time. And it's different in every industry. In automotive, it'd be three to four years. In agriculture, if it's seed, it could be 20 years. And you know, I'm the beneficiary of the decisions my predecessors made in terms of where to focus our science and technology. And they created innovations that we are introducing this year and next year that are helping us grow.

We've done a lot. We've increased our research and development budgets quite a bit over the last five years since the global financial crisis. And we measure it. We measure its impact on our new products, on our top-line growth. It's interesting because what you want to do is if you're not going to be successful, you want to fail quickly and you want to fail cheaply. And you have to make it OK for people to do that. And you have to honor the learning from that. And so I spend a lot of time in our labs.

MR. RUBENSTEIN: So how many people – I'm just curious – how many people here think that they've used a DuPont product today? OK. All right. And how many people here actually understand how Teflon works? [Laughter.] OK.

MS. KULLMAN: My senator does. [Laughter.] It's a proud moment. [Laughter, applause.]

MR. RUBENSTEIN: Today, as you look at the competition, do you see – the greatest competition DuPont as a company from other companies in the United States or from companies overseas? Where do you see your biggest competition coming?

MS. KULLMAN: Yes, I think the most of our competition is coming from emerging markets, as companies create and continue to grow and evolve. And we've been dealing with that – I mean, for decades. But you know, the interesting thing is that competition is good, right? I think competition's good for the economy. I think competition is good for us because it keeps us on our game. It keeps us focused on what's important, on how to continue to create innovation that makes a difference to our customers. And then, we as a company create value. Our shareholders participate in that. And I think of that as great. Well, the basketball player in me comes out – you know, I love the nature of competition, and really winning in the marketplace is what it's all about.

MR. RUBENSTEIN: So today, when you are worried about being the CEO, you have to deal with increasing quarterly earnings every quarter. Is that something that you're worried about because the focus in America on quarterly earnings increases, is that something that you have to deal with all the time or do you just let the earnings go where they're going to go? Or do you spend a lot of time making sure that your earnings are going to go up? How do you try to manage that?

MS. KULLMAN: Well, I think the goal at the end of the day is for it to go up, right? And there are a lot of things that impact that. So yes, so you have to meet your short-term commitments and you have to make sure you have a long-term plan that takes you in a direction that continues to create the opportunities that allow you to make those short-term commitments.

MR. RUBENSTEIN: So what keeps you up at night? What are you most worried about, both as a CEO of DuPont and as an American business leader? What are your biggest concerns?

MS. KULLMAN: You know, so if you look at what's happening here in Washington, you know, it's just the tip of the iceberg in many ways. So we have to deal with that. But the creation of an appropriate regulatory regime, tax regime to help U.S. companies compete in a global economy, is really important. And you know, we work on that in a lot of different venues and make sure our voice is heard. But I think that is the most important thing because to create a strong, vibrant U.S. economy is – you know – needs to have the regulatory, the tax, in an appropriate place to allow us to compete, not just in the U.S., but compete globally.

MR. RUBENSTEIN: So do you spend a lot of time in Washington with regulators talking about environmental concerns or other kinds of things and how have you dealt

with the environmental concerns that some people have had about chemical companies? Has that been a big problem for you?

MS. KULLMAN: Well, I think we've dealt with it very – you know – up front and over decades. You know, one of my predecessors, Ed Woolard, deemed himself the chief environmental officer. And really, this was back in the 1980s, and created us on a pathway around sustainability, footprint reduction, right? And then not only that, but how do our products make a difference to help other companies be better from a sustainability standpoint?

For instance, advanced polymers today take much higher temperature, more highly corrosive environments than they ever have, enabling automotive companies to build lightweight vehicles. These diesels they have in Europe, very hot, very corrosive. Polymers are replacing metals to allow light weighting, to allow increases in fuel economy. So everybody wins, right? So not only do we look at it from an environmental footprint reduction, we look at how our products can help down our value chains to create a more sustainable future for our world.

MR. RUBENSTEIN: In terms of future opportunities, let's suppose someday you might leave as CEO, someday way down in the future, and somebody came to you and said, here's $1 billion to invest as a private equity investor, invest in some area you think is very attractive, where there's going to be growth opportunities – [laughter] – where would you put that money?

MS. KULLMAN: Well, gee, let me think, David. Let's talk about this. You know, I tell you, a decade ago or more, 13 years ago, I started working in the laboratories and understanding the power of biotechnology to really change the material world. It's done a lot in pharmaceuticals. It's done a lot in agriculture. But it's changing the materials world. I think we're just at the beginning of that transition. I think that raw materials coming from biologic sources, from cellulose, from waste, is going to create not only more sustainable materials than we know about today, but new and different materials that are going to enable a whole different future going forward. So I'd pick that area.

MR. RUBENSTEIN: So you would. OK. And do you think that other countries are competing more favorably against us than we would like? In other words, do you see China being able to make investments in this area better than we are or do you not worry about our competitive abilities?

MS. KULLMAN: Yes, I think this is an area where we're just at the beginning. And so there're a lot of little companies, a lot of entrepreneurs that are out there that are doing some very interesting things. We probably have the largest base of science in that area, a lot of it homegrown. Some of it we've purchased from the outside. And I do think, getting back to the issue of collaboration, that we alone aren't going to get there. It's by partnering. Like we're partnering with BP on butanol, which will replace ethanol, but doesn't have the energy degradation, doesn't have the issues moving through the

pipelines. And there's a lot you can do in those areas, but it takes partnerships and it's going to take working across those boundaries to really get it done.

MR. RUBENSTEIN: Now, who's the person who thinks of these names of the products that – [laughter] – Teflon or Kevlar, who is the – do you have a person whose job is to come up with these names or how does that –

MS. KULLMAN: You know, yes, that wouldn't be me. I tried. They don't let me. But I do think we let the scientists, you know, kind of have a say in it. Now, honoring our scientists in that way is great. Rynaxypyr, the insecticide I spoke about earlier, zero sales five years ago, $750 million last year. The name hasn't seemed to slow down the success in the marketplace. So I'll take that back and find out exactly who named that one, but –

MR. RUBENSTEIN: OK. So ultimately, as the CEO, you will at some point down the road, you're going to have to step down, do something else. Is there any career ambition you have other than running a large company like this and presuming you don't want to go in the government and I don't know if you want to go into private equity. You're always welcome, of course.

But is there anything that you would like to see as a professional challenge ahead of what you're doing now?

MS. KULLMAN: Yes, you know, I'll tell you, where my passion lies is in science education. It's in creating more engineers. It's creating more scientists. And I spend a lot of time working in Change the Equation, which is a bunch of CEOs with a business roundtable, a bunch of CEOs working together to see how our efforts can help create a stronger scientific future in our educational system. So that's an area of passion of mine.

And I think what it comes back to is how I kind of grew up in business. I grew up, you know, as an engineer with an MBA, but connecting science to the marketplace. And I think that's really where I get excited and where I'd love to spend my time.

MR. RUBENSTEIN: And so your legacy – not that you're leaving, but what you would like to see people say about what you've done for DuPont – that you've transformed it from a certain type of company to a different type? What would you like people to say as of now that you've done to effectuate change?

MS. KULLMAN: You know, it's interesting. I do think it is around transformation. I mean, we're in our third century. We moved from an explosives company to a chemical company. We're now moving into the integrated science company and really creating great products and services down our value chains to enable our customers to be successful, using all the power that science has. And it is that transformation and that broadening that is really driving me, it's driving my senior team in creating the growth, both top line and bottom line, for our company.

MR. RUBENSTEIN: And today, would you say that DuPont is as strong as anytime you've been in the company and you're very happy with your prospects going forward, or what is your biggest concern today for DuPont?

MS. KULLMAN: Well, I think for any CEO, you're never satisfied with where you are. You're always looking to where you can go. You know, hold the bar high, make sure we have the right people in the right jobs to really continue to drive the change. You know, I'm very proud of the work our team has done since the global financial crisis. I think we've performed very well. And I think we have great opportunity in front of us. And I think that really – that kind of creates the morale and the drive and the motivation for out teams around the world to continue to connect our science to the marketplace.

MR. RUBENSTEIN: So if a woman today is watching this interview or she maybe is in the audience and she's an MBA student and she wants to become the CEO of a Fortune 50 company herself, what are the one or two things you would say that she should do, other than being smarter than a man perhaps, but what would you say are the qualities to rise at the top that one needs?

MS. KULLMAN: You know, so each of us has what I call the book on us, how people view us from the outside. And you know, so what's the book that makes a good CEO, right? It's you have to be smart certainly, but you have to be able to bring people with you. You have to build strong teams, get people to work together. Give them a compelling vision of where to go. So it is the EQ, as well as the IQ. But build a good book on you, what do you want to be known for – getting things done, working across complex environments and creating a future. I think the wonderful world we have today means people can choose, you know, where they go and how they engage. And so do that prospectively, not just looking in the rearview mirror.

MR. RUBENSTEIN: So how do you stay in touch as a CEO of a large company with the average person, their interests? So do you go shopping in supermarkets yourself and do people recognize you because you are famous in Delaware and other places? But how does that get done?

MS. KULLMAN: Yes. So yes, my children did need to eat and still do. [Laughter.] And yes, I was part of that. So I mean, the interesting thing is the biggest shock to our employees in the Wilmington area was when they run into me on a Sunday afternoon in the supermarket, in the mall. I mean, literally two weeks ago, I needed to pick something up really quick. So like 8:00 at night, I run into the mall to get something. I'm walking out. This woman stops me and says, you do your own shopping? [Laughter.] And I went, yeah. And she goes, I work for you. I said, I figured that out. And so we – and so – [laughter] – because nobody else usually stops me. And so I said, so where do you work? And so we had a great conversation, very quick conversation. But people are shocked that I – we all, you know, live life the same way, right?

MR. RUBENSTEIN: Great. So you're very happy with where you are today at DuPont and you're very satisfied with your career to date, I'd say. Is there one goal that you have that you would say is the goal you have ahead of you the next three or four years or so?

MS. KULLMAN: You know, I have a dream of where our company is going and a view to that that we're driving to and delivering on every day. And I – you know –I have a great team and we know what our vision is and where we're headed. And you know, we spend a lot of time out in the marketplace listening.

And you know, anybody who deals in this position, you're doing it from a labor of love because there's no other reason to do it, because, you know, it's – as you know, it's fraught with a lot of issues. And so I really think that the continued transformation of our company into that integrated science and these areas is phenomenally exciting to me. It's exciting for our people. And we're going to – you know – it's funny. We just – we kind of – all of us in the company consider ourselves a community of solvers. So we're there to help solve issues down our value chains in the marketplace. So I've walked farms in Sub-Saharan Africa and in China and the issues many of them are saying, many of them are different. And how do we help translate and have science make a difference in those areas? It's very exciting.

MR. RUBENSTEIN: And being a basketball player has given you a competitive drive, I'd say. Would you say being a basketball player's probably helpful to what you did?

MS. KULLMAN: Well, I do think competitive sports does create a set of skills in teamwork, a set of skills in that the results do matter, and a sense of camaraderie and loyalty to each other that creates great – you know, great results. The team creates great results. And I think that's helpful to any of us as you work in this environment.

MR. RUBENSTEIN: Well, and one last question, how did you get the stock to go up 119 percent since you've been the CEO and 25 percent this year? I'm looking for advice on how to do something like that.

MS. KULLMAN: Yes, OK. [Laughter.] So – you know – it's interesting. We focused on what we could control. We went to our shareholders and said we're not going to cut our dividend. We're going to pay you the dividend. We looked across our company and said we're going to focus on research and development. We'll be successful coming out of this crisis by creating new innovations and products that our customers want and need better than the competition. And you give people a really clear sense of purpose and drive coming through the financial crisis and they just ran for it and delivered on it greatly. And I think we just continue to drive and delivering in that fashion.

MR. RUBENSTEIN: Well, thank you for a slam-dunk interview and I appreciate it very much. On behalf of the Club, I want to give you this copy of the first map of the District of Columbia. Thank you.

MS. KULLMAN: Thank you. [Applause.]

Ellen Kullman

Ellen Kullman, 57, is chair of the board and chief executive officer of DuPont. She is the 19th executive to lead the company in more than 208 years of DuPont history. Ellen became CEO on Jan.1, 2009, and chair of the board on Dec. 31 of that year. She was president from Oct. 1 through Dec. 31, 2008. Prior to that, she served as executive vice president and a member of the company's office of the chief executive.

As CEO, Ellen has championed market-driven science to drive innovation across the company's businesses. Under her leadership, decision making has moved closer to customers around the world, resulting in greater partnering, collaboration, and solutions attuned to local needs.

A native of Wilmington, Delaware, Ellen began her career at DuPont in 1988 as a marketing manager. She served as business director for several businesses including White Pigment & Mineral Products where she became vice president and general manager in 1995. She assumed leadership of two high-growth businesses, DuPont Safety Resources in 1998 and Bio-Based Materials in 1999. She was named group vice president - DuPont Safety & Protection in 2002. In 2006, she was named executive vice president with responsibility for three business platforms and several functions including Marketing & Sales. In 2008, she was tapped to lead the company's focus on growth in emerging international markets.

She is a member of the U.S.-India CEO Forum, the Business Council, and the executive committee of SCI-America. She is co-chair of the National Academy of Engineering Committee on Changing the Conversation: From Research to Action.

Ellen is a member of the board of directors of United Technologies Corp. She also is on the board of trustees of Tufts University and serves on the board of overseers at Tufts University School of Engineering. Ellen became a member of the board of Change the Equation (CTEq), a national coalition of more than 100 CEOs committed to improving science, technology, engineering and mathematics (STEM) learning for U.S. Pre K-12 students.

Prior to joining DuPont, Ellen worked for General Electric. She holds a Bachelor of Science degree in mechanical engineering from Tufts University and a Masters degree in management from Northwestern University.