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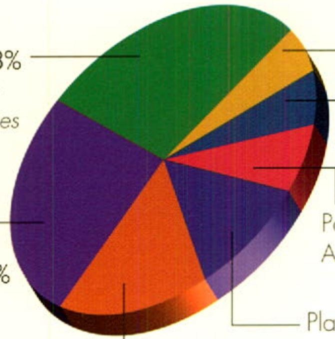
DuPont Canada Inc.

1996 ANNUAL REPORT

THROUGHOUT THE 1990s, DUPONT CANADA HAS FOCUSED ON REFINING ITS OPERATIONS AND PRODUCT LINES. THE RESULT: AN EVER-STRONGER PORTFOLIO OF SPECIALTY PRODUCTS AND SERVICES DELIVERING HIGHER VALUE AND IMPROVED MARGINS FOR DUPONT AND OUR CUSTOMERS.

1996 CORPORATE SALES PROFILE BY INDUSTRY



Packaging and Films	3%	Construction	1%
Rubber Products	3%	Mining and Quarrying	1%
Electric and Electronics	1%	Printing and Publishing	1%
Health Care	1%	Other	3%
Machinery Industries	2%		

New in our 1996 Annual Report

- DuPont Canada is more focused on value-added, specialty products and services than ever before. You can read about the evolution of various product lines and business units in the segment profiles on pages 7 to 17.
- The fold-out DuPont Canada At-A-Glance pages give you an overview of our company, its products and markets, and our 1996 performance.
- The Corporate Report Card on page 4 indicates performance versus our primary corporate strategies.

Fibres and Intermediates – Global DuPont Products Marketed in Canada

Products	Principal Applications
DACRON® polyester fibre	Pillows, duvets, sleeping bags, winter clothing
Nylon industrial staple	Papermaker felts, industrial grinding/scouring surfaces
NOMEX® aramid fibre	Industrial fire-resistant work wear, protective equipment for firefighters
KEVLAR® aramid fibre	Protective gloves, personal body armour, other high-performance applications
TYVEK® spunbonded olefin	Air-filtration barrier for building construction, specialty protective garments, printing stock, car covers

Specialty Chemicals and Materials – Global DuPont Products Marketed in Canada

Products	Principal Applications
Titanium dioxide	Paints, vinyl siding, paper industry
Sodium cyanide	Gold extraction
Safety/environmental services	Services to enhance safety performance of Canadian industry
TEFLON® finishes	Consumer and commercial cookware
TEFLON® fluoropolymers	Communication/data cable, semi-conductor and chemical processing industries
Fluorochemicals	Refrigeration, air conditioning, specialty applications
Herbicides, insecticides, fungicides	Crop protection chemicals for Canadian growers of cereals, oilseeds, corn and soybean
CYREL® printing plates	Flexographic printing

Specialty Plastics and Films – Global DuPont Products Marketed in Canada

Products	Principal Applications
BUTACITE® polyvinyl butyral	Automotive glass, architectural glazing
BEXLOY® resins	Automotive body panels
HYTREL® polyester elastomer	Air bag doors, automotive components
DELRIN® acetal resin	Automotive interior door housings, gears, automotive components
ZYTEL® HTN	Electrical/electronic and automotive components
ZENITE® LCP	Electrical/electronic and automotive components

DuPont Canada AT-A-GLANCE

On the Cover

A sampling of DuPont Canada's specialty products: CHROMAPREMIER™ Base Colour (one of the products in our newest refinish system), nylon resin used in nylon heat exchangers developed by DuPont Canada, and automotive air bag yarn.

Within the **Fibres and Intermediates** segment, we manufacture and market a variety of man-made specialty fibres and yarns, as well as related chemicals, for makers of apparel, diapers, protective garments, carpets, air bags, home furnishings and a range of other consumer and industrial products. In 1996, sales revenue for this segment increased by 8 per cent and operating earnings increased by 18 per cent.

Fibres and Intermediates

Millions $	1991	1992	1993	1994	1995	1996
Net sales	$ 487	$ 501	$ 558	$ 647	$ 716	$ 772
Operating earnings	74	63	82	101	125	148
Capital expenditures	52	61	60	57	63	48
As % of Total Company						
Net sales	37%	36%	36%	39%	39%	42%
Operating earnings	66	45	48	41	47	50
Capital expenditures	37	56	65	66	51	43

Within the **Specialty Chemicals and Materials** segment, we manufacture hydrogen peroxide, automotive and industrial finishes, and HCFC-123 hydrochlorofluorocarbon. We also market a wide variety of products including fluorochemicals, fluoropolymers, agricultural products and titanium dioxide, as well as many products for use in industrial, mining and construction markets. In 1996, sales revenue for this segment declined by 13 per cent while operating earnings increased by 19 per cent over 1995 due to substantially higher sales of manufactured product.

Specialty Chemicals and Materials

Millions $	1991	1992	1993	1994	1995	1996
Net sales	$ 382	$ 444	$ 472	$ 585	$ 648	$ 561
Operating earnings	33	53	49	61	60	72
Capital expenditures	49	16	8	10	35	42
As % of Total Company						
Net sales	29%	31%	30%	35%	35%	31%
Operating earnings	29	38	29	25	23	24
Capital expenditures	35	15	9	11	28	38

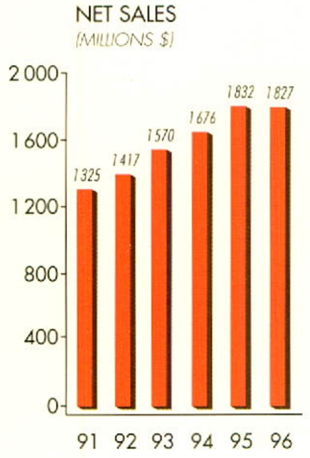
Within the **Specialty Plastics and Films** segment, we manufacture and market specialty polyethylene and nylon films, adhesive polymers, polymer modifiers, engineering polymers, polyester elastomers and other specialty plastics to serve a variety of industries including packaging, construction, petroleum, natural gas, chemical processing, automotive and dairy. In 1996, sales revenue for this segment increased 6 per cent while operating earnings declined by 4 per cent due to higher costs and lower margins in some export markets.

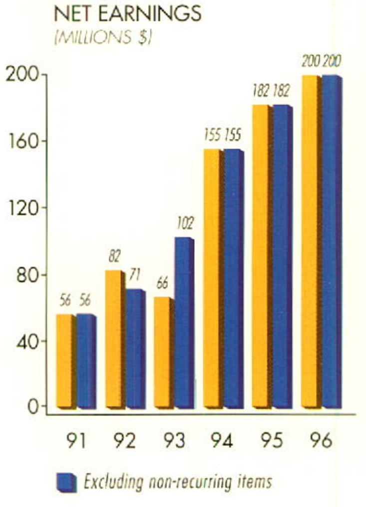
Specialty Plastics and Films

Millions $	1991	1992	1993	1994	1995	1996
Net sales	$ 456	$ 472	$ 540	$ 444	$ 468	$ 494
Operating earnings	6	24	40	85	82	79
Capital expenditures	28	28	23	12	17	14
As % of Total Company						
Net sales	34%	33%	34%	26%	26%	27%
Operating earnings	5	17	23	34	30	26
Capital expenditures	20	26	25	14	14	13

1996 Highlights

- DuPont Canada achieved a third consecutive year of record net earnings at $200 million, or $2.16 per share, up 10 per cent from 1995.
- Return on shareholders' equity was 19.6 per cent, well ahead of our 17 per cent objective.
- We strengthened our manufactured product mix such that variable margins improved by 14 per cent since 1990.
- DuPont Canada common shares closed the year at $31.95 per share, up 33 per cent from 1995.
- Employee ownership of DuPont Canada shares continued to grow, with almost 2,000 of our 3,077 eligible employees now owning shares through our innovative Performance Sharing Program.
- We set a new company record for on-the-job safety performance and a record for the lowest injury frequency among Canada's largest chemical companies.





Years ended December 31 *(Dollars in millions except per share data)*	1996	1995	% Change
Operating Results			
Net sales	**$ 1 827**	$ 1 832	0
Net earnings	**200**	182	10
Cash flow from operations	**206**	325	(36)
Financial Position			
Working capital – conventional	**$ 537**	$ 416	29
– excluding cash resources	**112**	28	300
Long-term debt	**13**	13	0
Shareholders' equity	**1 087**	947	15
Total assets	**1 597**	1 619	(1)
Data Per Common Share			
Net earnings	**$ 2.16**	$ 1.96	10
Dividends declared	**0.52**	0.41	28
Cash flow from operations	**2.23**	3.51	(36)
Value at year-end			
Company books	**11.78**	10.24	15
Market (TSE)	**31.95**	24.00	33

Key Ratios	1996	1995	1994
Net earnings as a percentage of net sales	**10.9%**	9.9%	9.3%
Return on average common shareholders' equity	**19.6%**	20.6%	19.9%
Current ratio	**2.5**	1.8	2.2
Trade receivables – days sales outstanding	**58**	56	63
Inventories – days supply	**54**	47	53
Debt-to-total capital ratio	**2%**	9%	10%

Corporate Profile

DuPont Canada is a diversified industrial company serving customers® across Canada and in more than 40 other countries. As well as offering the thousands of products and services of the global DuPont company to Canadian customers, we sell products manufactured in Canada to customers here and around the world.

Our business is reported in three segments: Fibres and Intermediates, Specialty Chemicals and Materials, and Specialty Plastics and Films. Within these segments, the Furnishings, Nylon Industrial Specialties (Fibres and Intermediates) and Engineering Polymers (Specialty Plastics and Films) business units comprised 42 per cent of 1996 sales. No other business unit accounted for more than 10 per cent.

About 77 per cent of the common shares of DuPont Canada are owned by E.I. du Pont de Nemours and Company. The remaining shares are held principally by Canadian investors, including close to 2,000 employee shareholders.

DuPont Canada operates a research and development centre and an engineering centre at Kingston, Ontario; six manufacturing facilities, five in Ontario (Maitland, Kingston, Ajax, Whitby and Sarnia) and one in Gibbons, Alberta; and offices in Quebec, Ontario and Alberta. At the end of 1996, DuPont Canada employed 3,435 people.

Fibres and Intermediates – Products Manufactured in Canada

Products	Principal Applications
Bulked continuous filament nylon	Carpets
LYCRA® spandex yarn	Hosiery, active wear, sports equipment, diapers, intimate apparel
Nylon textile yarn	Apparel fabrics, hosiery
Light-decitex nylon industrial yarns	Air bags, sewing thread, dental floss, aircraft escape slides, personal flotation devices
Heavy-decitex nylon industrial yarns	Rubber industry (tires, hoses, conveyor belts), webbing and cordage, aquaculture netting
ADI-PURE® adipic acid	Nylon production, polyesters, food additives, plasticizers
Hexamethylenediamine	Nylon production
Dibasic esters	Paints, coatings, equipment cleaning solvents, plastics, foundry core binder

Specialty Chemicals and Materials – Products Manufactured in Canada

Products	Principal Applications
Hydrogen peroxide	Bleaching and de-inking of wood pulp for papermaking, environmental waste treatment, textile bleaching
Paint and related materials	Finishes for automotive assemblers and sub-assembly suppliers, heavy-duty truck and bus manufacturers, auto body shops
SUVA®-123 fluorochemical	Refrigeration, air conditioning, specialty applications

Specialty Plastics and Films – Products Manufactured in Canada

Products	Principal Applications
ZYTEL® nylon resin	Automotive parts, electrical, sporting goods, furniture, consumer and industrial durables
Specialty reactive polymers	Packaging, tougheners for polymer products, adhesives for multilayer pipeline coatings
SCLAIRFILM® polyethylene film	Food packaging, medical applications, paper overwrap
Liquid packaging systems	Pouch packaging of non-carbonated beverages
DARTEK® nylon film	Food packaging, rubber curing
VEXAR® extruded netting	Produce packaging, tree wrapping, fencing

Arthur Sawchuk (left), and Vic De Zen, Chairman, President and
a DuPont customer that has demonstrated tremendous global

Letter to Shareholders

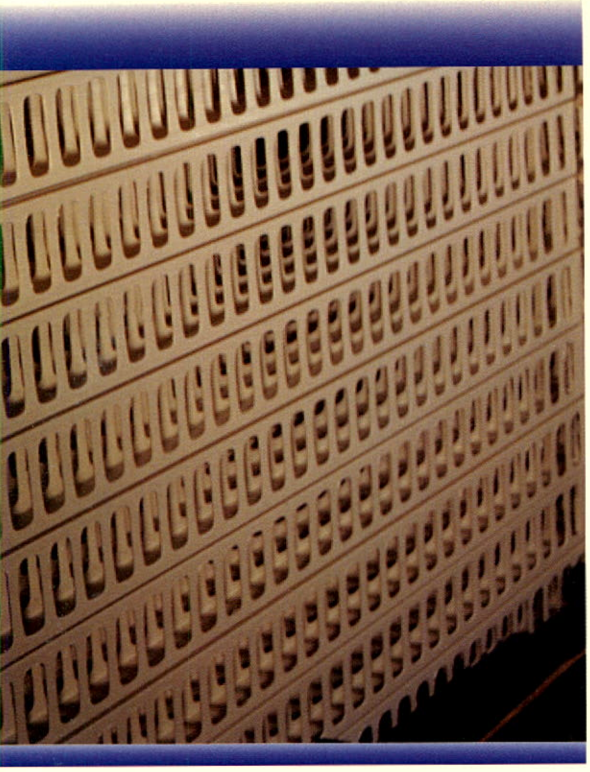
It is a pleasure to report that 1996 was another record year for DuPont Canada. The company achieved its primary financial objectives and further increased its capacity to grow. Our success was a result of an ongoing dedication to development, built on a solid base of operational excellence. In 1996, it became even more evident that our earlier focus on operations has put us in an excellent position to enhance our product offerings, develop new and higher-margin applications and achieve profitable growth. Today, DuPont Canada is an advanced technology, specialty products and services company committed to bringing greater value to our customers, to the industries we serve and to our shareholders.

Earnings increased for the third consecutive year. In 1996, DuPont Canada's earnings reached $200 million, delivering a 19.6 per cent return on equity. Shareholders and employees alike can be proud of these outstanding financial achievements which were accomplished with a strict adherence to our core values of safety, environmental protection, and concern and care for people. Our employees set a new company record for on-the-job safety performance and a record for the lowest injury frequency among Canada's largest chemical companies. Environmental performance continued its steady path toward our goal of zero incidents, emissions and waste generation. And, an employee opinion survey conducted in 1996 placed DuPont Canada employee satisfaction among the best of Canadian and U.S. companies.

Over the past few years, DuPont Canada has focused on operational excellence. We have achieved internationally recognized quality certification in a number of our units. Our focus on business process efficiency and effectiveness has enabled us to average a 6 per cent annual improvement in fixed-cost productivity since 1990. In 1996, fixed costs actually declined by $12 million, or 3 per cent. Several units set production and yield records in 1996, led by Nylon Intermediates and LYCRA® respectively. As well, our Gibbons, Alberta, hydrogen peroxide expansion was completed ahead of schedule, below budget, and with exceptional start-up and commercial production. Operational excellence provides a solid platform for growth.

Future growth for DuPont Canada will come from delivering increasingly higher-value products aligned with the evolving nature and needs of customers, markets and industries. Throughout this report, you'll see examples of how DuPont Canada has become an advanced technology, specialty products and services company poised to deliver profitable growth in the years ahead.

In some cases, we have extended product offerings into higher-value applications. Our pouch-based liquid packaging system has been extended to aseptically package liquid for long, unrefrigerated shelf life. This is the first and only pouch system to receive Food and Drug Administration (FDA) approval in the United States. Our Agricultural Products unit uniquely tailors products to the weather



Chief Executive Officer of Royal Group Technologies Limited,
rowth with its plastic modular home concept.

"Future growth for DuPont Canada will come from delivering increasingly higher-value products aligned with the evolving nature and needs of customers, markets and industries."

and soil characteristics of the Canadian geography. And, our Engineering Polymers unit is breaking new ground in the automotive industry with nylon heat exchangers for radiators and air-conditioning use, exterior body appliqués for the Saturn® car, and potential applications in fuel cell technology for the electric car.

In many instances, we are working with Canadian customers in new and innovative ways to help them be globally competitive. DuPont is a supplier partner of Royal Group Technologies Limited, a Canadian company that has demonstrated tremendous global growth with its plastic modular home concept. Royal Group Technologies has extended the housing applications for plastics and we have benefited through higher titanium dioxide sales. We are currently working with Finishes customers to commercialize new anti-graffiti paints for trucks, buses and trains. Together with Canadian mills, our textile nylon group has been exploring new and unique applications for yarns developed by DuPont's nylon operations in the United Kingdom.

We are also expanding production capacity and upgrading facilities in many of our most sophisticated product lines. In 1996, we increased our capacity to produce modified polymers by 50 per cent. These polymers are used in demanding applications such as protective coatings for oil and gas pipelines. In December, we announced a $50 million expansion to our bulked continuous filament (BCF) carpet yarn facility. The new facility will increase our capacity to supply yarn for commercial carpet applications – the fastest-growing and most sophisticated segment of the carpet industry. We also approved a new $7 million project to install production facilities for DYTEK®, a chemical intermediate used in various specialty applications, and a $13 million investment to further upgrade the capacity of our industrial nylon facilities at Kingston, where we are the world's largest manufacturer of air bag yarns. Since 1991, we have invested an annual average of $111 million in capital projects. We anticipate that capital expenditures will remain in the same range for at least the next two years.

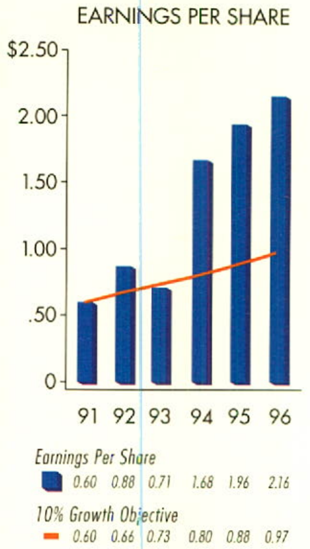
Of course, long-term growth also requires looking well into the future at the likely evolution of the industries in which we participate. In 1996, leaders from across our company began to meet on a regular basis to develop an image of the future in some of our key industries and then work back towards the present to uncover potential business development opportunities. We have just begun to explore the potential of some of the exciting concepts that have been brought forward through this process.

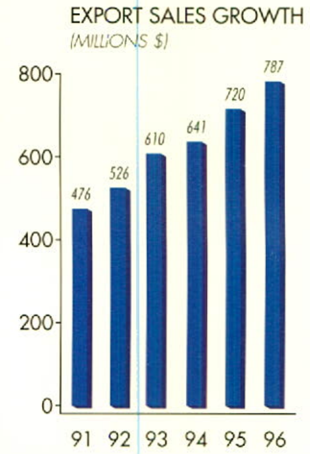
So while it has been a record year, we are not resting on the past. Our dedication to development, to increasing the effective use of resources and to delivering a strong flow of high-value products and services remains central to our journey to deliver value to our shareholders, employees and customers. We aim to make 1997 another record year!

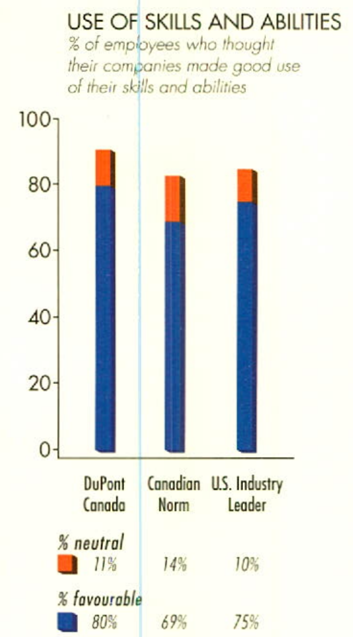
Arthur R. Sawchuk
Chairman, President and
Chief Executive Officer
DuPont Canada

Corporate Report Card

Strategy	Performance
Safety, Health and Environment	
To make continuous improvement towards eliminating all injuries, occupational health illnesses, and environmental incidents, wastes and emissions. Our goal is zero.	In the past six years, only three employees have lost time due to an injury at work. Since 1991, our on-the-job injury frequency has been on a declining trend, with an all-time low in 1996 that set a record for Canada's largest chemical companies.
Financial	
To deliver a return on equity of at least 17 per cent and earnings growth of 10 per cent over a business cycle.	Earnings per share grew an average of 29 per cent since 1991. Return on equity grew from 9.2 per cent in 1991 to 19.6 per cent in 1996.
Investment Climate	
To work with industry associations, government and public institutions to improve the competitiveness of Canadian business and the investment climate for DuPont in Canada.	Since 1991, we have invested $664 million in Canada, an average of $111 million per year. Our policy is to invest only in those operations that are, or have the potential to be, globally competitive. An aggressive export strategy is at the heart of our success. Export revenue from ongoing business units has grown 16 per cent per year since 1991. In 1996, 72 per cent of manufactured product revenue came from export markets.
Canadian Sales	
To facilitate the growth and development of Canadian markets, and to secure high market shares for DuPont and our Canadian customers.	Despite a sluggish Canadian economy, we have grown Canadian sales from ongoing business units at an average rate of 11 per cent since 1991. All units enjoy high market shares. In 1996, domestic sales declined 6 per cent largely due to global DuPont's Medical Products divestiture and Printing and Publishing restructuring.
Human Resources	
To create an environment that encourages the development and full realization of the potential of each of our people.	1996 DuPont Canada employee opinion survey results were better than Canadian norms in most areas, including overall satisfaction with the company.







The Environment

DuPont Canada's mission is to be a leader in setting and meeting high environmental standards. The following includes some of our key 1996, and ongoing, targets.

Objective	Performance
No more than 15 class "A" and "B" environmental incidents per year at our operating facilities and no more than three "A" and "B" distribution and transportation incidents. *Incidents include spills, releases or accidents during manufacturing, loading, unloading or transportation. "A" incidents are reported to regulatory authorities and can involve an emergency response. "B" incidents are detectable beyond their immediate location, but have no impact on people, property or the natural environment.*	We experienced no "A" incidents in 1996. The six "B" incidents were 60 per cent below our objective.

Total Discharges

Objective	Performance
Reduce total discharges to 39 million kilograms in 1996 and total emissions by 50 per cent by 2000. *Total discharges include all air, land and liquid waste emissions, excluding carbon dioxide.*	Total discharges were reduced to 39 million kilograms. Of all our remaining discharges, 87 per cent are related to nitrous oxide, which will be virtually eliminated by 1998. DuPont Canada is ahead of schedule in its 1990 commitment to reduce total emissions by 50 per cent by 2000.

Climate Change

Objective	Performance
Reduce the global warming potential of DuPont Canada's emissions by more than 75 per cent between 1990 and 2000. *DuPont has targeted the emission of three global warming gases (nitrous oxide, carbon dioxide, and fluorochemicals).*	A $15 million project to reduce nitrous oxide emissions by 90 per cent at our Maitland site will be completed in July, 1997. This initiative, combined with other reductions that have been achieved and are in progress, should allow DuPont Canada to exceed its target.

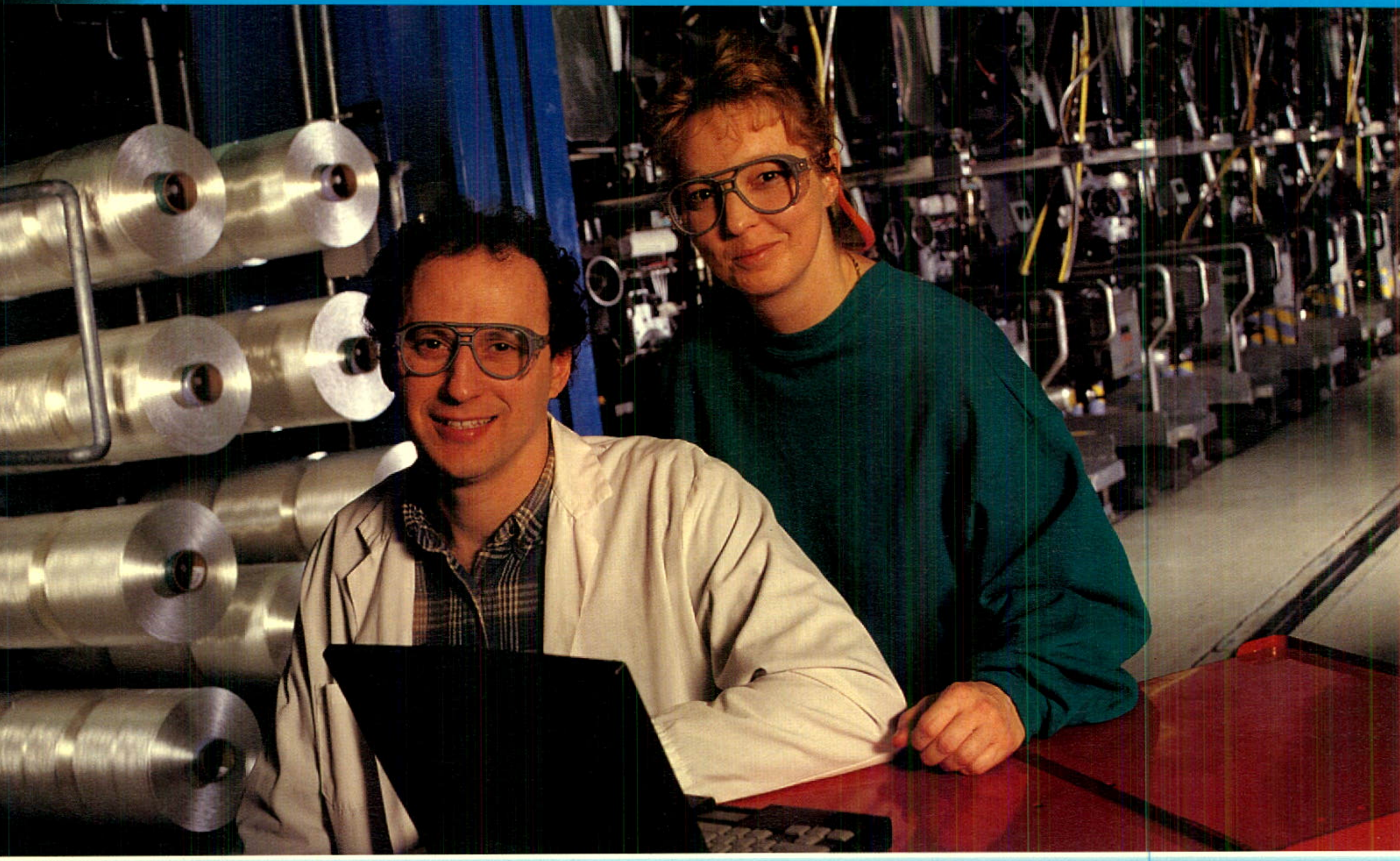
Energy Conservation

Objective	Performance
Reduce energy consumption per unit of output by 3 per cent from 1995. *This target measures consumption of electricity and fuel per kilogram of product produced.*	Energy consumption per unit was reduced by close to 5 per cent, largely due to an increase in output since 1995. DuPont Canada has a long-term goal of a 15 per cent reduction in energy consumption per unit between 1995 and 2005. This will require $10 million to $15 million in capital expenditures over the period.

DuPont Canada's environmental programs go far beyond the achievement of specific performance targets. They include ongoing risk assessment programs and compliance with the requirements of the Responsible Care® *program sponsored by the Canadian Chemical Producers' Association. In 1996, among other things, we raised the bar by setting new long-term goals (e.g., our product waste at our customers' locations will be reduced by 25 per cent) to ensure the acceptance of full environmental product stewardship by every DuPont Canada business unit.*

The expenses related to environmental initiatives are reflected in business financial results. We do not have any known significant potential liabilities, therefore costs have not been accrued for future environmental remediation activities.

For further information on DuPont Canada's environmental performance, please call: ***Lili Ziobakas***
Public Affairs
DuPont Canada Inc.
(905) 821-5679



Dave Dempster and Cathy Lloyd are members of the Kingston Nylon Industria

MANAGEMENT'S DISCUSSION AND ANALYSIS OF SEGMENT OPERATIONS

Fibres and Intermediates

Within the Fibres and Intermediates segment, we manufacture and market a variety of man-made specialty fibres and yarns, as well as related chemicals, for makers of apparel, diapers, protective garments, carpets, air bags, home furnishings and a range of other consumer and industrial products. In 1996, sales revenue for this segment increased by 8 per cent and operating earnings increased by 18 per cent.

Furnishings

DuPont is a leader in supplying nylon product to the North American carpet industry, including residential, commercial, automotive and rug segments. Core products include nylon BCF yarn and imported staple fibre.

Revenue was essentially flat in 1996, with export growth offsetting a 4 per cent reduction in the Canadian carpet market. During the year, we commercialized solution-dyed BCF carpet yarn technology at our Kingston, Ontario, site and approved capital projects to extend this capability across our other spinning machines in 1997. Solution-dyed nylon encapsulates colour pigments directly into the polymer, thereby making the yarn ideal for tough commercial applications where durability is critical. We also approved a $50 million project to expand our BCF carpet yarn capacity at Kingston by 35 per cent. Start-up is scheduled for the first quarter of 1998. We anticipate continued strong growth for the next few years.

Apparel

The Apparel unit in Canada manufactures LYCRA® spandex yarn at Maitland, Ontario, and textile nylon yarn at Kingston, Ontario. Ninety-seven per cent of our manufactured product is sold outside Canada, primarily through

FROM TIRE YARN TO AIR BAGS (AND MORE)

It used to be that DuPont Canada's nylon industrial specialties manufacturing unit at Kingston, Ontario, was focused solely on the tire yarn market. The unit was very good at making nylon tire yarn. In fact, it was the largest manufacturer in Canada. The problem was that North American and European markets were shifting from nylon to polyester and steel reinforcement in tires.

So in the early 1980s, the decision was made to diversify the industrial fibre portfolio into specialized, higher-value applications. The Kingston facility began to produce sewing thread yarns for use in the thriving sport shoes market and industrial fabric yarns for such things as tarpaulins, flags and hockey equipment. It wasn't a simple transition. Employees had to learn new skills and become adept at managing new processes and flexible production scheduling. Importantly, while it added new capabilities, Kingston did not give up on nylon tire yarn. It remained an important product for export to developing regions.

In the early 1990s, as passenger safety concerns increased and the automotive air bag market began to show real promise, the unit quickly redirected its energies to meet demanding new requirements. The group targeted the high end of the market with a lighter, stronger, more flexible fibre that gave automotive air bag designers more design freedom. Today, DuPont Canada is the largest supplier of air bag yarns in the world and has become a key knowledge resource for global DuPont. However, we still produce tire yarn.

What comes next is anybody's guess. But now, as the air bag market evolves to meet new automotive requirements and as tire yarn demand fluctuates, Kingston has options. The most important asset added to this unit over the past 10 years hasn't come from the $60 million-plus invested in new machinery or technology. The most important asset is the capacity and proven skills of our people to adapt and create new opportunities in a fast-changing marketplace.

ecialties unit whose focus has shifted from a single market – tire yarn – to a variety of new markets and specialized, higher-value applications.

DuPont in the U.S. We also offer our Canadian customers the full range of global DuPont's apparel fibres.

Total Apparel revenue grew 8 per cent in 1996. Domestic revenue was up 3 per cent even though Canadian markets were relatively soft. The domestic increase was a result of Canadian customers with significant export business benefiting from a stronger U.S. economy. Stronger Canadian consumer confidence and a small capacity increase in our LYCRA® facility should result in good apparel growth in 1997.

Nylon Industrial Specialties

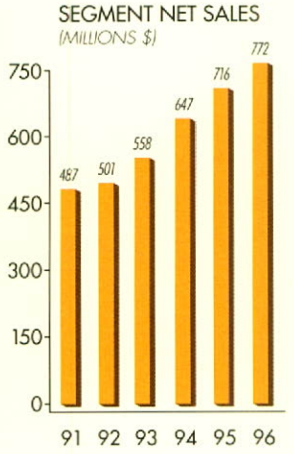
This unit produces and markets a wide range of high-strength, durable nylon fibres for the North American industrial specialties market. End uses include automotive air bags, industrial fabrics, sewing thread, abrasives, webbing, cordage, tires and mechanical rubber goods. Our Kingston, Ontario, site is DuPont's primary global source of world-class light- and mid-decitex yarns for use in the growing automotive air bag market.

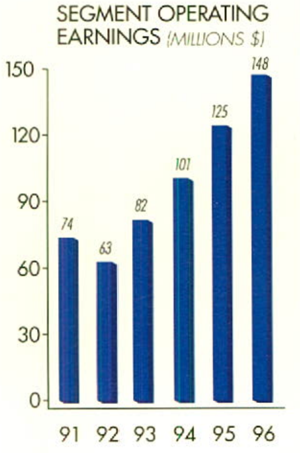
In 1996, revenue grew 14 per cent after a 19 per cent growth in 1995. North American automotive demand was strong, in spite of work stoppages at several automotive producers. We operated at capacity, and exported product to Europe, Asia and South America. We invested more than $14 million in support of a program to modernize and upgrade our facilities. Several other projects are also under development. In 1997, we will reschedule industrial yarn capacity to favour strong North American demand for BCF carpet yarn. The company will fully support the high-margin specialty sectors of our industrial markets such as the global automotive air bag market.

FROM STAPLE PRODUCTS TO HIGH-VALUE APPLICATIONS

It used to be that most carpets were made from natural fibres. But in the 1950s, man-made fibres such as DuPont's staple and bulked continuous filament (BCF) nylon revolutionized the carpet industry. BCF was a DuPont innovation which improved carpet performance and eliminated major steps in the manufacturing process. By the 1980s, 75 per cent of Canadian carpets used nylon fibre and DuPont was the pre-eminent supplier.

Throughout the 1970s, 1980s and 1990s, the company introduced a series of innovations such as enhanced soil and stain resistance and anti-static protection. Premium DuPont brands such as ANTRON® and STAINMASTER® became synonymous with quality.





Nylon Intermediates and Chemical Specialties

Adipic acid, hexamethylenediamine (diamine) and related specialty products are manufactured at Maitland, Ontario. Our Kingston, Ontario, nylon plant uses 60 per cent of the adipic acid and all of the diamine for nylon production. The remaining adipic acid and chemical specialties are sold in both domestic and export markets as food additives, extrusion aids and polymer modifiers. This business unit also sells intermediate specialty products manufactured at DuPont locations in the U.S. to Canadian customers.

Total revenue grew 14 per cent in 1996. All units set production records. Our intermediates plant has been positioned as a fully competitive source within the global DuPont company. In September, when mechanical failure temporarily curtailed Maitland's diamine production, product was supplied from DuPont plants in the U.S., thus ensuring that Kingston nylon production continued uninterrupted. In the fourth quarter, we authorized a $7 million project to install production facilities at Maitland for DYTEK®, a specialty by-product used as a polymer additive in DuPont nylon, a plasticizer in other commercial polymers, and a raw material in the health care industry. Commercial sales should begin in 1998.

Aramids and Non-woven Fabrics

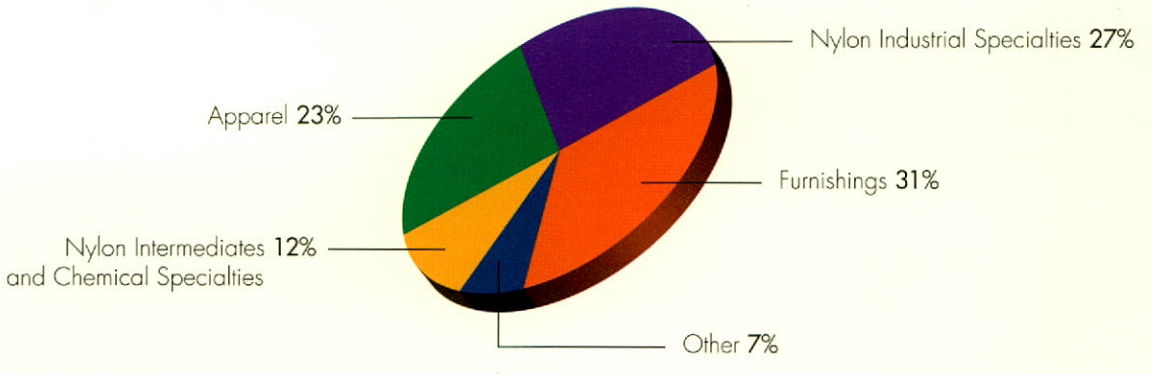
Products in this business unit are manufactured by global DuPont in Europe, Japan and the United States. TYVEK® is used for protective clothing, print stock and HOMEWRAP™ in the construction industry. KEVLAR® is used for protective gloves, personal body armour and other high-performance applications. NOMEX® is used as a hot gas filtration medium, high-temperature electrical insulation and fabric in fire-retardant clothing.

In 1994, DuPont Canada made a $55 million investment at its Kingston, Ontario, site to switch from low-margin nylon staple to high-quality BCF nylon and expand production capacity by 60 per cent. State-of-the-art technology and work practices were introduced, and the facility was positioned to compete in the global marketplace.

In 1996, DuPont Canada began to produce solution-dyed BCF nylon which is ideal for demanding commercial carpet applications – the fastest growing, most sophisticated segment of the carpet industry.

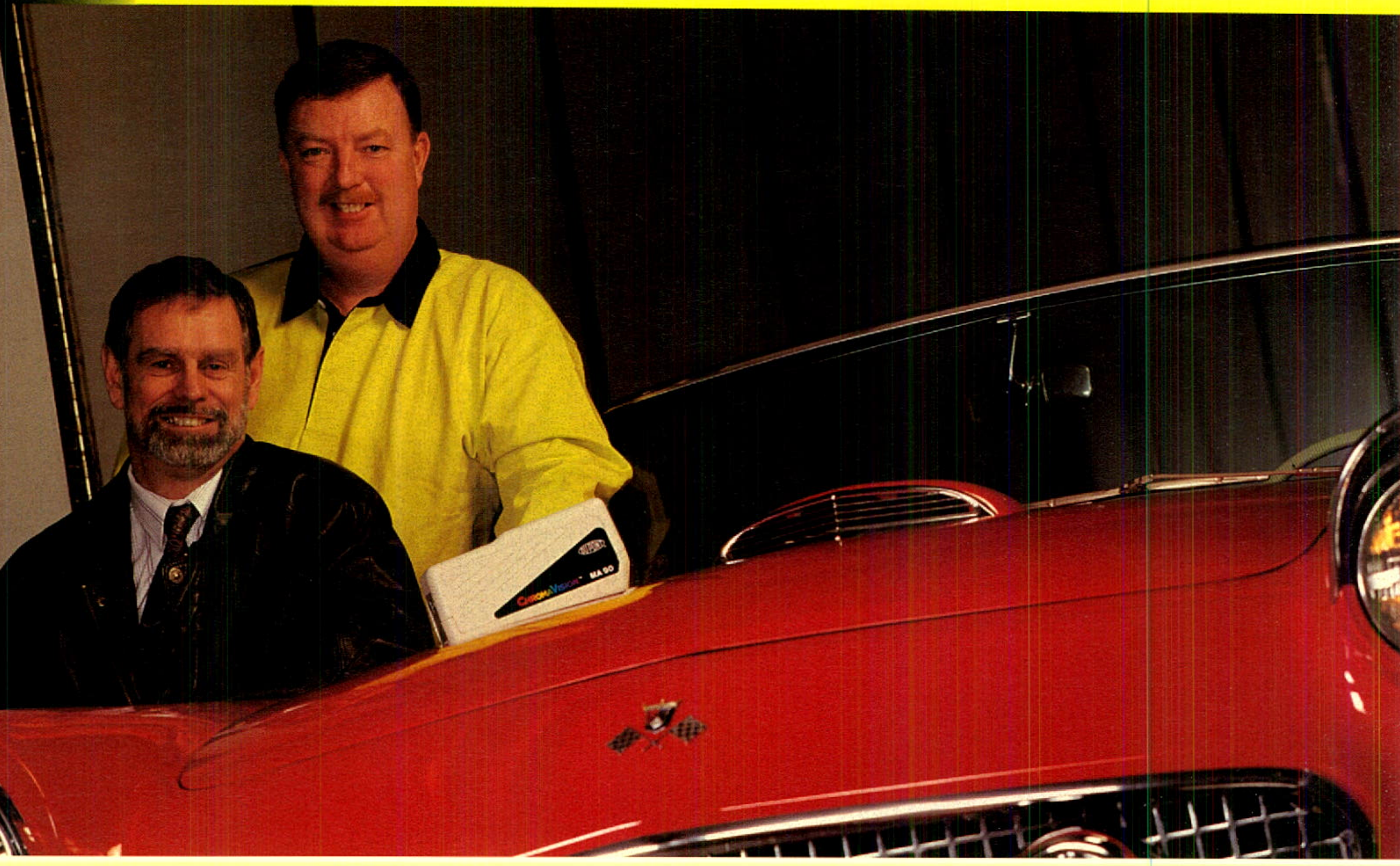
In 1997, construction begins on another $50 million expansion to the DuPont Canada BCF facility. New technology will be capable of producing both BCF nylon for high-quality residential STAINMASTER® carpets and solution-dyed nylon for rigorous commercial applications.

FIBRES AND INTERMEDIATES
1996 NET SALES



TYVEK® revenue improved 15 per cent in 1996 despite a relatively flat Canadian housing market. An expanded distribution system in Quebec and Atlantic Canada should position us well for further growth in 1997. NOMEX® sales increased by 13 per cent as several Canadian customers aggressively positioned their high quality fabrics in the U.S. market. Revenue growth should continue in 1997. KEVLAR® revenue grew by 25 per cent as Canadian high-performance weavers improved their U.S. market share, and yarn spinners and glove and garment manufacturers further enhanced the quality of their product offering.

Outlook: ***With a globally competitive cost position and state-of-the-art facilities, we are well positioned for continued export growth in 1997. Improvements in the Canadian economy should strengthen the automotive, construction and consumer markets, and boost our domestic sales.***



Gerald Finnamore, Team Leader, Atlantic Refinish unit, DuPont Canada new CHROMAVISION® *colour-matching system (placed on the car), the*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF SEGMENT OPERATIONS

Specialty Chemicals and Materials

Within the Specialty Chemicals and Materials segment, we manufacture hydrogen peroxide, automotive and industrial finishes, and HCFC-123 hydrochlorofluorocarbon. We also market a wide variety of products including fluorochemicals, fluoropolymers, agricultural products and titanium dioxide, as well as many products for use in industrial, mining and construction markets. In 1996, sales revenue for this segment declined by 13 per cent while operating earnings increased by 19 per cent over 1995 due to substantially higher sales of manufactured product.

Chemicals and Specialties

Hydrogen peroxide, manufactured at our plant in Maitland, Ontario, and at our two production units at Gibbons, Alberta, is a strong oxidizing agent used primarily for bleaching wood pulp in the pulp and paper industry. Other uses include environmental waste treatment, textile bleaching and cosmetic applications.

Hydrogen peroxide manufactured volume rose significantly in 1996, but revenue was offset by lower prices in the soft North American pulp and paper market. Revenue grew by 2 per cent in 1996. In July, we began commercial production from our second plant at Gibbons, Alberta. This $70 million project was brought on-stream under budget and several weeks ahead of schedule. We anticipate strong revenue growth in 1997 as a result of the increased volume from the Gibbons expansion and an anticipated recovery in the cyclical pulp and paper market.

FROM PAINTMAKER TO BUSINESS RESOURCE

It used to be that in DuPont Canada's Refinish business unit, supplying a quality can of paint and a little product support was enough. Then, in the 1980s, DuPont Canada began establishing training centres across the country to provide technical training for customers – primarily autobody shops and distributors.

Today, Refinish goes much farther, getting directly involved in helping its customers become successful. The idea is that when our customers succeed so do we.

Refinish has created a series of specialized management courses to help body shop owners do everything from forming stronger relationships with insurance companies to motivating staff. The business unit sells value-added services such as facility layout and design, financial analysis, profiting from environmental responsibility programs, and computerized colour-matching systems. A toll-free line and magazine called *Refinisher News* cater to the information needs of clients.

DuPont Canada's innovative *Assurance of Quality* program allows body shops to leverage the DuPont name to promote their own businesses, providing advertising and marketing support that many shops could not otherwise afford.

At the same time, Refinish continues to upgrade its product line. Almost half of sales are from products introduced over the past decade. The latest major initiative is CHROMAPREMIER™, a refinish system which offers superior, high-end products and special technical and marketing support to body shops that want to differentiate themselves by providing the best in quality and appearance. In 1997, Refinish opens a new state-of-the-art customer training facility at the Ajax, Ontario, manufacturing site. That's a big leap from simply making paint.

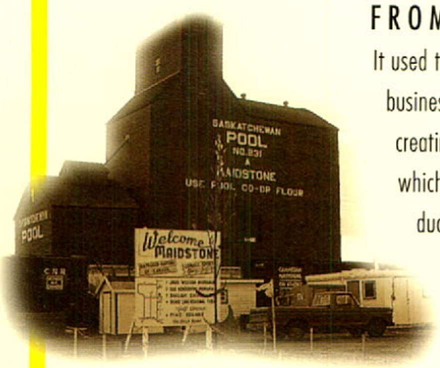
left), and Steve Lewis, Owner, Steve Lewis Autobody, proudly display Steve's 1955 Ford Thunderbird®. With DuPont's revolutionary car's colour can be matched should any new paint work be necessary.

Market demand within Canada for a broad offering of global DuPont chemicals, especially titanium dioxide, continued to be strong. Sales to customers in all major segments of the resource and manufacturing sectors increased by 9 per cent, due in part to increased export activity by many of our customers. This growth should continue into 1997 and could produce even stronger revenue gains from existing and new markets.

Finishes

Globally, DuPont is a major supplier of automotive finishes for both original equipment manufacturers (OEMs) and their parts suppliers, and automotive refinish aftermarkets. We have a manufacturing site at Ajax, Ontario, which in 1996 celebrated its 40th year of serving automotive and industrial markets in Canada.

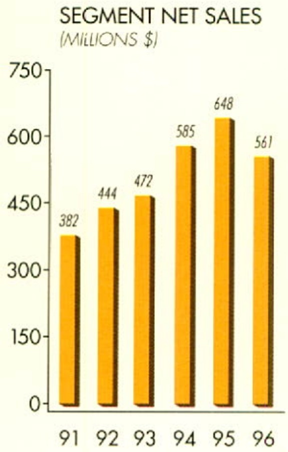
Finishes revenue was up 7 per cent in 1996. The OEM market experienced a weak first quarter, but gained strength as the year progressed. Customer work stoppages associated with automotive labour negotiations had a minimal effect on our second half results. In total, OEM revenue increased 14 per cent in 1996 and was led by more than 30 per cent growth in sales to automotive parts suppliers, where newly developed products and growth by our customers resulted in a higher Canadian market share. We anticipate another good year for Finishes in 1997.

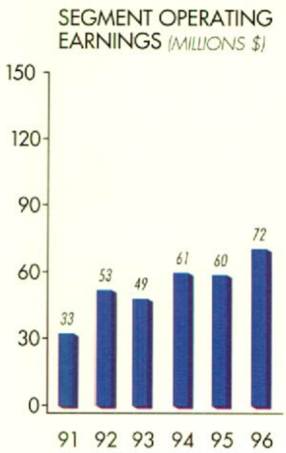


FROM PRODUCT MARKETER TO PARTNER IN THE FIELD

It used to be, in the 1970s, that the Agricultural Products business unit of DuPont Canada was focused primarily on creating access to the Canadian marketplace for products which were manufactured by other global DuPont producers. The unit was product- and distribution-driven. In the 1980s, DuPont Canada adjusted its focus closer to end users. New products that were technologically superior required more explanation. Efforts were made to adapt global products to specific Canadian conditions and soils. A new focus on local customer needs was added to the product and distribution orientation.

Today, the focus has shifted even more dramatically to the customer – the farmer. DuPont Canada has built an extensive database which tracks the use of herbicides on Canadian farms, while sophisticated mapping technology





Fluoroproducts

DuPont is a major supplier of fluorochemicals in Canada. At our Maitland, Ontario, site, we manufacture hydrochlorofluorocarbon (HCFC-123) – an alternative to chlorofluorocarbon (CFC) refrigerants – and we package and market other high-vapour pressure fluids manufactured at DuPont locations in the U.S. for use as refrigerants, propellants, and cleaning and blowing agents.

Sales revenue declined by 29 per cent in 1996 due solely to the termination of imported CFC shipments under the Montreal Protocol. However, business earnings improved primarily due to increased global shipments of Canadian manufactured HCFC-123. We are well positioned to respond to further growth in demand for this product as we are the sole manufacturing unit within global DuPont.

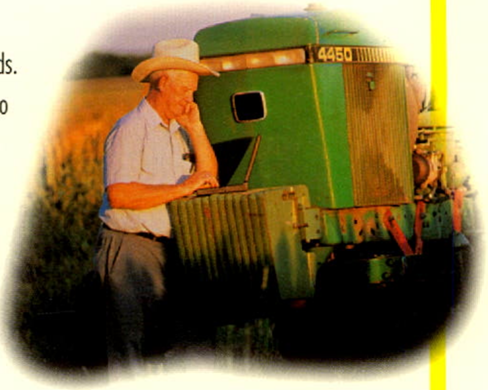
Agricultural Products

The global DuPont company is one of the world's largest producers of crop protection products. Our success in Canada is based on our ability to develop and market products geared to the requirements of the Canadian farmer. These products are manufactured at several DuPont locations around the globe.

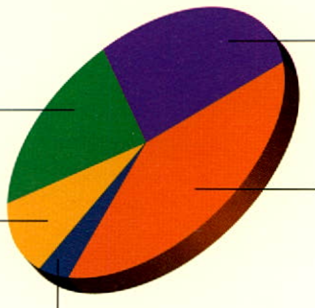
In 1996, our market share as measured by planted acreage, once again increased, indicating a strong and growing market position. Total revenue for the unit was below the record achievements of 1995 due primarily to a cyclical shift from canola acreage to cereal crops (wheat and barley) in Western Canada. We expect a strong revenue rebound in 1997 as canola acreage projections appear to be on the increase and we have several new offerings to bring to market.

identifies areas that might potentially be infected by disease. We know much more about who actually uses our products, and who does not, so we can reliably target marketing programs to specific customer segments.

The next big step involves expanding DuPont Canada's database so we can understand farmers' buying behaviour much better. The company is also looking for ways of modifying crop genetics, to make plants more resistant to specific herbicides, thus improving yields. The biotechnology efforts are shifting more to crop outputs so that DuPont products will improve the food and feed quality of crops like corn, soybeans and flax. From simple supplier to partner in the field, for DuPont Canada it's a whole new way of looking at its business.



SPECIALTY CHEMICALS AND MATERIALS
1996 NET SALES



Resale Divestiture

In 1995, DuPont announced its intention to divest its four medical products business units. DuPont Canada's sale and distribution of medical products ceased on completion of the divestiture in early 1996. In addition, effective October 1995, Unisource Canada became the master distributor of DuPont printing and publishing products, thereby reducing DuPont Canada's printing and publishing resale activity in 1996. Sales declined about $50 million from 1995 due to these restructurings, with little impact on corporate earnings.

Outlook: ***Both revenue and earnings should grow in 1997 with increased volume and modestly improved prices in most of our markets.***

Anthony Cesaroni (left), President, Cesaroni Technology Inc., and Bruce Babcock,

MANAGEMENT'S DISCUSSION AND ANALYSIS OF SEGMENT OPERATIONS

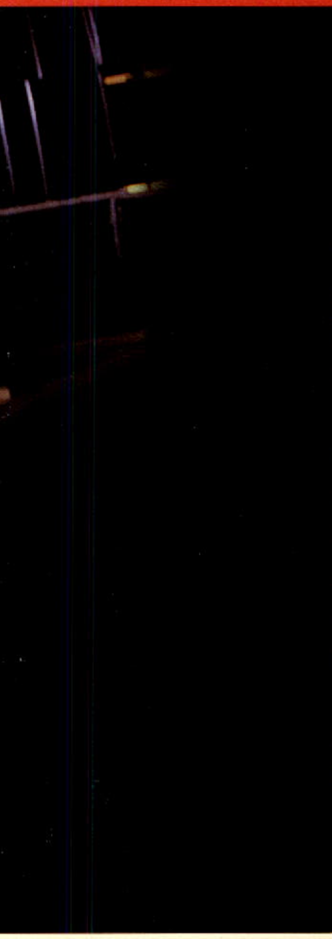
Specialty Plastics and Films

Within the Specialty Plastics and Films segment, we manufacture and market specialty polyethylene and nylon films, adhesive polymers, polymer modifiers, engineering polymers, polyester elastomers and other specialty plastics to serve a variety of industries including packaging, construction, petroleum, natural gas, chemical processing, automotive and dairy. In 1996, sales revenue for this segment increased 6 per cent while operating earnings declined by 4 per cent due to higher costs and lower margins in some export markets.

Engineering and Specialty Polymers

ZYTEL® nylon resin, used in automotive, electrical, sporting goods and other consumer and industrial durables, is manufactured in Ontario at our Kingston and Maitland sites, and is marketed in Canada and around the globe. A comprehensive range of engineering and specialty polymers are marketed domestically and manufactured at DuPont sites worldwide and by the DuPont/Dow Elastomers joint venture.

Revenue grew by 11 per cent in 1996 primarily due to increased domestic sales of BUTACITE® film (the interior layer in automotive and architectural safety glass), engineering polymers for critical moulding applications, and elastomeric polymers. Late in the year, we became the exclusive Canadian distributor of advanced elastomeric polymers for the DuPont/Dow joint venture,



FROM RESIN SUPPLIER TO TECHNOLOGY LEADER

It used to be that heat exchangers – devices used to control temperatures in automotive engines, air handling and conditioning units, and industrial processes – were made from metal. It also used to be that when it came to nylon, DuPont was content to be a supplier of resin to manufacturers.

What's the connection? After years of study and development, DuPont Canada is about to bend the metal rule. Company researchers and technicians have developed a nylon heat exchanger that is lighter, impact- and corrosion-resistant, recyclable and can be designed to fit into tight spots. The global market for nylon as a raw material for heat exchangers is expected to be more than $1 billion.

But before it could even undertake the project, and to ensure the company could best capitalize on its efforts, DuPont Canada had to develop new ways of conducting its business – the company had to think and act like much more than a nylon resin supplier.

In order to design, fabricate and test prototypes, DuPont Canada developed a unique partnership with an entrepreneurial technology development company, Cesaroni Technology Inc. As a condition of this partnership, DuPont has ownership rights for the heat exchanger technology. DuPont is also negotiating licence and partnership agreements with several major global heat exchanger manufacturers.

When commercial production begins – expected in 1997 for comfort heating and cooling applications and in 2000 for certain automotive applications – DuPont Canada will not only sell nylon resin, but will also supply fabricated nylon film and tubing, and benefit from its licensing and partnership agreements. That's a very unusual role for a company that used to be primarily a nylon resin supplier.

usiness Development Manager, DuPont Canada, have been key players in the development of various nylon heat exchanger prototypes.

a business unit with significant growth potential. Our ZYTEL® manufacturing facilities, which were expanded in 1995, operated at high rates, but new high-flow nylon and five new compounded resins should push us near full capacity in 1997.

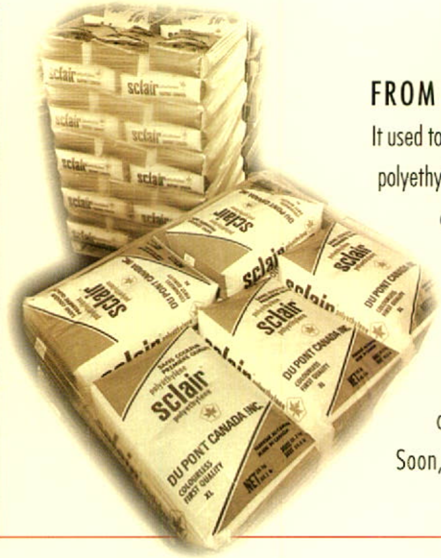
Modified Polymers

At our Sarnia, Ontario, site, sophisticated reactive extrusion technology is used to produce modified polymers. These products are used as adhesives, compatibilizers and tougheners in packaging and industrial applications. Most products are exported to the U.S. and Europe, with increasing shipments to Asia, South America and the Middle East.

In 1996, revenue grew by 5 per cent. During the year, we approved a $5 million expansion of our reactive extrusion facilities that will increase manufacturing flexibility and add 50 per cent to our capacity to make higher-tech modified polymers. With project start-up scheduled for September 1997, we anticipate solid revenue and earnings growth for the next few years.

Packaging and Films

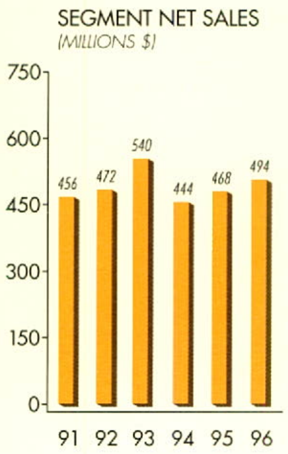
At Whitby, Ontario, we manufacture a wide range of specialty films for packaging and industrial applications. Our unique SCLAIRFILM® polyethylene films are focused on high-value segments for packaging products such as cheese, coffee, medical instruments and various types of paper

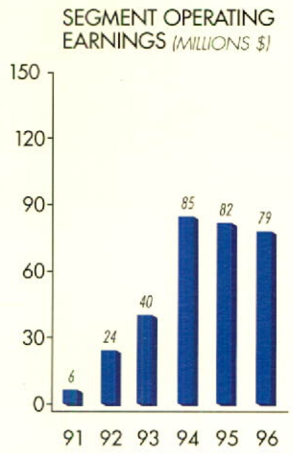


FROM COMMODITY RESIN TO SPECIALTY PRODUCTS

It used to be that DuPont Canada was a major producer of polyethylene. In fact, in the late 1980s, more than 20 per cent of the company's revenues came from polyethylene. But the market was cyclical, and it was difficult to differentiate the product. About 10 years ago, DuPont Canada began to look for ways to raise polyethylene from its commodity status by modifying its base polymer. Soon, reactive extrusion technology developed by DuPont Canada was being used to modify many base polymers for various specialized applications. This was the genesis of today's Modified Polymers business unit.

Through the 1990s, Modified Polymers has enjoyed strong annual growth, with most of its products exported through global DuPont to the United States and Europe, and increasing shipments to Asia and South America.





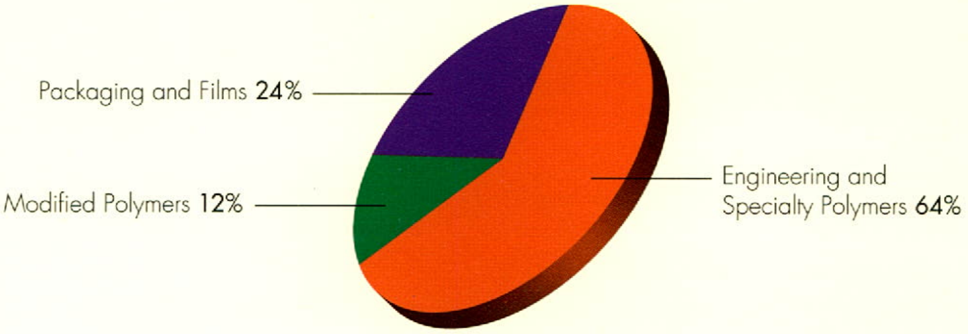
products. DARTEK® nylon film is used for packaging processed meats and cheeses, and for industrial applications. We also supply a complete liquid packaging system including a full range of films, machinery and after-sales service to the non-carbonated beverage industry for products such as milk and juices. Our unique packaging system has been used for many years by Canadian dairies to package milk in the familiar pouch.

Revenues declined 6 per cent in 1996 due to lower film selling prices and softness in the North American packaging industry. However, the year closed on a strong note. Substantial gains were made in our Liquid Packaging operation where we continue to increase our share of the U.S. school milk market with the MINI-SIP® pouch system. Our proprietary "aseptic" filling system is gaining rapid acceptance because it permits extended shelf-life for non-refrigerated milk and fruit juices. We established a signif-

BYNEL® for instance, is an adhesive used to combine dissimilar plastic materials in multilayer bottles for foods such as ketchup. BYNEL® is also used by packaging converters to combine incompatible plastic films with different properties such as toughness, sealing and barrier characteristics, into one protective film. Now DuPont Canada is working to develop other applications for BYNEL®, such as in high-strength automotive sealing, plastic fuel tanks and construction materials.

In 1994, DuPont Canada sold its polyethylene business unit. Meanwhile, Modified Polymers continues to grow. A September, 1997 start-up is expected for an expansion to increase the unit's manufacturing flexibility and improve its capacity to make higher-value products.

SPECIALTY PLASTICS AND FILMS
1996 NET SALES



icant presence in several Latin American countries with the signing of contracts with leading dairies and juice processors. The DARTEK® nylon film operation developed several exciting new products that are in the early testing stages with customers. These products should improve results over the next two to three years. We anticipate that all packaging segments will deliver improved results in 1997 with sales to the U.S. and Latin America playing an increased role in our growth.

Outlook: ***All aspects of this segment of our business should deliver strong revenue and earnings growth in 1997. Anticipated expansions will further increase our future potential.***

Management's Discussion and Analysis of the Consolidated

Statements of Earnings and Retained Earnings

Sales and other revenue: 1996 net sales of $1 827 million were essentially unchanged from $1 832 million in 1995. Domestic sales of $1 040 million declined by 6 per cent from $1 112 million in 1995. The combined effect of the divestiture of the Medical Products unit and the restructured distribution of global DuPont printing and publishing products in Canada, reduced our 1996 sales by approximately $50 million with little impact on earnings. Export sales rose to a new record level of $787 million, an increase of 9 per cent from the previous record of $720 million set in 1995. Sales to DuPont affiliates accounted for approximately 90 per cent of export sales. The Fibres and Intermediates segment increased sales by 8 per cent with the largest dollar gains in Nylon Industrial Specialties (up 14 per cent), Apparel (up 8 per cent) and Nylon Intermediates (up 14 per cent). Sales for the Specialty Chemicals and Materials segment decreased by 13 per cent, reflecting lower revenue for Agricultural Products due to reduced canola crop acreage, and for Fluoroproducts due to the termination of imported CFC shipments, under the Montreal Protocol, as well as the divestiture and restructuring within Resale products referred to above. Sales of the Specialty Plastics and Films segment rose 6 per cent in 1996, driven by strong revenue gains in both the Engineering and Modified Polymers units. Revenue gains were primarily due to sales volume increases. Average selling prices declined in most business units. Although our portfolio of cash and short-term investments increased by $38.3 million during 1996, our other revenue of $25.2 million declined by $4.4 million from 1995, as our average market return fell by approximately 2.3 percentage points during 1996.

Expenses: We maintained the cost of goods sold and other operating charges at 71 per cent of net sales, similar to 1995. Selling, general and administrative expenses of $141.6 million decreased by $22.3 million, or 14 per cent, compared to 1995. The bulk of this reduction is attributed to cost savings from the Medical Products divestiture and the Printing and Publishing restructuring. Depreciation and amortization charges of $82.3 million were up by $5.3 million over 1995 mostly due to a $3.3 million extraordinary depreciation charge associated with experimental Nylon facilities, and the new depreciable investment that came online at Gibbons, Alberta. Although research and development expenses, net of affiliate reimbursements and other credits, are down slightly from 1995, we increased our underlying gross expenditures by 8 per cent in 1996 (see Note 2). Interest on long-term debt declined by $1.9 million, consistent with the reduction of our net liability and the debt repayment on December 19.

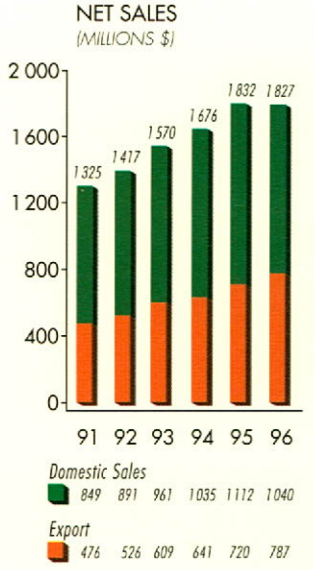
Net earnings of $200.0 million, or $2.16 per share, increased by 10 per cent or $18.5 million above the $181.6 million, or $1.96 per share, net earnings in 1995. This is the third consecutive year that the company has surpassed previous earnings' records. Our return on average common shareholders' equity was 19.6 per cent in 1996, down slightly from the 20.6 per cent in 1995. Over the five-year period ending 1996, we have achieved an average return of 16.4 per cent.

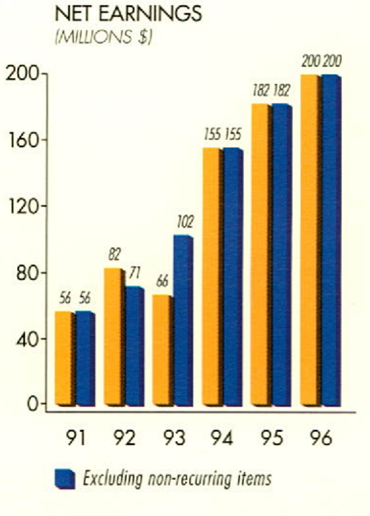
Outlook: Our view of the Canadian market is that the economic momentum, apparent in the second half of 1996, will continue through 1997. Overall GDP growth should increase in 1997. Canadian consumer spending should accelerate in many domestic markets, for example housing, with the impact of lower interest rates finally taking effect. We expect the U.S. economy to demonstrate continued moderate growth.

Although we are experiencing resistance to selling price increases, we expect reasonably strong demand from all North American markets. Combined with our added capacity from recent capital expenditure programs, we anticipate both sales and earnings growth in 1997.

Consolidated Statements of Earnings and Retained Earnings – Years Ended December 31

(Dollars in thousands except per common share)		**1996**		1995
NET SALES	$	**1 827 437**	$	1 832 009
Interest and other income		**25 208**		29 626
		1 852 645		1 861 635
Cost of goods sold and other operating charges		**1 296 691**		1 307 926
Selling, general and administrative expenses		**141 639**		163 962
Depreciation and amortization		**82 323**		77 043
Research and development expenses *(Note 2)*		**13 269**		13 866
Interest on long-term debt		**7 431**		9 366
Other interest		**463**		384
		1 541 816		1 572 547
EARNINGS BEFORE INCOME TAXES		**310 829**		289 088
Income taxes *(Note 3)*				
Current		**108 640**		121 603
Deferred		**2 177**		(14 069)
		110 817		107 534
NET EARNINGS	$	**200 012**	$	181 554
NET EARNINGS PER COMMON SHARE	$	**2.16**	$	1.96
DIVIDENDS DECLARED PER COMMON SHARE	$	**0.52**	$	0.41
RETAINED EARNINGS AT BEGINNING OF YEAR	$	**868 565**	$	727 430
Add: Net Earnings		**200 012**		181 554
Less: Dividends declared		**48 048**		37 458
Excess of consideration paid over stated capital of common shares *(Note 10)*		**19 896**		2 961
RETAINED EARNINGS AT END OF YEAR	$	**1 000 633**	$	868 565





Management's Discussion and Analysis of the Consolidated

Balance Sheets

Overview: The balance sheet continues to strengthen as we have all but eliminated long-term debt and cash resources continue to grow. The year ended with a current ratio of 2.5:1 compared to 1.8:1 at the end of 1995. Following the scheduled repayment of the Australian Dollar Notes in December, our debt-to-total capital ratio dropped to 2 per cent, from 9 per cent at the end of 1995.

Prior year restatement: In accordance with new Canadian Institute of Chartered Accountants (CICA) Handbook Section 3860, the comparative 1995 elements of the Australian Dollar Notes have been restated throughout the financial statements and notes (see Note 7).

Cash and short-term investments of $437.7 million reflect an increase of $38.3 million during 1996. The year-end portfolio included: $394.5 million of highly rated, marketable, short-term securities, and a five-day option to liquidate a $43.2 million trust of government securities. Total receivables of $295.2 million were up by $2.5 million, reflecting an increase in other receivables offset by a reduction of $1.8 million in customer receivables. Customer collections, as measured by days sales outstanding, were 58 days versus 56 days at the end of 1995. Bad debts were less than $0.5 million, similar to our 1995 experience, and the 1996 year-end level of past due accounts reflects a modest improvement of $2.6 million. Total inventories increased by $26.3 million. Finished goods inventory coverage rose to 54 days supply, up from 47 days supply at the end of 1995, generally due to inventories of Agricultural Products carried over from the 1996 season as a result of growers significantly reducing planted canola acreage.

Property, plant and equipment increased by $32.1 million, (see Note 5) consisting of capital expenditures of $112.1 million, reduced by depreciation charges of $79.9 million. Other assets decreased by $5.9 million to $14.5 million (see Note 6), reflecting a reduction in outstanding employee relocation loans and equipment financing related to the divested Medical Products unit.

Accounts payable (see Note 4) increased by $35.8 million, largely due to increased trade payables to both affiliates and third parties. Taxes payable decreased by $28.4 million, primarily due to the payment of taxes due on the $95.3 million currency gain realized at maturity of the Australian Dollar Notes. Dividends payable increased by $2.3 million consistent with the quarterly dividend increase approved during 1996. Long-term debt remained unchanged at $12.5 million (see Note 8). We continue to meet the non-interest-bearing conditions on this Province of Ontario development loan. Other long-term obligations increased by $5.6 million, consisting of a $1.2 million increase in other post-retirement benefit liabilities, a $2.3 million increase in pension funding liabilities (see Note 9) and a $2.1 million increase in accrued liabilities to employees under the Performance Sharing Program.

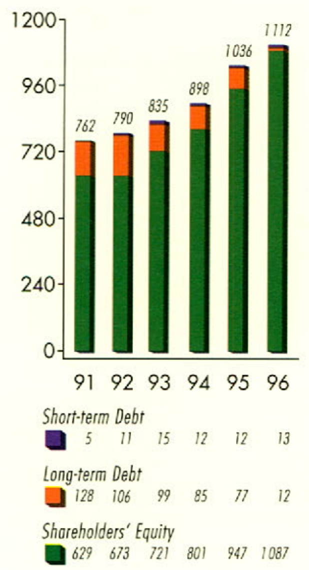
During 1996, stock options were exercised for 276 550 shares and employees purchased 198 159 shares with their Performance Sharing payouts (see Note 10). Collectively, issue proceeds increased capital stock by $8.0 million, offset by the average stated capital value of 686 700 shares purchased on the open market under a normal course issuer bid. If holders had elected to exercise all outstanding options on December 31, 1996, capital stock would have increased by 1 986 050 shares. Our experience has been that options are almost always exercised by the holders and to this effect we have already purchased and cancelled sufficient common shares to fully offset the anticipated dilution impact. 1996 net earnings increased retained earnings by $200.0 million, reduced in part by dividend declarations of $48.0 million and share purchase related charges of $19.9 million, for a net increase of $132.1 million.

Consolidated Balance Sheets at December 31

ASSETS *(Dollars in thousands)*		1996		1995
CURRENT ASSETS				*(as restated – Note 7)*
Cash and short-term investments	**$**	**437 674**	$	399 331
Accounts receivable *(Note 4)*		**295 213**		292 693
Inventories:				
Finished goods and work in process		**134 167**		110 165
Raw materials and supplies		**29 871**		27 545
Prepaid expenses		**6 661**		6 161
Other *(Note 7)*		**–**		115 607
		903 586		951 502
PROPERTY, PLANT AND EQUIPMENT *(Note 5)*		**679 100**		646 964
OTHER ASSETS *(Note 6)*		**14 505**		20 407
	$	**1 597 191**	$	1 618 873

LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank and other short-term indebtedness	**$**	**12 781**	$	11 625
Accounts payable and accrued liabilities *(Note 4)*		**327 901**		292 115
Income taxes		**14 293**		42 658
Dividends		**11 997**		9 712
Notes payable *(Note 7)*		**–**		162 804
Other financing *(Note 7)*		**–**		16 941
		366 972		535 855
LONG-TERM DEBT *(Note 8)*		**12 500**		12 500
OTHER LONG-TERM OBLIGATIONS				
Other post-retirement benefits		**59 674**		58 449
Other		**11 456**		7 075
		71 130		65 524
DEFERRED INCOME TAXES		**59 776**		57 599
SHAREHOLDERS' EQUITY				
Capital stock *(Note 10)*		**86 180**		78 830
Retained earnings		**1 000 633**		868 565
		1 086 813		947 395
	$	**1 597 191**	$	1 618 873

CAPITAL STRUCTURE
(MILLIONS $)



Management's Discussion and Analysis of the Consolidated

Statements of Changes in Financial Position

Overview: Despite cash outflows from another increase in dividends, continued strong capital expenditures and the repayment of our Australian Dollar Notes in December of 1996, we generated a positive net cash flow of $37.2 million, raising our net cash resource position to $424.9 million by year-end.

In 1996, cash flow from operations, including working capital changes, generated cash of $206.3 million. Net earnings contributed $200.0 million in cash flow, an increase of $18.5 million over 1995. Non-cash charges included in net earnings contributed a further $84.5 million of positive cash flow: comprised of depreciation and amortization charges of $82.3 million and an increase to the provision for deferred income taxes of $2.2 million. Increased working capital consumed $83.8 million of cash, mainly due to the $64.1 million December repayment of the Australian Dollar Notes, net of associated foreign currency contracts and a tax payment of $35.0 million on the realized currency gain. In isolation, ongoing working capital decreased by $15.3 million principally due to a $35.8 million increase in total trade and corporate payables and an increase to taxes payable from operations of $6.6 million, offset in part by a $26.3 million increase in inventories, chiefly Agricultural Products due to weak 1996 sales. An increase in other long-term obligations contributed $5.6 million, primarily pension funding and other employee related liabilities.

We declared cash dividends of $48.0 million, an increase of $10.6 million or 28 per cent over the previous year. Effective the first quarter of 1996, the common stock dividend rate was raised by 2.5 cents, from 10.5 cents per quarter to 13 cents, raising the dividend payout to 17 per cent of cash flow from operations, calculated before the impact of working capital fluctuations. There have been four dividend increases since 1993, more than doubling the dividend payout to shareholders.

Total investment in property, plants and equipment increased by $112.1 million in 1996. Large project spending included: approximately $44 million to complete the hydrogen peroxide plant expansion in Gibbons, Alberta; $14 million to upgrade our industrial nylon facilities at Kingston and Maitland, Ontario; in excess of $8 million to increase yield and capacity of the intermediates facility at Maitland; and $13 million towards environmental improvements at the Maitland site facilities. During 1996, capital projects totalling $76.6 million were authorized and at year-end $61.8 million of unexpended project activity was carried forward to 1997 for completion. Other investments reduced by $3.5 million, largely related to Medical Products equipment financing included in the divestiture and a reduction of employee relocation loans.

During 1996, 276 550 common shares were issued under the Employee Stock Option Plan at an average option price of $9.89 per share and a further 198 159 common shares were issued under the Performance Sharing Program at an average of $26.39 per share for total proceeds of $8.0 million. To offset the current and anticipated dilution of these employee share related programs, 686 700 common shares were purchased on the open market at an average per share cost of $29.87, for a total outlay of $20.5 million.

Available funding: Although there is no anticipated need for additional funding in 1997, the company maintains operating lines of credit in excess of $90 million and an authorized commercial paper program of $250 million. During 1996, the Dominion Bond Rating Service (DBRS) re-affirmed the company's AA (low) bond rating and the R1 (middle) commercial paper rating. Similarly, the Canadian Bond Rating Service (CBRS) re-affirmed the company's A+ (High) bond rating and the A-1+ commercial paper rating.

Consolidated Statements of Changes in Financial Position – Years Ended December 31

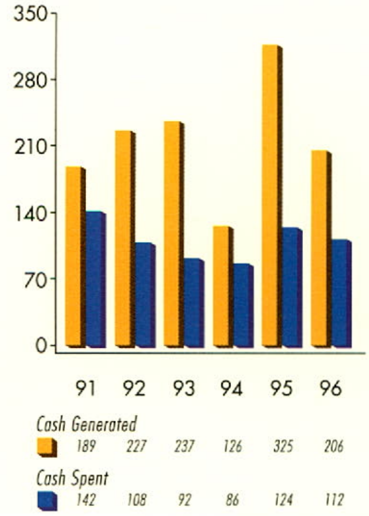
CASH RESOURCES FROM (USED IN) *(Dollars in thousands)*		**1996**		1995
OPERATIONS				*(as restated – Note 7)*
Net earnings	$	**200 012**	$	181 554
Non-cash items in earnings statement:				
Depreciation and amortization		**82 323**		77 043
Deferred income taxes		**2 177**		(14 069)
Net change in working capital excluding cash resources		**(83 770)**		81 702
Change in other long-term obligations		**5 606**		(1 314)
		206 348		324 916
DIVIDENDS TO SHAREHOLDERS		**(48 048)**		(37 458)
INVESTING ACTIVITIES				
Property, plant and equipment, net		**(112 059)**		(123 780)
Other		**3 492**		6 836
		(108 567)		(116 944)
FINANCING ACTIVITIES				
Issue of common shares		**7 965**		5 188
Purchase of common shares		**(20 511)**		(3 154)
Reduction in long-term debt, net *(Note 7)*		**–**		(168 821)
Other *(Note 7)*		**–**		96 787
		(12 546)		(70 000)
CHANGE IN CASH RESOURCES		**37 187**		100 514
Cash Resources at Beginning of Year		**387 706**		287 192
CASH RESOURCES AT END OF YEAR	$	**424 893**	$	387 706
COMPONENTS OF CASH RESOURCES AT END OF YEAR				
Cash and short-term investments	$	**437 674**	$	399 331
Bank and other short-term indebtedness		**(12 781)**		(11 625)
	$	**424 893**	$	387 706

Approved by the Board:

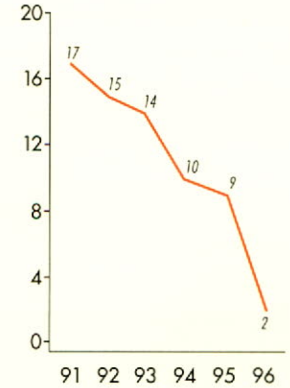
E.L. Smith
Chairman, Audit Committee

A.R. Sawchuk
Chairman, President and Chief Executive Officer

CASH GENERATED FROM OPERATIONS AND SPENT ON PLANTS AND PROPERTIES
(MILLIONS $)



DEBT-TO-TOTAL CAPITAL RATIO
(PER CENT)



Responsibilities for Financial Reporting

The consolidated financial statements of DuPont Canada Inc. and its subsidiaries and all information in the annual report are the responsibility of management. Financial information contained elsewhere in the annual report is consistent with that shown in the financial statements.

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada, and necessarily include some amounts that are based on management's best estimates and judgments.

Management maintains a system of internal control designed to provide reasonable assurance as to the reliability of the financial records and the safeguarding of assets. Employees are required to maintain the highest standards of personal and business integrity in their conduct of company affairs. An internal audit unit reviews and evaluates the accounting records and the related system of internal control on an ongoing basis, and reports its findings and recommendations to management and to the Audit Committee.

The Board has established an Audit Committee and appoints its members from outside directors. This committee reviews the consolidated financial statements with management and the external auditors prior to submission to the Board for approval, as well as the recommendations of the external and internal auditors for improvements in internal controls and the action of management to implement such recommendations.

Price Waterhouse, Chartered Accountants, are responsible for performing an independent audit of the consolidated financial statements in accordance with generally accepted auditing standards and for expressing an opinion on the statements. Their report follows.

February 7, 1997

A.R. Sawchuk
Chairman, President and Chief Executive Officer

R.G. Anderson
Vice-President and Chief Financial Officer

Auditor's Report

To the Shareholders, DuPont Canada Inc.:

We have audited the consolidated balance sheets of DuPont Canada Inc. as at December 31, 1996 and 1995 and the consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1996 and 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Price Waterhouse

Chartered Accountants
Mississauga, Ontario
February 7, 1997

(Dollars in thousands unless otherwise indicated)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

DuPont Canada Inc. is incorporated under the Canada Business Corporations Act. These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and include the accounts of DuPont Canada Inc. and its wholly owned subsidiaries (the company). All dollar figures are reported in Canadian dollars.

INVENTORIES

Inventories are carried at the lower of average cost and net realizable value. The cost of finished goods inventories is based on material, direct labour and other costs relating to product conversion.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost. Preproduction expenses related to manufacturing and interest on borrowings incurred in connection with new facilities are charged to expense as incurred.

Depreciation is provided based on the estimated useful life of assets. The diminishing balance method is used for buildings and equipment at rates of 12 per cent or 10 per cent, provided that amounts set aside in the accounts are generally not less than 5 per cent of the original cost. Depreciation is not charged on new assets until they become operative.

OTHER POST-RETIREMENT BENEFITS

Other post-retirement benefits include medical and life insurance benefits for pensioners and survivors. These benefits are accounted for on an accrual basis. The expected costs of the employees' post-retirement benefits are expensed during the years that the employees render services and an accumulated post-retirement benefit obligation is recognized. The obligation is determined by application of the terms of the plans together with relevant actuarial assumptions.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are all monetary and are translated to Canadian dollars at exchange rates in effect at the balance sheet date. Revenues and expenses in foreign currencies are translated to Canadian dollars at rates which approximate the exchange rates at the dates of the transactions. Exchange gains and losses arising on these transactions are included in net earnings for the year.

PATENTS AND PROCESSES

Patents and processes are amortized over their economic life or remaining patent period which is not more than 15 years.

SHORT-TERM INVESTMENTS

Short-term investments are carried at the lower of cost and estimated net realizable value.

RESEARCH AND DEVELOPMENT

Research costs are expensed in the period in which they are incurred. Development costs are also expensed unless they are significant and meet generally accepted criteria for deferral. Costs are reduced by government grants, investment tax credits where applicable, and reimbursements from affiliates.

NOTE 2 – RESEARCH AND DEVELOPMENT EXPENSES		1996		1995
RESEARCH AND DEVELOPMENT EXPENSES INCLUDE:				
Gross expenditures on research and development	**$**	**29 761**	$	27 652
Less: Reimbursements from affiliates		**12 215**		9 345
Investment tax credits		**4 277**		4 341
Government grants		**–**		100
	$	**13 269**	$	13 866

NOTE 3 – INCOME TAXES	1996	1995
THE COMPANY'S EFFECTIVE INCOME TAX RATE CONSISTS OF:		
Combined basic Canadian federal and provincial income tax rate	**42.9%**	42.9%
Increase (decrease) in the income tax rate resulting from:		
Manufacturing and processing allowance	**(7.0)**	(6.9)
Federal income tax surcharge and large corporation tax	**1.2**	0.9
Other	**(1.4)**	0.3
Effective income tax rate	**35.7%**	37.2%

NOTE 4 – TRANSACTIONS WITH AFFILIATES

In the normal course of business, the company had transactions with its major shareholder, E.I. du Pont de Nemours and Company, and other affiliates as summarized below. Trade terms with affiliates are generally 90 days.

		1996		1995
Sales	**$**	**707 632**	$	631 673
Purchases – for consumption and resale		**858 997**		839 961
Interest income		**5 544**		18 067
Demand note, included in short-term investments		**–**		100 000
Accounts receivable		**166 688**		165 870
Accounts payable and accrued liabilities		**195 811**		185 100
Dividends		**35 078**		28 701
Reimbursement of R&D expenditures		**12 215**		9 345

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT		1996		1995
PROPERTY, PLANT AND EQUIPMENT INCLUDE THE FOLLOWING:				
Buildings and equipment	**$**	**1 408 681**	$	1 303 415
Construction in progress		**48 770**		84 534
Land		**9 536**		8 285
		1 466 987		1 396 234
Less: Accumulated depreciation and amortization		**787 887**		749 270
	$	**679 100**	$	646 964

At December 31, 1996, $61 766 (1995 – $104 442) remained unexpended on authorized capital appropriations.

NOTE 6 – OTHER ASSETS		1996		1995
OTHER ASSETS INCLUDE:				
Patents and processes	**$**	**7 699**	$	8 044
Other long-term receivables		**3 895**		4 023
Employee relocation loans, secured		**1 660**		3 016
Other		**1 251**		5 324
	$	**14 505**	$	20 407

NOTE 7 – NOTES PAYABLE

The 16½% Australian $160 000 Notes issued on December 19, 1989, were repaid on December 19, 1996 in accordance with the loan agreement.

The December 31, 1995 amounts have been restated to conform with the new CICA standard for the disclosure and presentation of financial instruments. The Notes were fully hedged by forward exchange contracts and currency exchange agreements. The associated foreign exchange contracts were reported separately as an asset or liability. There was no income statement impact associated with this restatement and the net balance sheet position was unchanged.

NOTE 8 – LONG-TERM DEBT

Long-term debt consists of a loan from the Province of Ontario which is non-interest bearing, provided certain capital expenditure, employment and other commitments are met at specified manufacturing facilities of the company over the period to 1998. The loan is due in three equal annual installments commencing in December 1998.

NOTE 9 – PENSION COSTS AND OBLIGATIONS

The company has a non-contributory defined benefit pension plan covering all employees. Benefits are based on length of service and average earnings in the employee's highest paid consecutive 36-month period. Pension costs are funded through payments made to an irrevocable trust fund held by an independent trustee.

Actuarial valuations are prepared regularly to determine the costs of pension benefits and the appropriate amounts of company contribution to the fund. The actuarial method used incorporates management's best-estimate assumptions to determine the present value of accrued pension benefit obligations based on projections of salaries and wages to normal retirement dates. The most significant of these are:

	1996	1995
Discount rate	**8.75%**	8.75%
Wage and salary escalation	**4.0 %**	3.5 %

The long-term wage and salary escalation rate of 5.5 per cent is being phased in over a five-year period starting at 3.5 per cent in 1995 and increasing to 5.5 per cent by 1999.

Pension fund assets are valued using a moving average method which recognizes changes in the market value of the investment portfolio over a four-year period in order to reflect long-term market trends rather than short-term fluctuations.

The status of the company's pension costs and obligations as at December 31 were as follows:

		1996		1995
Pension fund assets	**$**	**561 510**	$	546 966
Accrued pension obligations	**$**	**547 578**	$	508 542
Determination of pension expense for the year is summarized below:				
Current service costs	**$**	**10 504**	$	9 886
Interest cost on pension obligations		**43 626**		42 951
Return on fund assets		**(46 122)**		(44 624)
Other		**(4 532)**		(3 636)
Pension expense	**$**	**3 476**	$	4 577
Accrued pension costs included in "Other Long-Term Obligations" on the consolidated balance sheet	**$**	**2 256**	$	(24)

NOTE 10 – CAPITAL STOCK	1996			1995		
	Number of Shares		Stated Capital	Number of Shares		Stated Capital
Unlimited authorized Class A common shares without nominal or par value: January 1	**92 498 844**	**$**	**78 830**	92 287 673	$	73 765
Issued during the year for cash:						
On exercise of options	**276 550**		**2 734**	171 000		1 726
In respect of Performance Sharing	**198 159**		**5 231**	187 011		3 462
Treasury shares purchased for cash	**(686 700)**		**(615)**	(146 840)		(123)
December 31	**92 286 853**	**$**	**86 180**	92 498 844	$	78 830

Pursuant to the employee stock option plan, options to acquire Class A common shares of the company have been granted, and remain outstanding as follows:

Year	Options Granted	Price Per Share	Earliest Exercise Date	Expiry Date	Number of Options Outstanding at December 31, 1996
1996	**206 200**	**$ 26.08**	**1997**	**2006**	**206 200**
1995	278 200	$ 18.78	1996	2005	267 000
1994	277 500	$ 17.98	1995	2004	259 650
1993	328 800	$ 13.47	1994	2003	271 800
1992	298 200	$ 14.00	1993	2002	258 700
1991	679 200	$ 8.05	1992	2001	398 300
1990	727 050	$ 8.21	1991	2000	240 500
1989	673 950	$ 9.79	1990	1999	83 900

Each option represents the right to purchase one common share of the company at the indicated price during the period shown.

The company's Performance Sharing Program is an incentive plan under which participants share in both the risks and rewards of the company's financial performance. A portion of payments under the program may be taken in company shares at the participant's option. Participants are given the option of receiving their dividends in either cash or shares.

The company regularly purchases shares on the open market pursuant to a normal course issuer bid to offset shares that are issued under the employee stock option and performance sharing plans.

NOTE 11 – COMMITMENTS AND CONTINGENT LIABILITIES

THE COMPANY'S FUTURE MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES ARE AS FOLLOWS:

Years ending December 31		
1997	$	5 725
1998		4 780
1999		4 131
2000		3 944
2001		3 602
Remainder		14 178
	$	36 360

The company has no outstanding capital leases.

The company is subject to various lawsuits and claims arising out of the normal course of business. In the opinion of company counsel, any liability resulting from such lawsuits and claims would not materially affect the consolidated financial position of the company.

NOTE 12 – SEGMENTED INFORMATION

	1996	1995
Industry Segments		
Net sales		
Fibres and Intermediates	**$ 772 207**	$ 716 024
Specialty Chemicals and Materials	**560 932**	647 828
Specialty Plastics and Films	**494 298**	468 157
	$ 1 827 437	$ 1 832 009
Export sales included above	**$ 787 441**	$ 719 924
Operating earnings		
Fibres and Intermediates	**$ 147 615**	$ 124 701
Specialty Chemicals and Materials	**72 001**	60 717
Specialty Plastics and Films	**78 604**	82 014
	298 220	267 432
Other corporate earnings and expenses	**12 609**	21 656
Income taxes	**(110 817)**	(107 534)
Net earnings	**$ 200 012**	$ 181 554
Assets		
Fibres and Intermediates	**$ 499 333**	$ 469 074
Specialty Chemicals and Materials	**393 191**	359 344
Specialty Plastics and Films	**207 783**	204 039
Corporate	**496 884**	586 416
	$ 1 597 191	$ 1 618 873

	Capital Expenditures		Depreciation and Amortization	
	1996	1995	**1996**	1995
Fibres and Intermediates	**$ 48 145**	$ 62 758	**$ 31 558**	$ 31 103
Specialty Chemicals and Materials	**42 302**	35 175	**25 634**	25 366
Specialty Plastics and Films	**14 420**	17 041	**12 968**	11 971
Corporate	**7 192**	8 806	**12 163**	8 603
	$ 112 059	$ 123 780	**$ 82 323**	$ 77 043

Six-Year Comparison *(Amounts in thousands of dollars except where otherwise noted)*

	1996	1995	1994	1993	1992	1991
OPERATING RESULTS						
Net sales	**1 827 437**	1 832 009	1 676 386	1 570 188	1 416 642	1 325 315
Earnings before income taxes	**310 829**	289 088	243 804	103 195	125 637	88 329
Income taxes	**110 817**	107 534	88 561	37 563	43 858	32 164
Net earnings	**200 012**	181 554	155 243	65 632	81 779	56 165
Cash flow from operations	**206 348**	324 916	126 455	237 062	226 690	189 066
FINANCIAL POSITION						
Current assets[1]	**903 586**	951 502	726 462	529 403	437 296	366 830
Current liabilities[1]	**366 972**	535 855	329 638	294 863	256 214	182 278
Working capital – including cash resources	**536 614**	415 647	396 824	234 540	181 082	184 552
Net property, plant and equipment	**679 100**	646 964	597 985	631 875	660 786	630 317
Accumulated depreciation and amortization	**787 887**	749 270	689 311	770 299	679 141	612 527
Investments and other assets	**14 505**	20 407	29 496	59 474	62 799	68 572
Total assets[1]	**1 597 191**	1 618 873	1 353 943	1 220 752	1 160 881	1 065 719
Long-term debt	**12 500**	12 500	84 534	98 569	105 885	128 033
Other long-term obligations[2]	**71 130**	65 524	66 838	19 812	33 615	37 739
Deferred income taxes[2]	**59 776**	57 599	71 668	86 489	91 865	88 646
Shareholders' equity[2]	**1 086 813**	947 395	801 265	721 019	673 302	629 023
DATA PER COMMON SHARE* *(in dollars)*						
Average number of common shares outstanding	**92 429 291**	92 473 221	92 568 004	92 518 158	92 644 770	92 642 208
Net earnings	**2.16**	1.96	1.68	0.71	0.88	0.60
Dividends declared	**0.52**	0.41	0.32	0.23	0.23	0.23
Book value (year-end)	**11.78**	10.24	9.07	7.76	7.28	6.74
Market value – high	**34.95**	24.50	20.13	17.00	16.00	13.83
– low	**23.88**	16.50	14.75	13.17	13.33	7.92
– year-end	**31.95**	24.00	18.75	16.42	13.67	13.50
FINANCIAL RATIOS						
Return on average common shareholders' equity[3]	**19.6**	20.6	19.9	9.3	12.4	9.2
Return on capital employed[4]	**17.4**	17.4	16.0	7.2	9.4	6.6
Debt-to-total capital ratio[5]	**2**	9	10	14	15	17
Net earnings as a percentage of net sales	**10.9**	9.9	9.3	4.2	5.8	4.2
Current ratio[1][6]	**2.5**	1.8	2.2	1.8	1.7	2.0
OTHER						
Expenditures on property, plant and equipment, net	**112 059**	123 780	85 568	91 549	108 432	142 121
Depreciation and amortization	**82 323**	77 043	81 753	91 646	80 843	69 501
Non-recurring items of income (expense)	**–**	–	–	(56 500)	14 506	–
Average number of employees	**3 520**	3 650	3 707	3 997	4 143	4 162

* Restated to reflect 3-for-1 stock split in 1994.

(1) 1995 has been restated to conform with the new CICA standard for the disclosure and presentation of financial instruments.

(2) 1994 has been restated to reflect the cumulative obligation for other post-retirement benefits.

(3) Net earnings less preferred share dividends all as a percentage of average common shareholders' equity.

(4) Net earnings as a percentage of the sum of average total debt, deferred income taxes and shareholders' equity.

(5) Total debt as a percentage of the sum of total debt and shareholders' equity, all at year-end.

(6) Current assets divided by current liabilities, all at year-end.

Shareholder Information

STOCK LISTINGS

Common Stock (DUP.A)
Valuation Day value $1.6875*
The Montreal Exchange
The Toronto Stock Exchange

*Restated to reflect 2-for-1 stock splits in 1984 and 1987, and the 3-for-1 stock split in 1994.

STOCK TRANSFER AGENT AND REGISTRAR

Montreal Trust Company, Montreal, Toronto, Calgary and Vancouver

AUDITORS

Price Waterhouse
Mississauga Executive Centre
Suite 1100
1 Robert Speck Parkway
Mississauga, Ontario
L4Z 3M3

SCHEDULED 1997 FINANCIAL REPORTING DATES

April 22, July 22, October 28

ANTICIPATED 1997 DIVIDEND PAYMENT DATES

April 30, July 31, October 31

ANNUAL GENERAL MEETING

The annual meeting of shareholders will be held April 25, 1997, at the DuPont Canada corporate office, 12:00 p.m., at 7070 Mississauga Road, Mississauga, Ontario.

SHAREHOLDER INFORMATION

Seymour Trachimovsky
Corporate Secretary
(905) 821-5444

INVESTOR INFORMATION

Antonio Pompeo
Treasurer
(905) 821-5358

PUBLIC INFORMATION

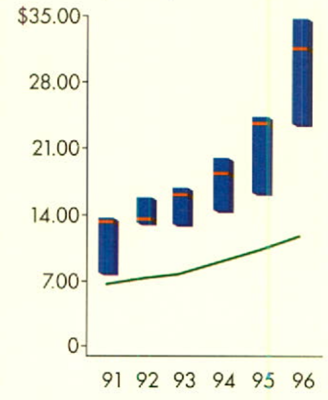
Lili Ziobakas
Corporate Communications
Tel: (905) 821-5679
Fax: (905) 821-5653

CORRESPONDENCE

DuPont Canada Inc.
Box 2200, Streetsville
Mississauga, Ontario
L5M 2H3

Nous serons heureux de vous envoyer, sur demande, l'édition française de ce rapport. Téléphone : (905) 821-5679.

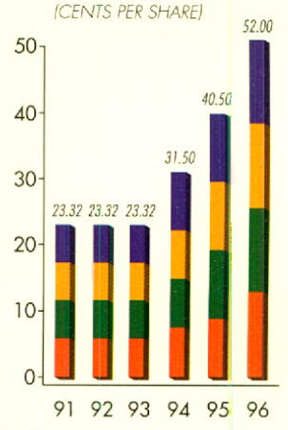
COMMON STOCK TRADING RANGES *(DUP.A)*
(DOLLARS)



	91	92	93	94	95	96
Close December 31	13.50	13.67	16.42	18.75	24.00	31.95
Book Value December 31	6.74	7.28	7.76	9.07	10.24	11.78

Restated to reflect the 3-for-1 stock split in 1994.

COMMON STOCK DIVIDEND
(CENTS PER SHARE)



	91	92	93	94	95	96
4th Quarter	5.83	5.83	5.83	9.00	10.50	13.00
3rd Quarter	5.83	5.83	5.83	7.50	10.50	13.00
2nd Quarter	5.83	5.83	5.83	7.50	10.50	13.00
1st Quarter	5.83	5.83	5.83	7.50	9.00	13.00

Restated to reflect the 3-for-1 stock split in 1994.

Directors and Corporate Officers (As of March 1, 1997)

DIRECTORS

Michel F. Bélanger, C.C.
Chairman of the Board
Avenor Inc.
Director since May, 1987

Wendy K. Dobson
Professor and Director
Centre for International Business
University of Toronto
Director since November, 1989

L. Yves Fortier, C.C., Q.C.
Chairman and Senior Partner
Ogilvy Renault
Director since February, 1992

Kurt M. Landgraf
Senior Vice President and
Chief Financial Officer
E.I. du Pont de Nemours and Company
Director since December, 1996

Gerald J. Maier
Chairman of the Board
TransCanada PipeLines Limited
Director since July, 1982

Stacey J. Mobley
Senior Vice President, External Affairs
E.I. du Pont de Nemours and Company
Director since August, 1996

Hon. Gordon F. Osbaldeston, P.C., O.C.
Professor Emeritus
Richard Ivey School of Business
University of Western Ontario
Director since January, 1987

George T. Richardson
Chairman and Managing Director
James Richardson & Sons, Ltd.
Director since December, 1988

Arthur R. Sawchuk
Chairman, President and Chief
Executive Officer
DuPont Canada Inc.
Director since February, 1992

Elvie L. Smith
Retired Executive
Director since May, 1982

OFFICERS OF THE CORPORATION

Arthur R. Sawchuk
Chairman, President and
Chief Executive Officer

Raymond G. Anderson
Vice-President and
Chief Financial Officer

James R. Barton
Vice-President and Business Director,
Finishes

John M. Cameron
Vice-President

David K. Findlay
Vice-President and Business Director,
Nylon and Fibres

David R. Henderson
Vice-President, Human Resources
and Communications

Antonio Pompeo
Treasurer and Director, Finance

Seymour B. Trachimovsky
General Counsel and
Corporate Secretary

BUSINESS DIRECTORS

James R. Barton
Finishes

A.F. (Sandy) Cameron
Chemicals and Specialties

Philip J. Duggan
Engineering and Specialty Polymers

David K. Findlay
Nylon and Fibres

Hosum Li
Agricultural Products

Gloria L. Pennycook
Fluoroproducts

Jerry P. Shuster
Packaging, Modified Polymers,
Printing and Publishing

BOARD COMMITTEES

Audit Committee
Elvie. L. Smith, *Chairman*
Wendy K. Dobson
L.Yves Fortier

This committee has overall responsibility for reviewing financial statements of the corporation, accounting principles used in financial reporting, the adequacy of internal controls and relations with external auditors.

Pension Committee
Hon. Gordon F. Osbaldeston, *Chairman*
George T. Richardson
Arthur R. Sawchuk

This committee approves the pension benefits, funding and investment policies employed with respect to the corporation's pension plan and pension trust fund, and monitors the performance of the fund.

Human Resources and
Corporate Governance Committee
Gerald J. Maier, *Chairman*
Michel F. Bélanger
Stacey J. Mobley

This committee reviews and approves the compensation of executives, reviews management succession planning and compensation and benefits policy and strategy, assesses the performance of the full board and individual directors, proposes new nominees to the board, and develops and monitors the corporation's approach to corporate governance.

The corporation's approach to corporate governance is outlined in our 1996 Management Proxy Circular. For a copy of the Proxy Circular, please contact Seymour Trachimovsky, Corporate Secretary, at (905) 821-5444.

Ron Zelonka (right), Director – Research and Business Development, DuPont Canada, and board member of the Let's Talk Science *program, participates with students of St. Sebastian Catholic School, London, Ontario, in a hands-on workshop led by Angelica Workman (*Let's Talk Science*).*

DuPont Canada and its employees have a long tradition of supporting programs which enhance the lives of Canadians.

DuPont Canada is recognized as a *Caring Company* by IMAGINE, an initiative of the Canadian Centre for Philanthropy. IMAGINE-designated companies have a policy of donating at least 1 per cent of average pre-tax profits to charitable and non-profit organizations. But the commitment of DuPont Canada and its employees goes beyond merely donating funds. Many employees devote time and expertise, both on and off the job, to ensure the success of various community organizations, such as hospitals, social service agencies, United Way and Centraide campaigns, and various arts, ecological and educational programs.

One major 1996 corporate initiative was support for the *Let's Talk Science* program, an award-winning national organization which stimulates interest in science and technology studies among elementary and secondary students. DuPont Canada is donating $1 million over five years to support *Let's Talk Science*, the largest gift made to a science outreach program in Canada.

Among other things, the program trains volunteer university students and professional scientists to lead students through hands-on activities and interactive experiments in classrooms and after-school clubs. For more information, please call Dr. Bonnie Schmidt at the *Let's Talk Science* national office, at (519) 661-4029.

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