DuPont Earnings Fall On Weak Volumes

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DOVER, Del. (AP) — The DuPont Co. reported a 3 percent decline in second-quarter earnings Tuesday as volumes were off in several business units including its performance chemicals, electronics and safety product businesses.

But its adjusted earnings still beat Wall Street estimates. Revenue rose 7 percent but was below analysts' expectations.

"Our agriculture, food and bioscience businesses are performing exceptionally well globally, and our advanced materials businesses are achieving solid results despite slower growth in some key markets and continued weakness in Europe," said DuPont chair and CEO Ellen Kullman.

DuPont said it expects full-year earnings to be near the lower end of its existing outlook range of $4.20 to $4.40 per share, excluding significant items, because of uncertainties regarding macroeconomic conditions and a higher tax rate related to its earnings mix.

Its shares edged down 38 cents to $48.33 in morning trading. They are still closer to the high end of their 52-wek range of $37.10 to $57.50.

The Wilmington, Del.-based company said its net income totaled $1.18 billion, or $1.25 per share, for the three months ending June 30, down from $1.22 billion, or $1.29 per share, for the same period last year.

Excluding one-time items, net income was $1.48 per share. That beat Wall Street estimates of $1.46 per share, according to a survey by FactSet.

The company took a pretax charge of $265 million in this year's second-quarter related to claims involving the use of its Imprelis weedkiller, and a $137 million pretax charge related to the settlement of a lawsuit with Invista, a privately held company that bought much of DuPont's textiles and interiors business several years ago.

Revenues rose 7 percent to $11 billion, up from $10.26 billion for the second quarter of 2011. The company the rise reflected 6 percent higher local prices and a 5 percent increase from portfolio changes, partially offset by a 3 percent currency headwind and 1 percent lower sales volume.

Sales were down 2 percent in Europe, Middle East and Africa, as volume in the region dropped 8 percent.

Analysts expected overall revenue of about $11.27 billion.

Volume was down 10 percent in the second quarter in DuPont's performance chemicals unit, reflecting continued softness in demand for titanium dioxide, a whitening pigment used in wide range of products, from automotive and house paints to toothpaste.

Sales in the electronics and communications unit were down 11 percent on 6 percent lower volume and 5 percent lower selling prices as DuPont saw continued soft demand for photovoltaic materials. Volume decline in photovoltaics was partially offset by increased demand for smart phones and tablets, the company said.

DuPont's safety and protection unit saw a 4 percent drop in sales, with 5 percent lower volume partially offset by 1 percent higher selling prices. The company said volume declined because of lower public sector demand for products such as Kevlar body armor and continued softness in industrial markets.

In contrast to the volume declines in other business units, DuPont saw continued strong performance in its agriculture unit. Sales increased 13 percent to $3.4 billion, with 7 percent price and 6 percent volume gains. Sales were up 12 percent in the Pioneer seed unit, with strong performance in North America corn and soybeans. Crop protection sales increased 15 percent.

DuPont also saw big gains in its industrial biosciences and nutrition and health units related to its acquisition of the enzyme and specialty food ingredients businesses of Danisco.

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