ALLIANCE NATIONAL MUNICIPAL INCOME FUND
Form DEF 14A
February 28, 2006

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [_]

Check the appropriate box:

[_] Preliminary Proxy Statement
[_] Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
[X] Definitive Proxy Statement
[_] Definitive Additional Materials

[_] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

Alliance National Municipal Income Fund, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement,
if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required
[_] Fee computed on table below per Exchange Act Rule 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

[_] Fee paid previously with preliminary materials.

[_] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

[LOGO]
ALLIANCEBERNSTEIN
Investments

ACM INCOME FUND, INC.
ACM GOVERNMENT OPPORTUNITY FUND, INC.
ACM MANAGED INCOME FUND, INC.
ACM MUNICIPAL SECURITIES INCOME FUND, INC.
ACM MANAGED DOLLAR INCOME FUND, INC.
ALLIANCE WORLD DOLLAR GOVERNMENT FUND, INC.
ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.
ALLIANCE ALL-MARKET ADVANTAGE FUND, INC.
ALLIANCE CALIFORNIA MUNICIPAL INCOME FUND, INC.
ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.
ALLIANCE NEW YORK MUNICIPAL INCOME FUND, INC.

1345 Avenue of the Americas, New York, New York 10105
Toll Free (800) 221-5672

NOTICE OF JOINT ANNUAL MEETING OF STOCKHOLDERS
MARCH 29, 2006

To the Stockholders of ACM Income Fund, Inc. ("ACM I"), ACM Government Opportunity Fund, Inc. ("ACM IV"), ACM Managed Income Fund, Inc. ("ACM V"), ACM Municipal Securities Income Fund, Inc. ("ACM VII"), ACM Managed Dollar Income Fund, Inc. ("ACM VIII"), Alliance World Dollar Government Fund, Inc. ("AWDGF"), Alliance World Dollar Government Fund II, Inc. ("AWDGF II"), Alliance All-Market Advantage Fund, Inc. ("AMA"), Alliance California Municipal Income Fund, Inc. ("ACMIF"), Alliance National Municipal Income Fund, Inc. ("ANMIF") and Alliance New York Municipal Income Fund, Inc. ("ANYMIF"):

Notice is hereby given that a Joint Annual Meeting of Stockholders (the "Meeting") of ACM I, ACM IV, ACM V, ACM VII, ACM VIII, AWDGF, AWDGF II, AMA, ACMIF, ANMIF and ANYMIF, each of which is a Maryland corporation (individually, a "Fund" and collectively, the "Funds"), will be held at the offices of the Funds, 1345 Avenue of the Americas, 41st Floor, New York, New York 10105, on March 29, 2006 at 11:00 a.m. Eastern Time, for the following purposes, all of which are more fully described in the accompanying Proxy Statement dated February 27, 2006:

1. To elect three or five Directors of each Fund as the case may be, each

such Director to hold office for a term of either one, two or three years, as provided herein, and until his successor is duly elected and qualifies; and

2. To transact such other business as may properly come before the Meeting.

The Board of Directors of each Fund has fixed the close of business on January 27, 2006 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Meeting or any postponement or adjournment thereof. The enclosed proxy is being solicited on behalf of the Board of Directors of each Fund.

By Order of the Boards of Directors,

Emilie D. Wrapp
Secretary

New York, New York
February 27, 2006

YOUR VOTE IS IMPORTANT

Please indicate your voting instructions on the enclosed Proxy Card, sign and date it, and return it in the envelope provided, which needs no postage if mailed in the United States. Your vote is very important no matter how many shares you own. Please mark and mail your proxy promptly in order to save the Funds any additional cost of further proxy solicitation and in order for the Meeting to be held as scheduled.

PROXY STATEMENT

ACM INCOME FUND, INC.
ACM GOVERNMENT OPPORTUNITY FUND, INC.
ACM MANAGED INCOME FUND, INC.
ACM MUNICIPAL SECURITIES INCOME FUND, INC.
ACM MANAGED DOLLAR INCOME FUND, INC.
ALLIANCE WORLD DOLLAR GOVERNMENT FUND, INC.
ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.
ALLIANCE ALL-MARKET ADVANTAGE FUND, INC.
ALLIANCE CALIFORNIA MUNICIPAL INCOME FUND, INC.
ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.
ALLIANCE NEW YORK MUNICIPAL INCOME FUND, INC.

1345 Avenue of the Americas
New York, New York 10105

JOINT ANNUAL MEETING OF STOCKHOLDERS
March 29, 2006

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the respective Boards of Directors of ACM Income Fund, Inc. ("ACM I"), ACM Government Opportunity Fund, Inc. ("ACM IV"), ACM Managed Income Fund, Inc. ("ACM V"), ACM Municipal Securities Income Fund, Inc. ("ACM VII"), ACM Managed Dollar Income Fund, Inc. ("ACM VIII"), Alliance World Dollar Government Fund, Inc. ("AWDGF"), Alliance World Dollar Government Fund II, Inc. ("AWDGF II"), Alliance All-Market Advantage Fund, Inc. ("AMA"), Alliance California Municipal Income Fund, Inc. ("ACMIF"), Alliance National Municipal Income Fund, Inc. ("ANMIF") and Alliance New York Municipal Income Fund, Inc. ("ANYMIF"), each of which is a Maryland corporation (individually, a "Fund" and collectively, the "Funds"), to be voted at a Joint Annual Meeting of Stockholders of the Funds (the "Meeting"), to be held at the offices of the Funds, 1345 Avenue of the Americas, 41st Floor, New York, New York 10105, on March 29, 2006 at 11:00 a.m. Eastern Time. The solicitation will be by mail and the cost for each Fund will be borne by that Fund. The Notice of Meeting, Proxy Statement and Proxy Card are being mailed to stockholders on or about February 27, 2006.

The Board of Directors of each Fund has fixed the close of business on January 27, 2006 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Meeting and any postponement or adjournment thereof. The outstanding voting shares of the Funds as of January 27, 2006 consisted of 229,231,874 shares of common stock of ACM I, 12,903,932 shares of common stock of ACM IV, 25,300,262 shares of common stock and 900 shares of Remarketed Preferred Stock, Series A of ACM V, 11,145,261 shares of common stock and 1,200 shares of each of Auction Preferred Shares, Series A, Series B and Series C of ACM VII, 21,572,318 shares of common stock of ACM VIII, 8,897,498 shares of common stock of AWDGF, 67,648,715 shares of common stock of AWDGF II, 3,682,953 shares of common stock of AMA, 8,522,867 shares of common stock and 1,620 shares of each of Auction Preferred Shares, Series M and Series T of ACMIF, 20,479,498 shares of common stock and 1,950 shares of each of Auction Preferred Shares, Series M, Series T, Series W and Series Th of ANMIF and 4,826,667 shares of common stock and 900 shares of each of Auction Preferred Shares, Series M and Series T of ANYMIF, each share being entitled to one vote.

At the Meeting, the holders of the preferred stock of ACM V and the holders of each series of preferred stock of ACM VII, ACMIF, ANMIF and ANYMIF ("Preferred Stockholders") will have equal voting rights with the holders of the common stock of ACM V, ACM VII, ACMIF, ANMIF and ANYMIF (i.e., one vote per share), respectively, and will vote together with the holders of ACM V, ACM VII, ACMIF, ANMIF and ANYMIF common stock, respectively, as a single class on proposals that may be properly presented at the Meeting applicable to their respective Funds as described below. The Preferred Stockholders of each of these Funds, voting separately as a class, have the right to elect two Directors of their Fund ("Preferred Stock Directors"). At the Meeting, John H. Dobkin and Michael J. Downey will stand for election by the Preferred Stockholders of each Fund as their respective Preferred Stock Directors.

All properly executed and timely received proxies will be voted at the Meeting in accordance with the instructions marked thereon or as otherwise provided therein. Accordingly, unless instructions to the contrary are marked, proxies from the holders of the common stock will be voted for the election of three Directors of each Fund and proxies from Preferred Stockholders will be voted for the election of five Directors of each of ACM V, ACM VII, ACMIF, ANMIF and ANYMIF. Any stockholder may revoke that stockholder's proxy at any time prior to exercise thereof by giving written notice to the Secretary of the

Funds at 1345 Avenue of the Americas, New York, New York 10105, by signing and delivering to the Secretary another proxy of a later date or by voting in person at the Meeting.

Properly executed proxies may be returned with instructions to abstain from voting or to withhold authority to vote (an "abstention"). The shares represented by abstentions will be considered present for purposes of determining the existence of a quorum for the transaction of business. However, with respect to Proposal One,

which is a matter to be determined by a plurality of the votes cast, abstentions, not being votes cast, will not have any effect on the election of Directors. If any proposal, other than Proposal One, properly comes before the Meeting, shares represented by proxies will be voted on all such proposals in the discretion of the person or persons holding the proxies.

The Meeting is scheduled as a joint meeting of the stockholders of the Funds because the stockholders of all the Funds are to consider and vote on the election of Directors. Stockholders of each Fund will vote separately on the election of Directors for that Fund and on any other matter that may properly come before the meeting for a Fund. An unfavorable vote by the stockholders of one Fund will not affect the vote on the election of Directors or any other matter by the stockholders of another Fund.

A quorum for each Fund for the Meeting will consist of the presence in person or by proxy of the holders of a majority of the total outstanding shares of common stock, and preferred stock, if any, of the particular Fund. In the event that a quorum is not present at the Meeting for a Fund or, even if a quorum is so present, in the event that sufficient votes in favor of the positions recommended by the Board of Directors on the proposal described in the Proxy Statement with respect to a Fund are not timely received, the persons named as proxies may propose and vote for one or more adjournments of the Meeting with respect to that Fund, with no other notice than announcement at the Meeting, in order to permit further solicitation of proxies. Shares represented by proxies indicating a vote contrary to the position recommended by the Board of Directors on any proposal as to which the Meeting is proposed to be adjourned will be voted against adjournment of the Meeting.

Each Fund has engaged Georgeson Shareholder, 219 Murray Hill Parkway, East Rutherford, NJ 07073, to assist in soliciting proxies for the Meeting. Georgeson Shareholder will receive a total fee of $8,250 for its services, to be paid by the Funds as follows: ACM I--$750, ACM IV--$750, ACM V--$750, ACM VII--$750, ACM VIII--$750, AWDGF--$750, AWDGF II--$750, AMA--$750, ACMIF--$750, ANMIF--$750 and ANYMIF--$750, plus reimbursement of out-of-pocket expenses.

PROPOSAL ONE
ELECTION OF DIRECTORS

At the Meeting, two Directors of each Fund will be elected to serve for terms of three years and, in each case, until his successor is elected and qualifies. In addition, for each Fund, one Director will be elected to serve for a term of two years. For each of ACM V, ACM VII, ACMIF, ANMIF and ANYMIF, two Preferred Stock Directors, representing the Preferred Stockholders of these Funds, will be elected. The affirmative vote of a plurality of the votes cast by the stockholders of a Fund is required to elect a Director. It is the intention of the persons named in the enclosed proxy to nominate and vote in favor of the election of each of the nominees.

Pursuant to the Funds' respective Charters and Bylaws, the Board of Directors of each Fund has been divided into three classes. With respect to all of the Funds, the terms of Class Three Directors will expire as of the Meeting, the terms of Class One Directors will expire as of the annual meeting of stockholders to be held in 2007 and the terms of Class Two Directors will expire as of the annual meeting of stockholders to be held in 2008. Upon expiration of the terms of the Directors of each class as set forth above, the terms of their successors in that class will continue until the end of their terms and until their successors are duly elected and qualify.

Under this classified Board structure, only those Directors in a single class are required to be elected at the annual meeting of stockholders. It would require two years of annual meeting elections to change a majority of the Board of Directors of a Fund, although Maryland law provides that stockholders may remove Directors under certain circumstances even if they are not then standing for re-election. This classified Board structure, which may be regarded as an "anti-takeover" provision, may make it more difficult for a Fund's stockholders to change the majority of Directors of the Fund and, thus, have the effect of maintaining the continuity of management.

As of December 31, 2005, Dr. James M. Hester, who had been a Class Two Director of each of the Funds, resigned as Director of each of the Funds. Ruth Block, a Class Three Director of each of the Funds, will not be standing for re-election at the Meeting. Effective December 15, 2005, the Board of Directors of each Fund elected D. James Guzy in Class Two and Marshall C. Turner, Jr. in Class Three of each Fund. Mr. Guzy, as a new Class Two Director, will stand for election at the Meeting. Mr. Turner must stand for election at the Meeting for each of the Funds since the term of Class Three Directors expires as of the Meeting.

At the Meeting, two Directors, Marc O. Mayer and Marshall C. Turner, Jr. are standing for election in Class Three of each of the Funds; D. James Guzy is standing for election in Class Two of each Fund; and John H. Dobkin and Michael J. Downey are standing for election by the Preferred Stockholders of each of ACM V, ACM VII, ACMIF, ANMIF and ANYMIF. Each nominee has consented to serve

as a Director. The Boards of Directors know of no reason why any of the nominees for the Boards of Directors will be unable to serve, but in the event any nominee is unable to serve or for good cause will not serve, the proxies received indicating a vote in favor of such nominee will be voted for such substitute nominees as the Boards of Directors may recommend.

Certain information concerning the Funds' Directors is set forth below.

Name, Address and	Year Term as a Director Will	Years of	Principal Occupation(s)	Number of Portfolios in Alliance-Bernstein Fund Complex Overseen	Other Directorships Held by

Date of Birth	Expire	Service*	During Past 5 Years	by Director	Director
DISINTERESTED DIRECTORS					
David H. Dievler,#, P.O. Box 167, Spring Lake, NJ 07762 10/23/1929	Class One (ACM VIII, AWDGF, AWDGF II and AMA 2007) Class Two (ACM I, IV, V and VII, ACMIF, ANMIF and ANYMIF 2008)	ACM I: 19 ACM IV, V: 18 AWDGF: 14 ACM VIII, AWDGF II: 13 ACM VII, AMA: 12 ACMIF, ANMIF and ANYMIF: 4	Independent Consultant. Until December 1994 he was Senior Vice President of AllianceBernstein Corporation ("AB Corp.") responsible for mutual fund administration. Prior to joining AB Corp. in 1984, he was Chief Financial Officer of Eberstadt Asset Management since 1968. Prior to that, he was Senior Manager at Price Waterhouse & Co. Member of the American Institute of Certified Public Accountants since 1953.	107	None

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* "Years of Service" refers to the total number of years served as a Director.

\# Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee of each Fund.

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Name, Address and Date of Birth	Year Term as a Director Will Expire	Years of Service*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Alliance-Bernstein Fund Complex Overseen by Director	Other Directorships Held by Director
John H. Dobkin,#, P.O. Box 12, Annandale, NY 12504 2/19/1942	Class One (ACM I, IV, V and VII, ACMIF, ANMIF and ANYMIF 2007)** Class Two	ACM I: 19 AWDGF: 14 ACM VIII, AWDGF: II: 13 AMA: 10 ACM IV, V, VII: 8 ACMIF, ANMIF	Consultant. Formerly President of Save Venice, Inc. (preservation organization) from 2001-2002, Senior Adviser from June 1999-June 2000 and President of Historic Hudson Valley (historic preservation) from December 1989 - May 1999. Previously, Director of the National Academy of Design and during 1988-	106	Municipal Art Society (New York City)

	(ACM VIII, AWDGF, AWDGF II and AMA 2008)	and ANYMIF: 4	1992. Director and Chairman of the Audit Committee of AB Corp.		
Michael J. Downey,#, c/o AllianceBernstein L.P. Attn: Philip L. Kirstein 1345 Avenue of the Americas New York, NY 10105 1/26/1944	Class One (2007)**	Each Fund: 1	Consultant since January 2004. Formerly managing partner of Lexington Capital, LLC (investment advisory firm) from December 1997 until December 2003. Prior thereto, Chairman and CEO of Prudential Mutual Fund Management from 1987 to 1993.	106	Asia Pacific Fund, Inc.; The Merger Fund

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* "Years of Service" refers to the total number of years served as a Director.

\# Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee of each Fund.

** With respect to representing the Preferred Stockholders of ACM V, ACM VII, ACMIF, ANMIF and ANYMIF, if elected as a Preferred Stock Director at the Meeting.

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Name, Address and Date of Birth	Year Term as a Director Will Expire	Years of Service*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Alliance-Bernstein Fund Complex Overseen by Director	Other Directorships Held by Director
Chairman of the Board William H. Foulk, Jr.,#,+, 2 Sound View Drive Suite 100 Greenwich, CT 06830 9/7/1932	Class Two (2008)	AWDGF: 14 ACM VIII, AWDGF II: 13 AMA: 12 ACM I, IV, V, VII: 8 ACMIF, ANMIF and ANYMIF:	Investment Adviser and Independent Consultant. He was formerly Senior Manager of Barrett Associates, Inc., a registered investment adviser, with which he had been associated since prior to 2001. He was formerly Deputy Comptroller and Chief Investment Officer of the State of New York and, prior thereto, Chief Investment Officer of the	108	None

4 New York Bank for Savings.

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* "Years of Service" refers to the total number of years served as a Director.

Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee of each Fund.

+ Member of the Fair Value Pricing Committee of each Fund.

Name, Address and Date of Birth	Year Term as a Director Will Expire	Years of Service*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Alliance-Bernstein Fund Complex Overseen by Director	Other Directorships Held by Director
D. James Guzy,#, P.O. Box 128 Glenbrook, NV 89413 3/7/1936	Class Two (2008)	Each Fund: 3 months	Chairman of the Board of PLX Technology (semi-conductors) and of SRC Computers Inc., with which he has been associated since prior to 2001. He is also President of the Arbor Company (private family investments).	106	Intel Corporation (semi-conductors); Cirrus Logic Corporation (semi-conductors); Novellus Corporation (semi-conductor equipment); Micro Component Technology (semi conductor equipment); The Davis Selected Advisers Group of Mutual Funds; and Logic Vision

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* "Years of Service" refers to the total number of years served as a Director.

Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee of each Fund.

Name, Address and Date of Birth	Year Term as a Director Will Expire	Years of Service*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Alliance-Bernstein Fund Complex Overseen by Director	Other Directorships Held by Director
Marshall C. Turner, Jr.,#, 220 Montgomery Street Penthouse 10 San Francisco, CA 94104-3402 10/10/1941	Class Three (2009)##	Each Fund: 3 months	CEO, Toppan Photomasks, Inc., (semi-conductor manufacturing services), Austin, Texas, 2003 - present, and President since company acquired in 2005, and name changed from Dupont Photomasks. Prior to the company's sale in 2005, he was Chairman and CEO. He has also been Principal of Turner Venture Associates since 1993.	106	Toppan Photomasks, Inc.; The George Lucas Educational Foundation; and Chairman of the Board of the Smithsonian's National Museum of Natural History
INTERESTED DIRECTOR***					
Marc O. Mayer, 1345 Avenue of the Americas, New York, NY 10105 10/2/1957	Class Three (2009)##	Each Fund: 2	Executive Vice President of AllianceBernstein L.P. ("AllianceBernstein") since 2001 and Executive Managing Director of AllianceBernstein Investments, Inc. ("ABI") since 2003; prior thereto, he was head of AllianceBernstein Institutional Investments, a unit of AllianceBernstein from 2001-2003. Prior thereto, Chief Executive Officer of Sanford C. Bernstein & Co., LLC (institutional research and brokerage arm of Bernstein & Co. LLC ("SCB & Co.")), and its predecessor since prior to 2001.	106	SCB Partners Inc.; SCB, Inc.

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* "Years of Service" refers to the total number of years served as a Director.

\# Member of the Audit Committee, the Government and Nominating Committee, and the Independent Directors Committee of each Fund.

If elected, at the Meeting.

***Mr. Mayer is an "interested person", as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act"), of each Fund due to his position as Executive Vice President of AllianceBernstein.

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The dollar range of the Funds' securities owned by each Director and the aggregate dollar range of securities owned in the AllianceBernstein Fund Complex are set forth below.

	Dollar Range of Equity Securities in the Funds as of January 27, 2006		A R Se Al Fu J
David H. Dievler	ACM I:	$10,001-$50,000	
	ACM IV:	$1-$10,000	
	AWDGF II:	$10,001-$50,000	
	AMA:	$10,001-$50,000	
John H. Dobkin	AWDGF II:	$1-$10,000	
	AMA:	$10,001-$50,000	
Michael J. Downey	ACM I:	$50,001-$100,000	
	ACM V:	$10,001-$50,000	
William H. Foulk, Jr.	ACM I:	$10,001-$50,000	
	ACM IV:	$1-$10,000	
	ACM V:	$1-$10,000	
	ACM VII:	$1-$10,000	
	ACM VIII:	$1-$10,000	
	AWDGF:	$1-$10,000	
	AWDGF II:	$1-$10,000	
	AMA:	$10,001-$50,000	
D. James Guzy	None	$0	$
Marshall C. Turner, Jr.	ACM I:	$10,001-$50,000	
Marc O. Mayer	None	$0	

As of January 27, 2006, the Directors and officers of each Fund, both individually and as a group owned less than 1% of the shares of any Fund. During each Fund's most recently completed fiscal year, the Fund's Directors as a group did not engage in the purchase or sale of more than 1% of any class of securities of the Adviser or of any of its parents or subsidiaries.

During the Fund's fiscal year ended in 2005, the Board of ACM I met 10 times; of ACM IV, 9 times; of ACM V, 9 times; of ACM VII, 11 times; of ACM VIII, 9 times; of AWDGF, 11 times; of AWDGF II, 10 times; of AMA, 9 times; of

ACMIF, 11 times; of ANMIF, 11 times; and of ANYMIF, 11 times. The Funds do not have a policy that requires a Director to attend annual meetings of stockholders.

Each Fund's Board has four standing committees: an Audit Committee, a Governance and Nominating Committee, an Independent Directors Committee, and a Fair Value Pricing Committee. The members of the Committees are identified above in the table listing the Directors. The function of the Audit Committee of each Fund is to assist the Board in its oversight of a Fund's financial reporting process. The members of the Audit Committee are "independent" as required by applicable listing standards of the New York Stock Exchange. During the Fund's fiscal year ended in 2005, the Audit Committee of each of the Funds met 3 times. During the Fund's fiscal year ended in 2005, the Governance and Nominating Committee of ACM I met 7 times; of ACM IV, 6 times; of ACM V, 8 times; of ACM VII, 8 times; of ACM VIII, 8 times; of AWDGF, 8 times; of AWDGF II, 3 times; of AMA, 8 times; of ACMIF, 8 times; of ANMIF, 8 times; and of ANYMIF, 8 times.

Each Fund's Board of Directors has adopted a charter for its Governance and Nominating Committee, a copy of which may be found on the Adviser's website, http://www.alliancebernstein.com (click on Investor Solutions/Mutual Funds/Closed-End). Pursuant to the charter of the Governance and Nominating Committee, the Governance and Nominating Committee assists each Board in carrying out its responsibilities with respect to governance of a Fund and identifies, evaluates and selects and nominates candidates for that Board. The Committee also may set standards or qualifications for Directors. The Committee may consider candidates as Directors submitted by a Fund's current Board members, officers, investment adviser, stockholders and other appropriate sources.

The Governance and Nominating Committee will consider candidates submitted by a stockholder or group of stockholders who have owned at least 5% of the Fund's outstanding common stock for at least two years at the time of submission and who timely provide specified information about the candidates and the nominating stockholder or group. To be timely for consideration by the Committee, the submission, including all required information, must be submitted in writing to the attention of the Secretary at the principal executive offices of a Fund not less than 120 days before the date of the proxy statement for the previous year's annual meeting of stockholders. The Committee will consider only one candidate submitted by such a stockholder or group for nomination for election at an annual meeting of stockholders. The Committee will not consider self-nominated candidates.

The Governance and Nominating Committee will consider and evaluate candidates submitted by stockholders on the basis of the same criteria as those used to consider and evaluate candidates submitted from other sources. These criteria include the candidate's relevant knowledge, experience, and expertise, the candidate's ability to carry out his or her duties in the best interests of the Fund and the candidate's ability to qualify as a disinterested Director.

The function of each Fund's Fair Value Pricing Committee is to consider, in advance if possible, any fair valuation decision of the Adviser's Valuation Committee relating to a security held by a Fund made under unique or highly unusual circumstances not previously addressed by the Valuation Committee that would result in a change in the Fund's net asset value ("NAV") by more than $0.01 per share. The Fair Value Pricing Committee met once for ACM V, once for ACM VII and once for ANYMIF during any Fund's most recently completed fiscal year.

The function of each Fund's Independent Directors Committee is to consider and take action on matters that the Board or Committee believes should be addressed in executive session of the disinterested Directors, such as review and approval of the Advisory and Stockholder Inquiry Agency Agreements. During the Fund's fiscal year ended in 2005, the Independent Directors Committee of ACM I met 11 times; of ACM IV, 6 times; of ACM V, 6 times; of ACM VII, 8 times; of ACM VIII, 7 times; of AWDGF, 8 times; of AWDGF II, 2 times; of AMA, 7 times; of ACMIF, 8 times; of ANMIF 8 times; and of ANYMIF, 8 times.

Each Board has adopted a process for stockholders to send communications to the Board of their Fund. To communicate with a Board or an individual Director of a Fund, a stockholder must send a written communication to that Fund's principal office at the address listed in the Notice of Joint Annual Meeting of Stockholders accompanying this Proxy Statement, addressed to the Board of that Fund or the individual Director. All stockholder communications received in accordance with this process will be forwarded to the Board or the individual Director to whom or to which the communication is addressed.

None of the Funds pays any fees to, or reimburses expenses of, any Director during a time when the Director is considered an "interested person" of the Fund. The aggregate compensation paid by the Funds to the Directors during the Funds' respective fiscal years ended in 2005, the aggregate compensation paid to the Directors during calendar year 2005 by all of the investment companies in the AllianceBernstein Fund Complex, and the total number of investment companies in the AllianceBernstein Fund Complex as to which the Directors are a director or trustee and the number of investment portfolios as to which the Directors are directors or trustees, are set forth below. Neither the Funds nor any other investment company in the AllianceBernstein Fund Complex provides compensation in the form of pension or retirement benefits to any of its directors or trustees.

Name of Director	Compensation from the Funds during their Fiscal Years ended in 2005		Compensation from the AllianceBernstein Fund Complex, including the Funds, during 2005	Number of Investment Companies in the AllianceBernstein Fund Complex, including the Funds, as to which the Director is a Director or Trustee	Number of Investment Portfolios within the AllianceBernstein Fund Complex, including the Funds, as to which the Director is a Director or Trustee
David H. Dievler	$4,724	ACM I	$268,370.75	41	107
	$4,631	ACM IV			
	$5,989	ACM V			
	$5,113	ACM VII			
	$5,501	ACM VIII			
	$4,863	AWDGF			

	$4,201	AWDGF II			
	$5,501	AMA			
	$4,863	ACMIF			
	$4,863	ANMIF			
	$5,113	ANYMIF			
John H. Dobkin	$5,365	ACM I	$261,286.25	40	106
	$4,805	ACM IV			
	$5,699	ACM V			
	$5,126	ACM VII			
	$5,760	ACM VIII			
	$5,126	AWDGF			
	$4,396	AWDGF II			
	$5,860	AMA			
	$5,126	ACMIF			
	$5,126	ANMIF			
	$5,126	ANYMIF			

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Name of Director	Compensation from the Funds during their Fiscal Years ended in 2005		Compensation from the AllianceBernstein Fund Complex, including the Funds, during 2005	Number of Investment Companies in the AllianceBernstein Fund Complex, including the Funds, as to which the Director is a Director or Trustee	Number of Investment Portfolios within the AllianceBernstein Fund Complex, including the Funds, as to which the Director is a Director or Trustee
Michael J. Downey	$4,797	ACM I	$239,916.00	40	106
	$2,228	ACM IV			
	$2,570	ACM V			
	$3,329	ACM VII			
	$3,194	ACM VIII			
	$3,329	AWDGF			
	$ 924	AWDGF II			
	$3,194	AMA			
	$3,329	ACMIF			
	$3,329	ANMIF			
	$3,329	ANYMIF			
William H. Foulk, Jr.	$8,113	ACM I	$486,995.25	42	108
	$7,464	ACM IV			
	$9,716	ACM V			
	$8,551	ACM VII			
	$9,228	ACM VIII			
	$8,301	AWDGF			
	$6,835	AWDGF II			
	$9,228	AMA			
	$8,301	ACMIF			
	$8,301	ANMIF			
	$8,551	ANYMIF			

D. James Guzy*	$ 0	$32,000.00	40	106
Marshall C. Turner, Jr.*	$ 0	$28,500.00	40	106
Marc O. Mayer	$ 0	$ 0	40	106

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* Messrs. Guzy and Turner did not become Directors for the Funds until December 15, 2005 and were directors for only one fund in the AllianceBernstein Fund Complex prior to November 15, 2005.

Each Board unanimously recommends that the stockholders vote FOR each of the nominees to serve as a Director of the applicable Fund. Approval of Proposal 1 with respect to each Fund requires the affirmative vote of a plurality of the votes cast.

Other Information

Officers of the Funds

Certain information concerning the Funds' officers is set forth below. The Funds' officers are elected annually by the respective Board of Directors until his or her successor is duly elected and qualifies.

Name, Address and Date of Birth*	Position(s) (Month and Year Year First Elected)	Principal Occupation Durin Past 5 Years
Marc O. Mayer 10/2/1957	President, all Funds (11/03)	See biography on page 9.
Philip L. Kirstein 5/29/1945	Senior Vice President and Independent Compliance Officer, all Funds (10/04)	Senior Vice President and Independent Compliance Officer of the AllianceBer Mutual Funds, with which h has been associated since October 2004. Prior theret was Of Counsel to Kirkpatr & Lockhart, LLP from Octob 2003 to October 2004, and General Counsel of Merrill Lynch Investment Managers, L.P. since prior to 2001 u March 2003.
Robert (Guy) B. Davidson III 4/8/1961	Senior Vice President, ACM VII (4/02) ACMIF (4/02) ANMIF (4/02) ANYMIF (4/02)	Senior Vice President of AllianceBernstein,** with which he has been associat since prior to 2001.
Douglas J. Peebles 8/10/1965	Senior Vice President, ACM I (8/02) ACM IV (8/02) ACM V (6/04)	Executive Vice President o AllianceBernstein,** with which he has been associat since prior to 2001.

ACM VII (6/04)
ACMIF (6/04)
ANMIF (6/04)
ANYMIF (6/04)

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Name, Address and Date of Birth*	Position(s) (Month and Year First Elected)	Principal Occupation During Past 5 Years
Jeffrey S. Phlegar 6/28/1966	Senior Vice President, ACM V (6/04) ACM VII (6/04) ACMIF (6/04) ANMIF (6/04) ANYMIF (6/04)	Executive Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Andrew M. Aran 4/27/1957	Vice President, ACM I (8/02)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Thomas J. Bardong 4/28/1945	Vice President, AMA (4/95)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Matthew D. W. Bloom 7/15/1956	Vice President, ACM V (4/01)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Michael G. Brooks 6/18/1948	Vice President, ACM VII (10/05) ACMIF (10/05) ANMIF (10/05) ANYMIF (10/05)	Senior Vice President and Senior Portfolio Manager of AllianceBernstein,** with which he has been associated since prior to 2001.
Fred S. Cohen 4/16/1958	Vice President, ACM VII (10/05) ACMIF (10/05) ANMIF (10/05) ANYMIF (10/05)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Paul J. DeNoon 4/18/1962	Vice President, ACM I (3/93) ACM IV (9/94) ACM V (4/94) ACM VIII (4/94) AWDGF (12/92) AWDGF II (4/94)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Mark A. Hamilton 3/24/1965	Vice President, ACM V (8/05) ACM VIII (8/05)	Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.

Terrance T. Hults 5/17/1966	Vice President, ACM VII (12/95) ACMIF (12/01) ANMIF (12/01) ANYMIF (12/01)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.

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Name, Address and Date of Birth*	Position(s) (Month and Year Year First Elected)	Principal Occupation During Past 5 Years
John A. Koltes 6/16/1942	Vice President, AMA (9/94)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Michael L. Mon 3/2/1969	Vice President, ACM I (4/00) ACM IV (7/99)	Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Daniel Nordby 4/27/1944	Vice President, AMA (4/99)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
William E. Oliver 9/21/1949	Vice President, ACM VII (6/93) ACMIF (3/04) ANMIF (3/04) ANYMIF (3/04)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Michael J. Reilly 6/3/1964	Vice President, AMA (9/94)	Senior Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Michael A. Snyder 4/18/1962	Vice President, ACM I (8/02) ACM V (10/05)	Senior Vice President of AllianceBernstein** since Ma 2001 and Director of High Yield Portfolio Management Team. Previously he was a Managing Director in the hig yield asset management group of Donaldson, Lufkin & Jenrette Corporation since p to 2001.
Kewjin Yuoh 3/11/1971	Vice President, ACM I (11/03) ACM V (5/05)	Vice President of AllianceBernstein** since Ma 2003. Previously, he was a V President of Credit Suisse A Management since prior to 20
Mark D. Gersten	Treasurer and Chief Financial	Senior Vice President of

10/4/1950	Officer, ACM I (6/87) ACM IV (6/88) ACM V (7/88) ACM VII (2/93) ACM VIII (9/93) AWDGF (3/93) AWDGF II (4/94) AMA (9/94) ACMIF (11/01) ANMIF (11/01) ANYMIF (11/01)	AllianceBernstein Investor Services, Inc. ("ABIS"),** a a Vice President of ABI,** w which he has been associated since prior to 2001.

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Name, Address and Date of Birth*	Position(s) (Month and Year Year First Elected)	Principal Occupation During Past 5 Years
Vincent S. Noto 12/14/1964	Controller, ACM I (4/96) ACM IV (4/96) ACM V (4/96) ACM VIII (4/96) AWDGF (4/96) AWDGF II (4/96) AMA (4/96)	Vice President of ABIS,** with which he has been associated since prior to 2001.
Thomas R. Manley 8/3/1951	Controller, ACM VII (4/99) ACMIF (12/01) ANMIF (12/01) ANYMIF (12/01)	Vice President of AllianceBernstein,** with which he has been associated since prior to 2001.
Emilie D. Wrapp 11/13/1955	Secretary, all Funds (10/05)	Senior Vice President, Assista General Counsel and Assistant Secretary of ABI,** with which she has been associated since prior to 2001.

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* The address for the Funds' officers is 1345 Avenue of the Americas, New York, New York 10105.
** An affiliate of each of the Funds.

Audit Committee Report

The following Audit Committee Report was adopted by the Audit Committee of each Fund.

The Audit Committee operates pursuant to a written charter, a copy of which may be found on the Adviser's website, http//www.alliancebernstein.com (click on Investor Solutions/Mutual Funds/Closed-End). The purposes of the Audit Committee are to (1) assist the Board of Directors in its oversight of (i) the integrity of the Fund's financial statements and the independent audit thereof; (ii) the Fund's compliance with legal and regulatory requirements; (iii) the independent registered public accounting firm's independence, qualifications and performance; and (iv) the Fund's compliance with applicable laws by receiving reports from counsel who believe they have credible evidence of a material violation of law by the Fund or by someone owing a fiduciary or other duty to the Fund; and (2) to prepare this report. As set forth in the Audit Committee Charter, management of the Fund is responsible for the preparation, presentation and integrity of the Fund's financial statements, the Fund's accounting and financial reporting principles and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent registered public accounting firm is responsible for auditing the Fund's financial statements and expressing an opinion as to their conformity with generally accepted accounting principles.

In the performance of its oversight function, the Audit Committee has considered and discussed the audited financial statements with management and the independent registered public accounting firm of the Fund. The Audit Committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as currently in effect. The Audit Committee has also considered whether the provision of any non-audit services not pre-approved by the Audit Committee provided by the Fund's independent registered public accounting firm to the Adviser and to any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund is compatible with maintaining the independent registered public accounting firm's independence. Finally, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as currently in effect, and has discussed the independent registered public accounting firm's independence with such firm.

The members of the Fund's Audit Committee are not full-time employees of the Fund and are not performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards. Members of the Audit Committee necessarily rely on the information provided to them by management and the independent registered public accounting firm. Accordingly, the Audit Committee's considerations and discussions referred to above do not assure that the audit of the Fund's financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that the Fund's independent registered public accounting firm is in fact "independent".

Based upon the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above and in the Audit Committee Charter, the Audit Committee recommended to the Board of Directors of the Fund that the audited financial statements of the Fund be included in the Fund's annual report to stockholders for the most recent fiscal period.

Submitted by the Audit Committee of the Fund's Board of Directors:

Ruth Block	William H. Foulk, Jr.
David H. Dievler	D. James Guzy*
John H. Dobkin	Marshall C. Turner, Jr.*
Michael J. Downey	

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* In respect of ACM I only, as Messrs. Guzy and Turner were not members of the Audit Committees of the other Funds at the time such Audit Committees recommended the inclusion of the Funds' annual financial statements in the stockholders reports for the most recent fiscal year.

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Approval of Independent Registered Public Accounting Firms by Boards

The Audit Committee of each Fund is responsible for the appointment, compensation, retention and oversight of the work of the Fund's independent registered public accounting firm. In addition, the Board of each Fund approved the independent registered public accounting firm of each Fund as required by the 1940 Act on the date specified below. The Boards of Directors of each of the Funds at meetings held on October 31, 2005-November 2, 2005 (ACM I), August 2, 2005-August 4, 2005 (ACM V, ACM VII, ACM VIII, ACMIF, ANMIF, ANYMIF and AWDGF), and February 7, 2005-February 9, 2005 (AWDGF II), respectively, approved by the vote, cast in person, of a majority of the Directors of each Fund, including a majority of the Directors who are not "interested persons" of each Fund, Ernst & Young LLP, independent registered public accounting firm to audit the accounts of AWDGF II (for the fiscal year ending March 31, 2006), ACM IV (July 31, 2006), ACM V (August 31, 2006), ACM VIII (September 30, 2006), ACM VII (October 31, 2006), AWDGF (October 31, 2006), ACMIF (October 31, 2006), ANMIF (October 31, 2006), ANYMIF (October 31, 2006) and ACM I (December 31, 2006). The Board of Directors of AMA at a meeting held on August 2, 2005-August 4, 2005 similarly approved by vote, cast in person, of a majority of the Directors of the Fund, including a majority of the Directors who are not "interested persons" of the Fund, PricewaterhouseCoopers LLP, independent registered public accounting firm, to audit the accounts of AMA for its fiscal year ending September 30, 2006.

Ernst & Young LLP has audited the accounts of ACM I, ACM IV, ACM VII, ACM VIII, AWDGF, AWDGF II, ACMIF, ANMIF and ANYMIF since the respective dates of their commencements of each of the Fund's operations, and of ACM V since its fiscal year ended August 31, 1990, and has represented that it does not have any direct financial interest or any material indirect financial interest in any of the Funds. PricewaterhouseCoopers LLP has audited the accounts of AMA since the Fund's commencement of operations and has represented that it does not have any direct financial interest or any material indirect financial interest in the Fund. Representatives of Ernst & Young LLP and PricewaterhouseCoopers LLP are expected to attend the Meeting and to have the opportunity to make a statement and respond to appropriate questions from the stockholders.

Independent Registered Public Accounting Firms' Fees

The following table sets forth the aggregate fees billed by the independent registered public accounting firm for each Fund's last two fiscal years for professional services rendered for: (i) the audit of the Fund's annual financial statements included in the Fund's annual reports to stockholders; (ii) assurance and related services that are reasonably related to the performance of the audit of the Fund's financial statements and are not reported under (i), which include advice and

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education on accounting and auditing issues, quarterly press release reviews and preferred stock maintenance testing (for those Funds that issue preferred stock); (iii) tax compliance, tax advice and tax return preparation; and (iv) aggregate non-audit services provided to the Fund, the Fund's Adviser and entities that control, are controlled by or under common control with the Adviser that provide ongoing services to the Fund ("Service Affiliates"), which include conducting an annual internal control report pursuant to Statement on Auditing Standards No. 70. No other services were provided by the independent registered public accounting firm to any Fund during this period.

		Audit Fees	Audit Related Fees	Tax Fees	All Other Fees for Services Provided to Fund	All Fees for Non-Audit Services Provided to the Fund, the Adviser and Service Affiliates*
ACM Income Fund, Inc.	2004	$58,000	$10,030	$17,880	$0	$ 985,628
	2005	$60,000	$ 3,100	$18,900	$0	$ 848,540
ACM Government Opportunity Fund, Inc.	2004	$47,000	$ 9,544	$17,038	$0	$ 867,438
	2005	$49,000	$ 5,715	$17,204	$0	$1,105,072
ACM Managed Income Fund, Inc.	2004	$51,000	$22,535	$28,743	$0	$1,103,010
	2005	$53,000	$10,355	$18,304	$0	$ 905,852
ACM Municipal Securities Income Fund, Inc	2004	$47,000	$13,145	$21,213	$0	$1,136,090
	2005	$48,000	$ 9,180	$14,741	$0	$ 905,214
ACM Managed Dollar Income Fund, Inc.	2004	$51,000	$ 9,785	$24,804	$0	$1,236,321
	2005	$53,000	$ 8,355	$18,304	$0	$ 903,852
Alliance World Dollar Government Fund, Inc.	2004	$54,000	$11,890	$24,003	$0	$1,137,625
	2005	$55,000	$ 5,925	$17,704	$0	$ 904,922
Alliance World Dollar Government Fund II, Inc.	2004	$51,000	$13,125	$18,900	$0	$ 935,707
	2005	$54,000	$ 6,890	$17,704	$0	$1,320,622
Alliance All-Market Advantage Fund, Inc.	2004	$45,000	$ 2,514	$35,400	$0	$ 767,982
	2005	$47,000	$ 1,880	$25,150	$0	$1,005,924
Alliance California Municipal Income Fund, Inc.	2004	$47,000	$13,145	$19,020	$0	$1,133,897
	2005	$48,000	$ 9,180	$12,473	$0	$ 902,946
Alliance National Municipal Income Fund, Inc.	2004	$47,000	$13,145	$19,020	$0	$1,133,897
	2005	$48,000	$ 9,180	$12,473	$0	$ 902,946
Alliance New York Municipal Income Fund, Inc.	2004	$47,000	$13,145	$19,020	$0	$1,133,897
	2005	$48,000	$ 9,180	$12,473	$0	$ 902,946

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* The fees vary because they are presented based on each Fund's last two fiscal years and reflect fees for non-audit services for different periods.

Beginning with audit and non-audit service contracts entered into on or after May 6, 2003, the Funds' Audit Committee policies and procedures require the pre-approval of all audit and non-audit services provided to a Fund by the Fund's independent registered public accounting firm. A Fund's Audit Committee policies and procedures also require pre-approval of all audit and non-audit services provided to the Adviser and Service Affiliates to the extent that these services are directly related to the operations or financial reporting of the Fund. Accordingly, all of the amounts in the table for Audit Fees, Audit-Related Fees and Tax Fees for 2005 are for services pre-approved by each Fund's Audit Committee. The amounts of the Fees for Non-Audit Services provided to the Fund, the Adviser and Service Affiliates in the table for each Fund that were subject to pre-approval by the Audit Committee for 2005 were ACM I, $192,000 (comprising $173,100 of audit related fees and $18,900 of tax fees); ACM IV, $192,919 (comprising $175,715 of audit related fees and $17,204 of tax fees); ACM V, $198,659 (comprising $180,355 of audit related fees and $18,304 of tax fees); ACM VII, $193,921 (comprising $179,180 of audit related fees and $14,741 of tax fees); ACM VIII, $196,659 (comprising $178,355 of audit related fees and $18,304 of tax fees); AWDGF, $193,629 comprising $175,925 of audit related fees and $17,704 of tax fees); AWDGF II, $269,594 (comprising $251,890 of audit related fees and $17,704 of tax fees); AMA, $27,030 (comprising $1,880 of audit related fees and $25,150 of tax fees); ACMIF, $191,653 (comprising $179,180 of audit related fees and $12,473 of tax fees); ANMIF, $191,653 (comprising $179,180 of audit related fees and $12,473 of tax fees); and ANYMIF, $191,653 (comprising 179,180 of audit related fees and $12,473 of tax fees). The Audit Committee of each Fund has considered whether the provision of any non-audit services not pre-approved by the Audit Committee provided by the Fund's independent registered public accounting firm to the Adviser and Service Affiliates is compatible with maintaining the independent registered public accounting firm's independence.

INFORMATION AS TO THE INVESTMENT ADVISER AND THE ADMINISTRATORS OF THE FUNDS

Each Fund's investment adviser is AllianceBernstein L.P., 1345 Avenue of the Americas, New York, New York 10105. The administrator for ACM IV, ACM VII, AWDGF, AWDGF II, AMA, ACMIF, ANMIF and ANYMIF is the Adviser. Prudential Investments Fund Management LLC, Gateway Center Three, Newark, New Jersey 07102, serves as sub-administrator for ACM VII. The administrator for ACM I, ACM V and ACM VIII is Princeton Administrators, L.P., 500 College Road East, Princeton, New Jersey 08540.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 30(h) of the Act and the rules under Section 16 of the Securities Exchange Act of 1934 require that the Directors and officers of each Fund and the

Directors of ACMC, among others, file with the Commission and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of shares of the Funds. During the fiscal year ended 2005 for ACM V, a statement of changes in beneficial ownership of securities on Form 4 was inadvertently filed late by the Adviser on behalf of Michael J. Downey, a director of ACM V. The report related to a purchase of shares of ACM V.

OTHER MATTERS

Management of each Fund does not know of any matters properly to be presented at the Meeting other than those mentioned in this Proxy Statement. If any other matters properly come before the Meeting, the shares represented by proxies will be voted with respect thereto in the discretion of the person or persons voting the proxies.

As of February 15, 2006, Aon Corporation and Combined Insurance Company of America, each with an address of 200 East Randolph Street, Chicago, Illinois 60601, were believed by management of ACM IV to beneficially own an aggregate of 3,523,646 shares, or approximately 27.3%, of the outstanding common stock of ACM IV. As of February 15, 2006, Karpus Management, Inc. d/b/a Karpus Investment Fund, with an address of 183 Sully's Trail, Pittsford, New York 14534, was believed by management of ACM V to beneficially own an aggregate of 2,781,970 shares, or approximately 11.0%, of the outstanding common stock of ACM V. As of February 15, 2006, First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation, each with an address of 1001 Warrenville Road, Lisle, Illinois 60532, were believed by management of ACM VIII to beneficially own an aggregate of 1,240,956 shares, or approximately 5.8%, of the outstanding common stock of ACM VIII. As of February 15, 2006, First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation, each with an address of 1001 Warrenville Road, Lisle, Illinois 60532, were believed by management of ANMIF to beneficially own an aggregate of 1,222,189 shares, or approximately 6.0%, of the outstanding common stock of ANMIF.

SUBMISSION OF PROPOSALS FOR THE NEXT ANNUAL MEETING OF STOCKHOLDERS

Proposals of stockholders intended to be presented at the next annual meeting of stockholders of a Fund must be received by the Fund by October 30, 2006 for inclusion in the Fund's proxy statement and proxy card relating to that meeting. The submission by a stockholder of a proposal for inclusion in the proxy statement does not guarantee that it will be included. In addition, stockholder proposals are subject to certain requirements under the federal securities laws and the Maryland General Corporation Law and must be submitted in accordance with each Fund's Bylaws. To be presented at the 2007 Annual Meeting of Stockholders, a stockholder proposal that is not otherwise includable in the Proxy Statement for the 2007

Annual Meeting must be delivered by a stockholder of record to the Fund no sooner than September 29, 2006 and no later than October 30, 2006.

The persons named as proxies for the 2007 Annual Meeting of Stockholders will, with respect to the proxies in effect at the meeting, have discretionary authority to vote on any matter presented by a stockholder for action at that meeting unless the Fund, receives notice of the matter no sooner than September 29, 2006 and no later than October 30, 2006. If a Fund receives such timely notice, these persons will not have this authority except as provided in the applicable rules of the Commission.

REPORTS TO STOCKHOLDERS

Each Fund will furnish each person to whom this Proxy Statement is delivered with a copy of its latest annual report to stockholders and its subsequent semi-annual report to stockholders, if any, upon request and without charge. To request a copy, please call AllianceBernstein Investments, Inc. at (800) 227-4618 or contact Dennis Bowden at AllianceBernstein L.P., 1345 Avenue of the Americas, New York, New York 10105.

By Order of the Boards of Directors,

Emilie D. Wrapp
Secretary

February 27, 2006
New York, New York

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[LOGO]
ALLIANCEBERNSTEIN
Investments

NOTICE OF
JOINT ANNUAL MEETING
OF STOCKHOLDERS
AND PROXY STATEMENT

March 29, 2006

ACM-PS-06

COMMON STOCK PROXY COMMON STOCK PROXY

ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.

PROXY IN CONNECTION WITH THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MARCH 29, 2006

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE CORPORATION

The undersigned stockholder of Alliance National Municipal Income Fund, Inc., a Maryland corporation (the "Corporation"), hereby appoints Carol H. Rappa and Christina A. Morse, or either of them, as proxies for the undersigned, with full power of substitution in each of them, to attend the Annual Meeting of Stockholders of the Corporation (the "Annual Meeting") to be held at 11:00 a.m., Eastern Time, on March 29, 2006 at the offices of the Corporation, 1345 Avenue of the Americas, 41st Floor, New York, New York 10105, and any postponement or adjournment thereof, to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at the Annual Meeting and otherwise to represent the undersigned with all powers possessed by the undersigned if personally present at such Annual Meeting. The undersigned hereby acknowledges receipt of the Notice of Meeting and accompanying Proxy Statement and revokes any proxy heretofore given with respect to the Annual Meeting.

The Board of Directors knows of no reason why any of the nominees for the Board of Directors would be unable to serve, but in the event any nominee is unable to serve or for good cause will not serve, the proxies received indicating a vote in favor of such nominee will be voted for a substitute nominee as the Board of Directors may recommend.

IF THIS PROXY IS PROPERLY EXECUTED, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST AS INSTRUCTED ON THE REVERSE SIDE HEREOF. IF THIS PROXY IS PROPERLY EXECUTED BUT NO INSTRUCTION IS GIVEN, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST "FOR" THE ELECTION OF THE NOMINEES REFERRED TO IN PROPOSAL ONE AS DIRECTORS AND IN THE DISCRETION OF THE PROXY HOLDER(S) ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

Please refer to the Proxy Statement for a discussion of the Proposal.

PLEASE VOTE, DATE AND SIGN ON THE REVERSE SIDE HEREOF AND RETURN THIS PROXY CARD PROMPTLY. YOU MAY USE ENCLOSED ENVELOPE.

NOTE: Please sign this proxy exactly as your name(s) appear(s) on the books of the Corporation. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, the signature should be that of an authorized officer who should state his or her title.

HAS YOUR ADDRESS CHANGED?	DO YOU HAVE ANY COMMENTS?
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ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.

Common Stock

Your Board of Directors
urges you to vote "FOR" the
election of all Nominees.

Please mark votes as in this example: [X]

1. Election of Directors	FOR ALL NOMINEES	WITHHOLD FROM ALL NOMINEES	FOR ALL NOMINEES EXCEPT AS NOTED BELOW
	[_]	[_]	[_]
Class Two Nominee (term expires 2008):			
D. James Guzy			[_]
Class Three Nominees (terms expire 2009):			
Marc O. Mayer			[_]
Marshall C. Turner, Jr.			[_]

2. To vote and otherwise represent the undersigned on any other matters that may properly come before the Annual Meeting or any postponement or adjournment thereof, in the discretion of the proxy holder(s).

Mark here for address change
and note at left. [_]

Please be sure to sign, date and
return this Proxy promptly.
You may use the enclosed envelope.

(Signature of Stockholder)

(Signature of joint owner, if any)

Date __________, 2006

PREFERRED STOCK PROXY PREFERRED STOCK PROXY

ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.

PROXY IN CONNECTION WITH THE ANNUAL MEETING OF
STOCKHOLDERS TO BE HELD ON MARCH 29, 2006

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD

OF DIRECTORS OF THE CORPORATION

The undersigned stockholder of Alliance National Municipal Income Fund, Inc., a Maryland corporation (the "Corporation"), hereby appoints Carol H. Rappa and Christina A. Morse, or either of them, as proxies for the undersigned, with full power of substitution in each of them, to attend the Annual Meeting of Stockholders of the Corporation (the "Annual Meeting") to be held at 11:00 a.m., Eastern Time, on March 29, 2006 at the offices of the Corporation, 1345 Avenue of the Americas, 41st Floor, New York, New York 10105, and any postponement or adjournment thereof, to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at the Annual Meeting and otherwise to represent the undersigned with all powers possessed by the undersigned if personally present at such Annual Meeting. The undersigned hereby acknowledges receipt of the Notice of Meeting and accompanying Proxy Statement and revokes any proxy heretofore given with respect to the Annual Meeting.

The Board of Directors knows of no reason why any of the nominees for the Board of Directors would be unable to serve, but in the event any nominee is unable to serve or for good cause will not serve, the proxies received indicating a vote in favor of such nominee will be voted for a substitute nominee as the Board of Directors may recommend.

IF THIS PROXY IS PROPERLY EXECUTED, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST AS INSTRUCTED ON THE REVERSE SIDE HEREOF. IF THIS PROXY IS PROPERLY EXECUTED BUT NO INSTRUCTION IS GIVEN, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST "FOR" THE ELECTION OF THE NOMINEES REFERRED TO IN PROPOSAL ONE AS DIRECTORS AND IN THE DISCRETION OF THE PROXY HOLDER(S) ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

Please refer to the Proxy Statement for
a discussion of the Proposal.

PLEASE VOTE, DATE AND SIGN ON THE REVERSE SIDE HEREOF AND
RETURN THIS PROXY CARD PROMPTLY. YOU MAY USE ENCLOSED ENVELOPE.

NOTE: Please sign this proxy exactly as your name(s) appear(s) on the books of the Corporation. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, the signature should be that of an authorized officer who should state his or her title.

HAS YOUR ADDRESS CHANGED?	DO YOU HAVE ANY COMMENTS?
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ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.

Preferred Stock

Your Board of Directors
urges you to vote "FOR" the
election of all Nominees.

Please mark votes as in this example: [X]
FOR ALL

	FOR ALL NOMINEES	WITHHOLD FROM ALL NOMINEES	NOMINEES EXCEPT AS NOTED BELOW
1. Election of Directors	[_]	[_]	[_]
Class One Nominees (terms expire 2007):			
John H. Dobkin			[_]
Michael J. Downey			[_]
Class Two Nominee (term expires 2008):			
D. James Guzy			[_]
Class Three Nominees (terms expire 2009):			
Marc O. Mayer			[_]
Marshall C. Turner, Jr.			[_]

2. To vote and otherwise represent the undersigned on any other matters that may properly come before the Annual Meeting or any postponement or adjournment thereof, in the discretion of the proxy holder(s).

Mark here for address change and note at left. [_]

Please be sure to sign, date and return this Proxy promptly.
You may use the enclosed envelope.

(Signature of Stockholder)

(Signature of joint owner, if any)

Date __________, 2006

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share)

While DuPont believes that it is reasonably possible that it could incur losses related to PFOA matters in addition to those matters discussed above for which it has established accruals, a range of such losses, if any, cannot be reasonably estimated at this time.

Benlate®

In 1991, DuPont began receiving claims by growers that use of Benlate® 50 DF fungicide had caused crop damage. DuPont has since been served with thousands of lawsuits, most of which have been disposed of through trial, dismissal or settlement.

At September 30, 2011, there were nine cases in Florida courts alleging that Benlate® caused crop damage. The 2006 trial of two cases, involving twenty-seven Costa Rican fern growers, resulted in a verdict against the company. In 2009, the judgment was reversed on appeal and individual trials were ordered. In December 2010, the appellate court affirmed the order for separate trials and the dismissal of the verdicts for seven of the fern growers on grounds that their claims were barred by the statute of limitations. In August 2011, the Florida Supreme Court declined to hear plaintiffs' appeal. Plaintiffs have filed motions to strike DuPont's pleadings in these two cases. On January 19, 2011, the court entered an order in five of the other crop cases striking DuPont's pleadings for alleged discovery abuse. In the damages trial of one of these cases held in June 2011, the jury awarded $0.2 in compensatory damages plus interest and $0.8 in punitive damages. DuPont will appeal the pre-trial order and the verdict.

The 2010 jury trial of a personal injury case claiming that exposure to Benlate® caused plaintiff's kidney, pancreatic and brain cancer resulted in a unanimous defense verdict. Plaintiff has appealed.

The company does not believe that Benlate® caused the damages alleged in each of these cases and denies the allegations of fraud and misconduct. The company continues to defend itself in ongoing matters. At September 30, 2011, the company has accruals of about $0.1 related to Benlate®. The company does not expect losses in excess of the accruals, if any, to be material.

Spelter, West Virginia

In September 2006, a West Virginia state court certified a class action captioned Perrine v DuPont, against DuPont that sought relief including the provision of remediation services and property value diminution damages for 7,000 residential properties in the vicinity of a closed zinc smelter in Spelter, West Virginia. The action also sought medical monitoring for an undetermined number of residents in the class area. In November 2010, plaintiffs and DuPont reached an agreement to settle this matter for $70 which the company paid in the first quarter 2011. In addition, the agreement requires DuPont to fund a medical monitoring program. The initial set-up costs associated with the program were included in the $70. As of September 30, 2011, the company has accruals of $6 related to funding medical monitoring services under the program. The company expects that future costs or charges, if any, associated with the program will not be material.

Environmental

The company is also subject to contingencies pursuant to environmental laws and regulations that in the future may require the company to take further action to correct the effects on the environment of prior disposal practices or releases of chemical or petroleum substances by the company or other parties. The company accrues for environmental remediation activities consistent with the policy set forth in Note 1 in the company’s 2010 Annual Report. Much of this liability results from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, often referred to as Superfund), RCRA and similar state and global laws. These laws require the company to undertake certain investigative and remedial activities at sites where the company conducts or once conducted operations or at sites where company-generated waste was disposed. The accrual also includes estimated costs related to a number of sites identified by the company for which it is probable that environmental remediation will be required, but which are not currently the subject of enforcement activities.

Remediation activities vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, diverse regulatory agencies and enforcement policies, as well as the presence or absence of potentially responsible parties. At September 30, 2011, the Condensed Consolidated Balance Sheets included a liability of $427, relating to these matters and, in management’s opinion, is appropriate based on existing facts and circumstances. The average time frame, over which the accrued or presently unrecognized amounts may be paid, based on past history, is estimated to be 15-20 years. Considerable uncertainty exists with respect to these costs and, under adverse changes in circumstances, potential liability may range up to two to three times the amount accrued as of September 30, 2011.

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Other

The company has various purchase commitments incident to the ordinary conduct of business. In the aggregate, such commitments are not at prices in excess of current market.

Note 12. Stockholders' Equity

The company's Board of Directors authorized a $2,000 share buyback plan in June 2001. During the three months ended September 30, 2011, the company purchased and retired 8.8 million shares at a total cost of $400 under this plan. During the nine months ended September 30, 2011, the company purchased and retired 13.8 million shares at a total cost of $672 under this plan. During the three and nine months ended September 30, 2010, there were no purchases of stock under this plan. As of September 30, 2011, the company has purchased 39.7 million shares at a total cost of $1,884. In April 2011, the company's Board of Directors authorized a $2,000 share buyback plan. This plan will not commence until the plan authorized in June 2001 is completed. There is no expiration date on the current authorizations.

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A summary of the changes in equity for the three and nine months ended September 30, 2011 and 2010 is provided below:

Consolidated Changes in Equity for the Three Months Ended September 30, 2011	Total	Comprehensive Income	Preferred Stock	Common Stock	Additional Paid-in Capital	Reinvested Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests
Beginning balance	$12,502	—	$237	$305	$9,978	$13,683	$(5,453)	$(6,727)	$479
Comprehensive income:									
Sale of a majority interest in a consolidated subsidiary	(3)								(3)
Net income	460	$460				452			8
Other comprehensive income (loss), net of tax:									
Cumulative translation adjustment	(348)	(348)					(348)		
Net revaluation and clearance of cash flow hedges to earnings	22	22					24		(2)
Pension benefit plans	103	103					103		
Other benefit plans	(10)	(10)					(10)		
Other comprehensive income (loss), net of tax:	(233)	(233)							
Comprehensive income	227	$227 [1]							
Common dividends	(384)					(382)			(2)
Preferred dividends	(3)					(3)			
Common stock issued - compensation plans	85				85				
Common stock repurchased	(400)							(400)	
Common stock retired	—			(2)	(80)	(318)		400	
Total Equity as of September 30, 2011	$12,024		$237	$303	$9,983	$13,432	$(5,684)	$(6,727)	$480

Consolidated Changes in Equity for the Three Months Ended September 30, 2010	Total	Comprehensive Income	Preferred Stock	Common Stock	Additional Paid-in Capital	Reinvested Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests
Beginning balance	$9,276		$237	$298	$8,569	$12,245	$(5,796)	$(6,727)	$450
Comprehensive income:									

Net income	369	$ 369				367			2
Other comprehensive income (loss), net of tax:									
Cumulative translation adjustment	108	108					106		2
Net revaluation and clearance of cash flow hedges to earnings	1	1					1		
Pension benefit plans	86	86					86		
Other benefit plans	(8)	(8)					(8)		
Net unrealized gain on securities	1	1					1		
Other comprehensive income (loss), net of tax:	188	188							
Comprehensive income	557	$ 557 [1]							
Common dividends	(374)					(374)			
Preferred dividends	(3)					(3)			
Common stock issued - compensation plans	195			1	194				
Total Equity as of September 30, 2010	$ 9,651		$ 237	$ 299	$ 8,763	$ 12,235	$ (5,610)	$ (6,727)	$ 454

1 Includes comprehensive income attributable to noncontrolling interests of $6 and $4 for the three months ended September 30, 2011 and 2010, respectively.

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Consolidated Changes in Equity for the Nine Months Ended September 30, 2011	Total	Comprehensive Income	Preferred Stock	Common Stock	Additional Paid-in Capital	Reinvested Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests
Beginning balance	$9,743		$237	$301	$9,227	$12,030	$(5,790)	$(6,727)	$465
Comprehensive income:									
Sale of a majority interest in a consolidated subsidiary	(3)								(3)
Net income	3,133	$3,133				3,101			32
Other comprehensive income (loss), net of tax:									
Cumulative translation adjustment	(231)	(231)					(231)		
Net revaluation and clearance of cash flow hedges to earnings	56	56					61		(5)
Pension benefit plans	305	305					305		
Other benefit plans	(29)	(29)					(29)		
Other comprehensive income (loss), net of tax:	101	101							
Comprehensive income	3,234	$3,234 [2]							
Common dividends	(1,159)					(1,150)			(9)
Preferred dividends	(8)					(8)			
Common stock issued - compensation plans	889			6	883				
Common stock repurchased	(672)							(672)	
Common stock retired	—			(4)	(127)	(541)		672	
Total Equity as of September 30, 2011	$12,024		$237	$303	$9,983	$13,432	$(5,684)	$(6,727)	$480

Consolidated Changes in Equity for the Nine Months Ended September 30, 2010	Total	Comprehensive Income	Preferred Stock	Common Stock	Additional Paid-in Capital	Reinvested Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests
Beginning balance	$7,651		$237	$297	$8,469	$10,710	$(5,771)	$(6,727)	$436
Comprehensive income:									
Net income	2,674	$2,674				2,655			19
Other comprehensive income (loss), net of									

tax:									
Cumulative translation adjustment	(43)	(43)					(44)		1
Net revaluation and clearance of cash flow hedges to earnings	(11)	(11)					(11)		
Pension benefit plans	253	253					253		
Other benefit plans	(35)	(35)					(35)		
Net unrealized loss on securities	(2)	(2)					(2)		
Other comprehensive income (loss), net of tax:	162	162							
Comprehensive income	2,836	$ 2,836 [2]							
Common dividends	(1,124)					(1,122)			(2)
Preferred dividends	(8)					(8)			
Common stock issued - compensation plans	296			2	294				
Total Equity as of September 30, 2010	$9,651		$237	$299	$8,763	$12,235	$(5,610)	$(6,727)	$454

[2] Includes comprehensive income attributable to noncontrolling interests of $27 and $20 for the nine months ended September 30, 2011 and 2010, respectively.

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Note 13. Derivatives and Other Hedging Instruments

Objectives and Strategies for Holding Derivative Instruments

In the ordinary course of business, the company enters into contractual arrangements (derivatives) to reduce its exposure to foreign currency, interest rate and commodity price risks under established procedures and controls. The company has established a variety of approved derivative instruments to be utilized in each financial risk management program, as well as varying levels of exposure coverage and time horizons based on an assessment of risk factors related to each hedging program. Derivative instruments utilized during the period include forwards, options, futures and swaps. The company has not designated any nonderivatives as hedging instruments.

The company established a financial risk management framework that incorporated the Corporate Financial Risk Management Committee and established financial risk management policies and guidelines that authorize the use of specific derivative instruments and further establishes procedures for control and valuation, counterparty credit approval and routine monitoring and reporting. The counterparties to these contractual arrangements are major financial institutions and major commodity exchanges. The company is exposed to credit loss in the event of nonperformance by these counterparties. The company manages this exposure to credit loss through the aforementioned credit approvals, limits and monitoring procedures and, to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. The company anticipates performance by counterparties to these contracts and therefore no material loss is expected. Market and counterparty credit risks associated with these instruments are regularly reported to management.

The company hedges foreign currency-denominated revenue and monetary assets and liabilities, certain business specific foreign currency exposures and certain energy feedstock purchases. In addition, the company enters into agricultural commodity derivatives to hedge exposures relevant to agricultural feedstocks.

Foreign Currency Risk

The company's objective in managing exposure to foreign currency fluctuations is to reduce earnings and cash flow volatility associated with foreign currency rate changes. Accordingly, the company enters into various contracts that change in value as foreign exchange rates change to protect the value of its existing foreign currency-denominated assets, liabilities, commitments and cash flows.

The company routinely uses forward exchange contracts to offset its net exposures, by currency, related to the foreign currency-denominated monetary assets and liabilities of its operations. The primary business objective of this hedging program is to maintain an approximately balanced position in foreign currencies so that exchange gains and losses resulting from exchange rate changes, net of related tax effects, are minimized.

Interest Rate Risk

The company uses interest rate swaps to manage the interest rate mix of the total debt portfolio and related overall cost of borrowing.

Interest rate swaps involve the exchange of fixed for floating rate interest payments to effectively convert fixed rate debt into floating rate debt based on USD LIBOR. Interest rate swaps allow the company to achieve a target range of floating rate debt.

Commodity Price Risk

Commodity price risk management programs serve to reduce exposure to price fluctuations on purchases of inventory such as natural gas, copper, corn, soybeans and soybean meal.

The company enters into over-the-counter and exchange-traded derivative commodity instruments to hedge the commodity price risk associated with energy feedstock and agricultural commodity exposures.

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Fair Value Hedges

At September 30, 2011, the company maintained a number of interest rate swaps, implemented at the time the debt instruments were issued, that involve the exchange of fixed for floating rate interest payments. These swaps allow the company to achieve a target range of floating rate debt. All interest rate swaps qualify for the shortcut method of hedge accounting, thus there is no ineffectiveness related to these hedges. The company maintains no other significant fair value hedges. At September 30, 2011 and December 31, 2010, the company had interest rate swap agreements with gross notional amounts of approximately $1,000.

Cash Flow Hedges

The company maintains a number of cash flow hedging programs to reduce risks related to foreign currency and commodity price risk. While each risk management program has a different time maturity period, most programs currently do not extend beyond the next two-year period.

The company uses foreign currency exchange contracts to offset a portion of the company's exposure to certain foreign currency-denominated revenues so that gains and losses on these contracts offset changes in the U.S. dollar value of the related foreign currency-denominated revenues. At September 30, 2011 and December 31, 2010, the company had foreign currency exchange contracts with gross notional amounts of $1,111 and $1,220, respectively.

A portion of natural gas purchases are hedged to reduce price volatility using fixed price swaps and options. At September 30, 2011 and December 31, 2010, the company had energy feedstock and other contracts with gross notional amounts of $61 and $151, respectively.

The company contracts with independent growers to produce seed inventory. Under these contracts, growers are compensated with bushel equivalents that are sold to the company for the market price of grain for a period of time. Derivative instruments, such as commodity futures and options that have a high correlation to the underlying commodity, are used to hedge the commodity price risk involved in compensating growers.

The company utilizes agricultural commodity futures to manage the price volatility of soybean meal. These derivative instruments have a high correlation to the underlying commodity exposure and are deemed effective in offsetting soybean meal feedstock price risk.

At September 30, 2011 and December 31, 2010, the company had agricultural commodity contracts with gross notional amounts of $120 and $297, respectively.

Cash flow hedge results are reclassified into earnings during the same period in which the related exposure impacts earnings. Reclassifications are made sooner if it appears that a forecasted transaction will not materialize. The following table summarizes the effect of cash flow hedges on accumulated other comprehensive income (loss) for the three and nine months ended September 30, 2011 and 2010:

	Three Months Ended September 30, 2011			Three Months Ended September 30, 2010		
	Pre-tax	Tax	After-Tax	Pre-tax	Tax	After-Tax
Beginning balance	$11	$(5)	$6	$(119)	$42	$(77)
Additions and revaluations of derivatives designated as cash	13	(5)	8	(18)	6	(12)

flow hedges						
Clearance of hedge results to earnings	25	(9)	16	20	(7)	13
Ending balance	$49	$(19)	$30	$(117)	$41	$(76)

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	Nine Months Ended September 30, 2011			Nine Months Ended September 30, 2010		
	Pre-tax	Tax	After-Tax	Pre-tax	Tax	After-Tax
Beginning balance	$(47)	$16	$(31)	$(101)	$36	$(65)
Additions and revaluations of derivatives designated as cash flow hedges	19	(6)	13	(80)	29	(51)
Clearance of hedge results to earnings	77	(29)	48	64	(24)	40
Ending balance	$49	$(19)	$30	$(117)	$41	$(76)

At September 30, 2011, the pre-tax, tax and after-tax amounts expected to be reclassified from accumulated other comprehensive loss into earnings over the next 12 months are $57, $(19) and $38, respectively.

Hedges of Net Investment in a Foreign Operation

At September 30, 2011, the company did not maintain any hedges of net investment in a foreign operation.

Derivatives not Designated in Hedging Relationships

The company uses forward exchange contracts to reduce its net exposure, by currency, related to foreign currency-denominated monetary assets and liabilities. The netting of such exposures precludes the use of hedge accounting. However, the required revaluation of the forward contracts and the associated foreign currency-denominated monetary assets and liabilities results in a minimal earnings impact, after taxes. At September 30, 2011 and December 31, 2010, the company had foreign currency contracts with gross notional amounts of $5,172 and $7,449, respectively.

The company entered into cross-currency swaps to hedge foreign currency fluctuations on long-term intercompany loans associated with the acquisition of Danisco. At September 30, 2011 and December 31, 2010, the company had cross-currency swaps with gross notional amounts of $1,074 and $0, respectively.

The company has risk management programs for agricultural commodities that do not qualify for hedge accounting treatment. At September 30, 2011 and December 31, 2010, the company had agricultural commodities contracts with gross notional amounts of $12 and $310, respectively.

For certain acquired Danisco facilities, a portion of electricity purchases are hedged to reduce price volatility using fixed price swaps. At September 30, 2011 and December 31, 2010, the company had energy feedstock contracts with gross notional amounts of $11 and $0, respectively.

Contingent Features

At September 30, 2011, the company did not maintain any derivative contracts with credit-risk-related contingent features.

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The following tables provide information on the location and amounts of derivative fair values in the Condensed Consolidated Balance Sheet and derivative gains and losses in the Consolidated Income Statement:

Fair Values of Derivative Instruments

	Asset Derivatives				Liability Derivatives			
	September 30, 2011		December 31, 2010		September 30, 2011		December 31, 2010	
Derivatives designated as hedging instruments								
Interest rate swaps	$71	2	$40	2	$—		$—	
Foreign currency contracts	35	1	20	1	4	4	3	4
Energy feedstocks	—		3	1	24	4	75	4
Total derivatives designated as hedging instruments	$106		$63		$28		$78	
Derivatives not designated as hedging instruments								
Foreign currency contracts	$170	1	$90	1	$72	4	$54	4
Cross-currency swaps	25	3	—		—		—	
Agricultural feedstocks	—		—		1	4	—	
Total derivatives not designated as hedging instruments	$195		$90		$73		$54	
Total derivatives	$301		$153		$101		$132	

1 Recorded in accounts and notes receivable, net.
2 Recorded in other assets.
3 Recorded in accounts and notes receivable, net and other assets.
4 Recorded in other accrued liabilities.

The Effect of Derivative Instruments on the Consolidated Income Statement

Fair Value Hedging

Derivatives in Fair Value Hedging Relationships	Amount of Gain or (Loss) Recognized in Income of Derivative Three Months Ended September 30, 2011		Amount of Gain or (Loss) Recognized in Income on Hedged Item Three Months Ended September 30, 2011		Amount of Gain or (Loss) Recognized in Income of Derivative Three Months Ended September 30, 2010		Amount of Gain or (Loss) Recognized in Income on Hedged Item Three Months Ended September 30, 2010	
Interest rate swaps	$ 22	1	$ (22)	1	$28	1	$ (28)	1
Total	$ 22		$ (22)		$28		$ (28)	

Derivatives in Fair Value Hedging Relationships	Nine Months Ended September 30, 2011		Nine Months Ended September 30, 2011		Nine Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
Interest rate swaps	$31	1	$(31)	1	$67	1	$(67)	1
Total	$31		$(31)		$67		$(67)	

[1] Gain (loss) was recognized in interest expense, which offset to $0.

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Cash Flow Hedging

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI[1] on Derivative (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI[1] into Income (Effective Portion)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)
	Three Months Ended September 30, 2011	Three Months Ended September 30, 2011	Three Months Ended September 30, 2011
Foreign currency contracts	$15	$(7)[2]	$—
Agricultural feedstocks	5	—	1[3]
Energy feedstocks	(7)	(18)[3]	—
Total	$13	$(25)	$1
	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2011
Foreign currency contracts	$(5)	$(19)[2]	$—
Agricultural feedstocks	33	(2)[3]	6[3]
Energy feedstocks	(9)	(56)[3]	—
Total	$19	$(77)	$6

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI[1] on Derivative (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI[1] into Income (Effective Portion)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)
	Three Months Ended September 30, 2010	Three Months Ended September 30, 2010	Three Months Ended September 30, 2010
Treasury rate contracts	$(3)	$—	$—
Foreign currency contracts	(12)	(3)[2]	—
Agricultural feedstocks	11	—	2[3]
Energy feedstocks	(14)	(17)[3]	—
Total	$(18)	$(20)	$2
	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2010
Treasury rate contracts	$(3)	$—	$—
Foreign currency contracts	(2)	9[2]	—
Agricultural feedstocks	(31)	(21)[3]	(1)[3]
Energy feedstocks	(44)	(52)[3]	—
Total	$(80)	$(64)	$(1)

1 OCI is defined as other comprehensive income (loss).
2 Gain (loss) was reclassified from accumulated other comprehensive income into net sales.
3 Gain (loss) was recognized in cost of goods sold and other operating charges.

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Derivatives not Designated in Hedging Instruments

Derivatives Not Designated in Hedging Instruments	Amount of Gain or (Loss) Recognized in Income on Derivative				Amount of Gain or (Loss) Recognized in Income on Derivative			
	Three Months Ended September 30, 2011		Three Months Ended September 30, 2010		Nine Months Ended September 30, 2011		Nine Months Ended September 30, 2010	
Foreign currency contracts	$ 180	1	$ (443)	1	$ (227)	1	$ 100	1
Cross-currency swaps	42	1	—		25	1	—	
Agricultural feedstocks	(6)	2	(20)	2	6	2	5	2
Energy feedstocks	(1)	2	—		(2)	2	—	
Interest rate swaps	—		—		(1)	2	—	
Total	$ 215		$ (463)		(199)		105	

1 Gain (loss) recognized in other income, net, was partially offset by the related gain (loss) on the foreign currency-denominated monetary assets and liabilities of the company's operations, which were $(228) and $57 for the three and nine months ended September 30, 2011, respectively, and $283 and $(125) for the three and nine months ended September 30, 2010, respectively.

2 Gain (loss) was recognized in cost of goods sold and other operating charges.

Note 14. Long-Term Employee Benefits

The following sets forth the components of the company’s net periodic benefit cost for pensions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Service cost	$62	$53	$182	$154
Interest cost	316	316	940	946
Expected return on plan assets	(371)	(360)	(1,105)	(1,076)
Amortization of unrecognized loss	153	126	459	379
Amortization of prior service cost	4	4	12	12
Net periodic benefit cost	$164	$139	$488	$415

The following sets forth the components of the company’s net periodic benefit cost for other long-term employee benefits:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Service cost	$8	$7	$25	$21
Interest cost	53	60	159	179
Amortization of unrecognized loss	15	15	45	44
Amortization of prior service benefit	(30)	(27)	(91)	(80)
Net periodic benefit cost	$46	$55	$138	$164

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share)

Note 15. Segment Information

In the second quarter 2011, in view of the company's expanded business portfolio following the Danisco acquisition, two new reportable segments were added: Industrial Biosciences and Nutrition & Health. The Industrial Biosciences segment includes Danisco's enzyme business and the DuPont Sorona® renewably sourced polymer and Bio-PDO™ businesses, previously reported in Other. The new Nutrition & Health segment contains Danisco's specialty food ingredients business and DuPont's Nutrition & Health business, previously reported as part of the Agriculture & Nutrition segment. The former Agriculture & Nutrition segment, now renamed Agriculture, includes the Pioneer and Crop Protection businesses. In summary, the company has 14 businesses, aggregated into nine reportable segments based on similar economic characteristics, the nature of the products and production processes, end-use markets, channels of distribution and regulatory environment. The company continues to include certain embryonic businesses not included in the reportable segments, such as pre-commercial programs, and nonaligned businesses in Other.

Segment sales include transfers to another business segment. Products are transferred between segments on a basis intended to reflect, as nearly as practicable, the market value of the products. Segment pre-tax operating income (loss) (PTOI) is defined as operating income (loss) before income taxes, exchange gains (losses), corporate expenses and interest. Prior year's data have been reclassified to reflect the current organizational structure.

Three Months Ended September 30,	Agriculture[2]	Electronics & Communications	Industrial Biosciences[3]	Nutrition & Health[4]	Performance Chemicals	Performance Coatings	Performance Materials	Safety & Protection	Pharmaceuticals	Other	Total[1]
2011											
Segment sales	$ 1,368	$ 841	$ 293	$ 844	$ 2,142	$ 1,100	$ 1,745	$ 1,001	$ —	$ 2	$ 9,336
Transfers	(1)	(4)	(4)	—	(58)	—	(27)	(4)	—	—	(98)
Net sales	1,367	837	289	844	2,084	1,100	1,718	997	—	2	9,238
PTOI	(194)[5,6]	99	(27)[7,8]	(34)[7,8]	593	72	231	118	70	(78)[7]	850
2010											
Segment sales	$ 967	$ 703	$ —	$ 304	$ 1,675	$ 937	$ 1,578	$ 871	$ —	$ 49	$ 7,084
Transfers	—	(4)	—	—	(59)	—	(17)	(3)	—	—	(83)
Net sales	967	699	—	304	1,616	937	1,561	868	—	49	7,001
PTOI	(191)	126	—	10	292	64	281	134	111	(64)	763

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share)

Nine Months Ended September 30, 2011	Agriculture[2]	Electronics & Communications	Industrial Biosciences[3]	Nutrition & Health[4]	Performance Chemicals	Performance Coatings	Performance Materials	Safety & Protection	Pharmaceuticals	Other	Total[1]
Segment sales	$7,869	$2,543	$416	$1,654	$5,934	$3,198	$5,197	$2,991	$—	$39	$29,841
Transfers	(1)	(14)	(5)	—	(194)	—	(81)	(10)	—	—	(305)
Net sales	7,868	2,529	411	1,654	5,740	3,198	5,116	2,981	—	39	29,536
PTOI	1,743 [5,6]	313	(34) [7,9]	(4) [7,9]	1,490	210	773	406	200	(179) [7]	4,918
2010											
Segment sales	$6,641	$1,991	$—	$902	$4,658	$2,801	$4,688	$2,505	$—	$154	$24,340
Transfers	(1)	(13)	—	—	(162)	(1)	(54)	(8)	—	—	(239)
Net sales	6,640	1,978	—	902	4,496	2,800	4,634	2,497	—	154	24,101
PTOI	1,478	339	—	44	756	184	772	357	402	(111)	4,221

1 A reconciliation of total segment PTOI to income before income taxes is as follows:

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Total segment PTOI	$850	$763	$4,918	$4,221
Net exchange losses, including affiliates	(6)	(160)	(145)	(25)
Corporate expenses and net interest	(275)	(273)	(913)	(711)
Income before income taxes	$569	$330	$3,860	$3,485

2 As of September 30, 2011, Agriculture net assets were $8,058, an increase of $3,131 from $4,927 at December 31, 2010. The increase was primarily due to higher trade receivables due to normal seasonality in the sales and cash collections cycle.

3 As of September 30, 2011, Industrial Biosciences net assets were $2,596 compared to $0 at December 31, 2010, due to the Danisco acquisition.

4 As of September 30, 2011, Nutrition & Health net assets were $6,497, an increase of $5,547 from $950 at December 31, 2010. The increase was primarily due to the Danisco acquisition.

5 Included a $(50) charge recorded in research and development expense in connection with a milestone payment associated with a Pioneer licensing agreement. Since this milestone was reached before regulatory approval was secured by Pioneer, it was charged to research and development expense.

6 Included a $(75) charge recorded in cost of goods sold and other operating charges associated with the company's process to fairly resolve claims associated with the use of Imprelis®. See Note 11 for additional information.

7 Included a $(36) restructuring charge impacting the following segments: Industrial Biosciences - $(8); Nutrition & Health - $(10); and Other - $(18). See Note 4 for additional information.

8 Included a $(132) charge for the fair value step-up of inventories that were acquired as part of the Danisco transaction and sold in the third quarter 2011, which impacted the segments as follows: Industrial Biosciences - $(53) and Nutrition & Health - $(79).

9 Included second and third quarter 2011 charges totaling $(182) for transaction related costs and the fair value step-up of inventories that were acquired as part of the Danisco transaction, which impacted the segments as

follows: Industrial Biosciences - $(70) and Nutrition & Health - $(112).

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statements About Forward-Looking Statements

This report contains forward-looking statements which may be identified by their use of words like "plans," "expects," "will," "anticipates," "believes," "intends," "projects," "estimates" or other words of similar meaning. All statements that addre expectations or projections about the future, including statements about the company's strategy for growth, product development, regulatory approval, market position, anticipated benefits of recent acquisitions, outcome of contingencies, such as litigation and environmental matters, expenditures and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events which may not be accurate or realized. Forward-looking statements also involve risks and uncertainties, many of which are beyond the company's control. Some of the important factors that could cause the company's actual results to differ materially from those projected in any such forward-looking statements are:

- Fluctuations in energy and raw material prices;
- Failure to develop and market new products and optimally manage product life cycles;
- Outcome of significant litigation and environmental matters, including those related to divested businesses;
- Failure to appropriately manage process safety and product stewardship issues;
- Effect of changes in tax, environmental and other laws and regulations or political conditions in the United States of America (U.S.) and other countries in which the company operates;
- Conditions in the global economy and global capital markets, including economic factors, such as inflation, deflation and fluctuations in currency exchange rates, interest rates and commodity prices, as well as regulatory requirements;
- Impact of business disruptions, including supply disruptions, and security threats, regardless of cause, including acts of sabotage, terrorism or war, weather events and natural disasters;
- Inability to protect and enforce the company's intellectual property rights; and
- Successful integration of acquired businesses and completion of divestitures of underperforming or non-strategic assets or businesses.

For additional information on these and other risks and factors that could affect our forward-looking statements, see the company's Risk Factors set forth under Part I, Item 1A of the company's 2010 Annual Report.

Results of Operations

Danisco Acquisition

On May 19, 2011, the company acquired approximately 92.2 percent of Danisco's outstanding shares, excluding treasury shares, pursuant to the previously announced tender offer. As of September 30, 2011, DuPont had acquired all of Danisco's remaining outstanding shares. The Danisco acquisition is valued at $6,417 million, plus net debt assumed of $617 million.

As part of the acquisition, DuPont incurred $3 million and $85 million in transaction related costs in the third quarter 2011 and year-to-date 2011, respectively. These costs were recorded in cost of goods sold and other operating charges.

During the third quarter 2011, the company initiated a series of actions to achieve the expected cost and revenue synergies associated with the Danisco acquisition. As part of these actions, the company expects to incur restructuring charges in the third and fourth quarters 2011 totaling approximately $50-65 million, of which $36 million was accrued for in the third quarter 2011. Additionally, the company expects to incur about $50 million of other costs to achieve synergies through 2013, including operating enhancements, consulting fees and relocation related costs, which will be expensed as incurred. These actions are expected to produce pre-tax annual cost savings of at least $130 million beginning in 2013.

In the second and third quarters 2011, the businesses acquired from Danisco contributed net sales of $1.0 billion and net income attributable to DuPont of $(50) million, which excludes $20 million after-tax ($26 million pre-tax) of additional interest expense related to the debt issued to finance the acquisition. These contributions included a $125 million after-tax ($175 million pre-tax) charge related to the fair value step-up of inventories acquired and sold during this time period.

See Note 2 to the interim Consolidated Financial Statements for additional information.

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Overview

Net sales of $9.2 billion for the third quarter increased 32 percent versus prior year with net income attributable to DuPont for the third quarter increasing 23 percent to $452 million. Year to date, sales were up 23 percent, with net income attributable to DuPont up 17 percent. For the third quarter, earnings growth largely reflects a significant increase for the company's Titanium Technologies business driven by strong market demand and tight supplies globally for titanium dioxide. Crop protection and seed products sales volumes in Latin America increased versus the prior year, which more than offset the destocking in certain markets for electronic materials and specialty polymers. The company continues to execute strategies for further development and growth of new products, including the successful integration of the businesses acquired from Danisco. Agriculture, photovoltaics, alternative energy and high value-in-use materials continue to be key focus areas for the company as it addresses global megatrend needs for increased food supply, reduced environmental footprint and security. Programs for productivity remain on track to support a strong balance sheet, cash generation and capital resources.

Net Sales

Net sales for the third quarter 2011 were $9.2 billion versus $7.0 billion in the prior year, a 32 percent increase reflecting 15 percent higher local selling prices, 1 percent higher sales volume, a 4 percent benefit from currency and a 12 percent net increase from portfolio changes, principally the Danisco acquisition. Local selling prices were significantly higher for titanium dioxide reflecting strong demand and tight global supply. Prices were also higher for seeds, fluoroproducts and electronic materials, the latter reflecting pass-through of higher precious metals costs. The 1 percent global sales volume increase reflects a 26 percent increase for the Agriculture segment, largely offset by declines in the Electronics & Communications and Performance Materials segments. Sales in developing markets[1] of $3.6 billion increased 38 percent versus 2010, representing 39 percent of total company sales in the quarter.

The table below shows a regional breakdown of net sales based on location of customers and percentage variances from the prior year:

	Three Months Ended September 30, 2011		Percent Change Due to:			
	Net Sales ($ Billions)	Percent Change vs. 2010	Local Price	Currency Effect	Volume	Portfolio
Worldwide	$9.2	32	15	4	1	12
U.S. & Canada	2.9	23	12	—	(1)	12
Europe, Middle East & Africa (EMEA)	2.4	40	14	11	(2)	17
Asia Pacific	2.4	29	18	4	(1)	8
Latin America	1.5	43	16	3	17	7

1 Developing markets include China, India and countries located in Latin America, Eastern and Central Europe, Middle East, Africa and Southeast Asia.

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Net sales for the nine months ended September 30, 2011 were $29.5 billion versus $24.1 billion in the prior year, an increase of 23 percent reflecting 11 percent higher local selling prices, 4 percent higher sales volume, a 3 percent benefit from currency and a 5 percent net increase from portfolio changes. Local selling prices principally reflect higher prices for titanium dioxide, seeds, fluoroproducts and pass-through of significantly higher precious metals costs. Sales volume was higher across all regions and all segments with the exception of Performance Materials. Sales in developing markets of $9.7 billion improved 32 percent from 2010, and the percentage of total company sales in these markets increased to 33 percent from 31 percent in the prior year.

	Nine Months Ended September 30, 2011		Percent Change Due to:			
	Net Sales ($ Billions)	Percent Change vs. 2010	Local Price	Currency Effect	Volume	Portfolio
Worldwide	$29.5	23	11	3	4	5
U.S. & Canada	11.6	16	9	—	1	6
EMEA	7.7	24	9	5	4	6
Asia Pacific	6.7	28	16	3	5	4
Latin America	3.5	35	14	3	15	3

Other Income, Net

Other income, net, totaled $161 million for the third quarter 2011 as compared to $66 million in the prior year, an increase of $95 million. The increase is largely attributable to a decrease in net pre-tax exchange losses of $154 million, offset by a $41 million reduction of Cozaar®/Hyzaar® income.

For the nine months ended September 30, 2011, other income, net, was $415 million as compared to $890 million last year, a decrease of $475 million. The decrease is largely attributable to a $202 million reduction of Cozaar®/Hyzaar® income, an increase of $120 million in net pre-tax exchange losses, the absence of a benefit of $59 million recorded in 2010 related to accrued interest associated with settlements of income tax contingencies related to prior years, a $58 million decrease in net gains on sales of assets and a $38 million decrease in insurance recoveries.

Additional information related to the company's other income, net, is included in Note 3 to the interim Consolidated Financial Statements.

Cost of Goods Sold and Other Operating Charges (COGS)

COGS totaled $7.1 billion in the third quarter 2011 versus $5.4 billion in the prior year, an increase of 31 percent. COGS as a percent of net sales decreased 1 percentage point to 77 percent as higher selling prices and productivity improvements more than offset higher costs for raw material, energy and freight, $132 million of additional COGS related to the fair value step-up of inventory acquired from Danisco and a $75 million charge related to Imprelis® claims.

COGS for the nine months ended September 30, 2011 was $21.1 billion, an increase of 23 percent versus $17.2 billion in the prior year. COGS was 72 percent of net sales, which was essentially flat compared to prior year. Year-to-date 2011 COGS included $175 million of additional COGS related to the fair value step-up of inventory acquired from Danisco, $85 million of Danisco transaction related fees and a $75 million charge related to Imprelis® claims. These costs along with higher raw material, energy and freight costs were offset by higher selling prices and productivity improvements.

Selling, General and Administrative Expenses (SG&A)

SG&A totaled $1.0 billion for the third quarter 2011 versus $0.8 billion in the prior year. Year-to-date SG&A totaled $3.2 billion versus $2.8 billion in 2010. The increase for the three and nine months ended September 30, 2011 was due to increased global commissions, selling and marketing investments, as well as the addition of selling expense of acquired companies. SG&A was approximately 11 percent of net sales for the three and nine month periods ended September 30, 2011, and 11 percent and 12 percent for the same periods in 2010, respectively.

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Research and Development Expense (R&D)

R&D totaled $557 million and $409 million for the third quarter 2011 and 2010, respectively. For the nine month period ended September 30, 2011, R&D was $1.4 billion versus $1.2 billion last year. The increase for the three and nine months ended September 30, 2011 in R&D was primarily due to the addition of R&D from acquired companies, a $50 million charge for a milestone payment related to a Pioneer licensing agreement and continued growth investment in the Agriculture segment. R&D was approximately 6 percent of net sales for the third quarter 2011 and 2010. R&D was approximately 5 percent of net sales for the nine months ended September 30, 2011 and 2010.

Interest Expense

Interest expense totaled $116 million and $103 million for the third quarter 2011 and 2010, respectively. For the nine month period ended September 30, 2011, interest expense was $331 million versus $309 million last year. The increase for the three and nine months ended September 30, 2011 was primarily due to higher average debt resulting from financing for the Danisco acquisition, partially offset by lower interest rates.

Employee Separation / Asset Related Charges, Net

In connection with the Danisco acquisition, the company recorded a $36 million restructuring charge for the three and nine months ended September 30, 2011. For additional information related to this restructuring program, see the Danisco Acquisition section beginning on page 28 of this report and Note 4 to the interim Consolidated Financial Statements.

Provision for Income Taxes

The company's effective tax rate for the third quarter 2011 was 19.2 percent as compared to (11.8) percent in 2010. The change in effective tax rate in 2011 principally relates to the tax impact associated with the company's policy of hedging the foreign currency-denominated monetary assets and liabilities of its operations.

The company's effective tax rate for year-to-date 2011 was 18.8 percent as compared to 23.3 percent in 2010. The change in effective tax rate in 2011 principally relates to the tax impact associated with the company's policy of hedging the foreign currency-denominated monetary assets and liabilities of its operations and geographic mix of earnings.

See Note 5 to the interim Consolidated Financial Statements for additional information.

Net Income Attributable to DuPont (Earnings)

Earnings for the third quarter 2011 were $452 million, a 23 percent increase versus prior year. The increase is principally due to higher local selling prices, currency benefit and higher volume, partly offset by higher raw material, energy and freight costs, increased spending for growth initiatives and Danisco acquisition related costs.

For the nine months ended September 30, 2011, earnings were $3.1 billion compared to $2.7 billion in the prior year, a 17 percent increase. The increase in earnings principally reflects higher local selling prices, higher sales volume and currency benefit, partly offset by higher raw material, energy and freight costs, increased spending for growth initiatives, lower Pharmaceuticals income and Danisco acquisition related costs.

Corporate Outlook

Given the strong performance in the third quarter, the company revised its full-year 2011 earnings outlook to $3.64 - $3.74 per share on a reported basis. Expectations for the fourth quarter include slowing global growth, some destocking, and the recognition that a portion of Agriculture sales in Latin America was shifted to the third quarter by the early start of the planting season. The current outlook includes acquisition related costs estimated to be $(0.23)-$(0.25) per share, a $(0.05) per share charge in the third quarter related to Imprelis® claims and a $(0.03) per share charge in the third quarter related to a Pioneer licensing agreement.

Recent Accounting Pronouncements

See Note 1 to the interim Consolidated Financial Statements for a description of recent accounting pronouncements.

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Segment Reviews

In the second quarter 2011, in view of the company's expanded business portfolio following the Danisco acquisition, two new reportable segments were added: Industrial Biosciences and Nutrition & Health. The Industrial Biosciences segment includes Danisco's enzyme business and the DuPont Sorona® renewably sourced polymer and Bio-PDO™ businesses, previously reported in Other. Danisco's enzyme business is a world leader in industrial biotechnology that helps customers improve their performance and environmental footprint. This new Industrial Biosciences segment is a leading developer and manufacturer of industrial enzymes, partnering with global leaders in a wide range of industries.

The new Nutrition & Health segment contains Danisco's specialty food ingredients business and DuPont's Nutritional & Health business, previously reported as part of the Agriculture & Nutrition segment. The former Agriculture & Nutrition segment, now renamed Agriculture, includes the Pioneer and Crop Protection businesses. Danisco's specialty food ingredients businesses principally deliver safe and healthy solutions to a wide range of food and beverage products. The Nutrition & Health segment holds leading positions within cultures, emulsifiers, gums and natural sweeteners through close-partnering with the world's food manufacturers. Key applications include dairy, baking, ice cream, beverages, confectionery, dietary supplements and chewing gum.

Additional information related to the company's reportable segments is included in Note 15 to the interim Consolidated Financial Statements.

Summarized below are comments on individual segment sales and pre-tax operating income (loss) (PTOI) for the three and nine month periods ended September 30, 2011 compared with the same periods in 2010. Segment sales include transfers to another business segment. Products are transferred between segments on a basis intended to reflect, as nearly as practicable, the market value of the products. Segment PTOI is defined as operating income (loss) before income taxes, exchange gains (losses), corporate expenses and interest. All references to selling prices are on a U.S. dollar (USD) basis, including the impact of currency. A reconciliation of segment sales to consolidated net sales and segment PTOI to income before income taxes for the three and nine month periods ended September 30, 2011 and 2010 is included in Note 15 to the interim Consolidated Financial Statements.

In connection with the Danisco acquisition, the company recorded a $36 million restructuring charge in the third quarter 2011, which reduced segment PTOI as follows: Industrial Biosciences - $8 million, Nutrition & Health - $10 million, and Other - $18 million. See Note 4 to the interim Consolidated Financial Statements for additional information.

The following tables summarize third quarter and year-to-date 2011 segment sales and related variances versus prior year:

	Three Months Ended September 30, 2011		Percentage Change Due to:		
	Segment Sales[1] ($ Billions)	Percent Change vs. 2010	Selling Price	Volume	Portfolio and Other
Agriculture	$1.4	41	15	26	—
Electronics & Communications	0.8	20	28	(8)	—
Industrial Biosciences	0.3	nm	nm	nm	nm
Nutrition & Health	0.8	178	6	4	168

Performance Chemicals	2.1	28	29	(1)	—
Performance Coatings	1.1	17	13	4	—
Performance Materials	1.7	11	18	(7)	—
Safety & Protection	1.0	15	8	—	7

1 Segment sales include transfers.
nm - not meaningful

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	Nine Months Ended September 30, 2011		Percentage Change Due to:		
	Segment Sales[1] ($ Billions)	Percent Change vs. 2010	Selling Price	Volume	Portfolio and Other
Agriculture	$7.9	18	6	11	1
Electronics & Communications	2.5	28	25	3	—
Industrial Biosciences	0.4	nm	nm	nm	nm
Nutrition & Health	1.7	83	5	2	76
Performance Chemicals	5.9	27	26	1	—
Performance Coatings	3.2	14	11	3	—
Performance Materials	5.2	11	13	(1)	(1)
Safety & Protection	3.0	19	5	7	7

1 Segment sales include transfers.
nm - not meaningful

Agriculture - Sales of $1.4 billion were up $0.4 billion, or 41 percent, from 26 percent higher volume and 15 percent higher selling prices principally reflecting a strong, early start to the Latin American season. Pioneer volume and price growth was delivered in both corn and soybeans. Crop Protection sales increased across all regions and market segments, led by continued strong demand for Rynaxypyr® insecticide. PTOI of $(194) million was essentially flat as higher sales were offset by a $75 million charge related to Imprelis® claims and a $50 million charge in connection with a milestone payment associated with a Pioneer licensing agreement.

Year-to-date sales of $7.9 billion increased 18 percent with 11 percent higher volume, 6 percent higher selling prices and a 1 percent favorable impact from portfolio changes. Pioneer seed business delivered volume and pricing gains in all regions, as well as a benefit from portfolio changes. Crop Protection sales growth was underpinned by continued strong demand for Rynaxypyr® insecticide, solid herbicide and picoxystrobin fungicide growth, partly offset by the impact of divested businesses. Year-to-date PTOI of $1.7 billion increased 18 percent on strong sales performance. PTOI included a $75 million charge related to Imprelis® claims and a $50 million charge related to a Pioneer licensing agreement.

Electronics & Communications - Sales of $841 million were up 20 percent, with 28 percent higher selling prices, primarily pass-through of metals prices, offset by 8 percent lower volume. Lower volume reflects destocking in photovoltaics and softness in plasma displays and packaging graphics. PTOI of $99 million decreased $27 million on lower volume.

Year-to-date sales of $2.5 billion were up 28 percent, with 25 percent higher selling prices, primarily pass-through of metals prices, and 3 percent higher volume. Higher volume reflects strong demand for photovoltaics and consumer electronics in Asia Pacific in the first half 2011. Year-to-date PTOI of $313 million decreased $26 million primarily due to extreme volatility of metals pricing which reduced PTOI by about $20 million in the second quarter 2011 and lower volume in the third quarter 2011.

Industrial Biosciences - Sales of $293 million and PTOI of $(27) million primarily reflects the acquisition of Danisco's enzyme business. PTOI included a $53 million charge for the fair value step-up of inventories that were acquired as part of the acquisition and sold in the third quarter 2011 and an $8 million restructuring charge described above. PTOI also included approximately $4 million of amortization expense associated with the fair value step-up of the acquired intangible assets.

Year-to-date sales of $416 million and PTOI of $(34) million primarily reflects the Danisco acquisition. Year-to-date PTOI included a $70 million charge for transaction and integration related costs and the fair value step-up of inventories that were acquired as part of the acquisition and an $8 million restructuring charge. PTOI also included approximately $6 million of amortization expense associated with the fair value step-up of the acquired intangible assets.

Nutrition & Health - Sales of $844 million were up $540 million principally due to the acquisition of Danisco's specialty food ingredients business. PTOI of $(34) million decreased $44 million as higher sales were more than offset by a $79 million charge for the fair value step-up of inventories that were acquired as part of the acquisition and sold in the third quarter 2011 and a $10 million restructuring charge described above. PTOI also included approximately $22 million of amortization expense associated with the fair value step-up of the acquired intangible assets.

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Year-to-date sales of $1.7 billion were up 83 percent, with a 76 percent increase from the Danisco acquisition, 5 percent higher selling prices and 2 percent volume growth. Year-to-date PTOI was $(4) million, a decrease of $48 million from the same period last year, as higher sales were more than offset by a $112 million charge for transaction and integration related costs and the fair value step-up of inventories that were acquired and a $10 million restructuring charge. PTOI also included approximately $29 million of amortization expense associated with the fair value step-up of the acquired intangible assets.
Performance Chemicals - Sales of $2.1 billion were up 28 percent, with 29 percent higher selling prices offset by 1 percent lower volume. Higher selling prices were driven by strong global demand for titanium dioxide and fluoropolymers and pass-through pricing of higher raw material costs for industrial chemicals. Volume declined in refrigerants and industrial chemicals. PTOI of $593 million increased $301 million due to higher selling prices.

Year-to-date sales of $5.9 billion increased 27 percent from the same period last year, reflecting 26 percent higher selling prices and 1 percent higher volume. Higher selling prices were primarily driven by strong demand for titanium dioxide and fluoropolymers. Year-to-date PTOI was $1.5 billion, an improvement of $0.7 billion, primarily due to higher selling prices.

Performance Coatings - Sales of $1.1 billion were up 17 percent, with 13 percent higher selling prices and 4 percent higher volume. Higher selling prices reflect favorable currency and pricing actions across all market segments to offset higher raw material costs. Demand increased for OEM motor vehicle coatings and remained strong for industrial coatings, particularly in North American heavy-duty truck market. PTOI of $72 million increased $8 million on strong sales performance led by refinish.

Year-to-date sales of $3.2 billion increased 14 percent from the same period last year, reflecting 11 percent higher selling prices and 3 percent higher volume. The sales increase occurred in all regions. Higher selling prices reflect pricing actions across all market segments to offset higher raw material costs along with a favorable currency impact. Volume growth reflects increased demand in industrial coatings, particularly in the North American heavy-duty truck market, along with increases in volume in the OEM market. Year-to-date PTOI was $210 million, an improvement of $26 million from the same period last year. The increase in PTOI primarily reflects the impact of higher sales.

Performance Materials - Sales of $1.7 billion were up 11 percent, with 18 percent higher selling prices offset by 7 percent lower volume. Higher selling prices offset higher raw material costs. Lower volume reflects broad-based channel destocking along with softening in consumer and industrial markets, and production-related supply issues in ethylene-based polymers. PTOI of $231 million decreased $50 million on lower volume.

Year-to-date sales of $5.2 billion were up 11 percent, with 13 percent higher selling prices, partially offset by 1 percent lower volume and 1 percent reduction from a portfolio change. Higher selling prices in all market segments and regions stemmed from pricing actions to offset higher raw material costs. Year-to-date PTOI of $773 million was essentially flat as higher sales were partially offset by the absence of a $27 million benefit from both a gain on the sale of a business and an insurance recovery in the prior year.

Safety & Protection - Sales of $1.0 billion were up 15 percent, with 8 percent higher selling prices and a 7 percent increase from the MECS, Inc. (“MECS”) acquisition, while volume remained flat. Higher selling prices primarily reflect pricing actions to offset raw material cost increases. PTOI of $118 million decreased $16 million on destocking in industrial markets and higher spending for growth initiatives including the Kevlar® high strength material expansion at Cooper River, South Carolina, which more than offset the impact of the MECS acquisition and favorable currency.

Year-to-date sales of $3.0 billion were 19 percent higher than prior year, with a 7 percent increase from the MECS acquisition, 7 percent higher volume and 5 percent higher selling prices. Sales growth came from increased demand for aramid and nonwoven products principally in the industrial market in the first half 2011. Year-to-date PTOI of $406 million increased $49 million as the impact of the MECS acquisition and higher sales more than offset higher raw material, energy and freight costs and higher spending for growth initiatives.

Pharmaceuticals - Third quarter PTOI was $70 million compared to $111 million in the same period last year. Year-to-date PTOI was $200 million compared to $402 million in the prior year, reflecting the expiration of certain patents for Cozaar®/Hyzaar®.

Other - Sales in the third quarter of $2 million decreased $47 million from the third quarter 2010. Third quarter PTOI was $(78) million compared to $(64) million in the same period last year. The PTOI fluctuation reflects lower sales and an $18 million restructuring charge described above.

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Year-to-date sales were $39 million compared to $154 million in 2010. Year-to-date PTOI was $(179) million compared to $(111) million in the same period last year. The PTOI fluctuation reflects lower sales, the absence of $31 million in insurance recoveries in the prior year and an $18 million restructuring charge.

Liquidity & Capital Resources

Management believes the company's ability to generate cash from operations and access to capital markets will be adequate to meet anticipated cash requirements to fund working capital, capital spending, dividend payments, debt maturities and other cash needs. The company's liquidity needs can be met through a variety of sources, including: cash provided by operating activities, cash and cash equivalents, marketable securities, commercial paper, syndicated credit lines, bilateral credit lines, equity and long-term debt markets and asset sales. The company's current strong financial position, liquidity and credit ratings provide excellent access to the capital markets. In addition, spending and working capital productivity actions have been implemented. The company will continue to monitor the financial markets in order to respond to changing conditions.

Pursuant to its cash discipline policy, the company seeks first to maintain a strong balance sheet and second, to return excess cash to shareholders unless the opportunity to invest for growth is compelling. Cash and cash equivalents and marketable securities balances of $3.0 billion as of September 30, 2011 provide primary liquidity to support all short-term obligations. The company has access to approximately $4.6 billion in unused credit lines with several major financial institutions, as additional support to meet short-term liquidity needs and general corporate purposes including letters of credit.

The company continually reviews its debt portfolio and occasionally may rebalance it to ensure adequate liquidity and an optimum debt maturity schedule.

Credit Ratings

In January 2011, after the announcement of the tender offer for Danisco, Moody's Investors Service placed all of the company's credit ratings under review for possible downgrade. In July 2011, Moody's Investors Service affirmed the company's “A2/P-1” ratings and revised the outlook to “Stable”. During the first quarter 2011, Fitch Ratings revised the company's credit outlook to “Stable” from “Negative” and affirmed the company's current ratings. Standard & Poor's responded to the tender offer announcement by placing the company on credit watch with negative implications. Subsequent to this change, in the second quarter 2011, Standard & Poor's affirmed the company's “A/A-1” ratings and revised the outlook to “Stable” from “Negative”.

The company remains committed to a strong financial position and strong investment-grade rating. The company's credit ratings impact its access to the debt capital market and cost of capital. The company's long-term and short-term credit ratings are as follows:

	Long-term	Short-term	Outlook
Standard & Poor’s	A	A-1	Stable
Moody’s Investors Service	A2	P-1	Stable
Fitch Ratings	A	F1	Stable

Summary of Cash Flows

Cash provided by operating activities was $431 million for the nine months ended September 30, 2011 compared to cash provided by operating activities of $35 million during the same period ended in 2010. The $396 million increase was primarily due to higher earnings and lower contributions to pension plans, partially offset by increases in working capital, mainly driven by higher changes in accounts receivable, due to higher sales, and inventory.

Cash used for investing activities was $5.6 billion for the nine months ended September 30, 2011 compared to cash used by investing activities of $0.3 billion for the same period last year. The $5.3 billion increase was mainly due to the cash paid to acquire Danisco and a net reduction in proceeds from forward exchange contract settlements, partially offset by higher proceeds from the sale of short-term financial instruments. Purchases of property, plant and equipment for the nine months ended September 30, 2011 totaled $1.2 billion, an increase of $0.3 billion compared to the prior year due to continued growth investments aligned with the company's global trends.

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Cash provided by financing activities was $3.6 billion for the nine months ended September 30, 2011 compared to cash provided by $0.4 billion for the same period last year. The $3.2 billion increase was primarily due to net proceeds from borrowings to finance the Danisco acquisition and an increase in the proceeds from the exercise of stock options, partially offset by cash used to repurchase common stock.

	Nine Months Ended September 30,	
(Dollars in millions)	2011	2010
Cash provided by operating activities	$431	$35
Purchases of property, plant and equipment	(1,211)	(899)
Free cash flow	$(780)	$(864)

Free cash flow is a measurement not recognized in accordance with generally accepted accounting principles (GAAP) and should not be viewed as an alternative to GAAP measures of performance. All companies do not calculate non-GAAP financial measures in the same manner and, accordingly, the company's free cash flow definition may not be consistent with the methodologies used by other companies. The company defines free cash flow as cash provided by operating activities less purchases of property, plant and equipment, and therefore indicates operating cash flow available for payment of dividends, other investing activities, and other financing activities. Free cash flow is useful to investors and management to evaluate the company's cash flow and financial performance, and is an integral financial measure used in the company's financial planning process.

Dividends paid to shareholders during the nine months ended September 30, 2011 totaled $1.2 billion, including the third quarter 2011 dividend declared on July 15, 2011. In October 2011, the company's Board of Directors declared a fourth quarter common stock dividend of $0.41 per share. The fourth quarter dividend was the company's 429th consecutive quarterly dividend since the company's first dividend in the fourth quarter 1904.

The company’s Board of Directors authorized a $2.0 billion share buyback plan in June 2001. During the three months ended September 30, 2011, the company purchased and retired 8.8 million shares at a total cost of $400 million under this plan. During the nine months ended September 30, 2011, the company purchased and retired 13.8 million shares at a total cost of $672 million under this plan. During the three and nine months ended September 30, 2010, there were no purchases of stock under this plan. As of September 30, 2011, the company has purchased 39.7 million shares at a total cost of $1.9 billion. In April 2011, the company's Board of Directors authorized a $2.0 billion share buyback plan. This plan will not commence until the plan authorized in June 2001 is completed. There is no expiration date on the current authorizations.

Cash and Cash Equivalents and Marketable Securities

Cash and cash equivalents and marketable securities were $3.0 billion at September 30, 2011, a decrease of $3.8 billion from $6.8 billion at December 31, 2010. The reduction was primarily due to the cash paid to acquire Danisco coupled with the funding of normal working capital needs, purchases of property, plant and equipment, dividend payments and the repurchase of common stock.

Debt

Total debt at September 30, 2011 was $15.5 billion, an increase of $5.2 billion from $10.3 billion at December 31, 2010. The increase was primarily due to the first quarter 2011 issuance of $2.0 billion in Senior Notes and the second quarter 2011 issuance of $1.0 billion in commercial paper to finance the acquisition of Danisco, as well as the assumption of approximately $0.7 billion in Danisco's debt, of which $0.6 billion was refinanced through the issuance of commercial paper. The proceeds from the remainder of increased borrowings were used to fund normal seasonal working capital needs.

Guarantees and Off-Balance Sheet Arrangements

For detailed information related to Guarantees, Indemnifications, and Obligations for Equity Affiliates and Others, see pages 37 - 38 of the company's 2010 Annual Report, and Note 11 to the interim Consolidated Financial Statements.

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Contractual Obligations

Information related to the company's contractual obligations at December 31, 2010 can be found on page 39 of the company's 2010 Annual Report. The company's contractual obligations at September 30, 2011 have increased approximately $3.0 billion versus prior year-end. The increase is primarily attributable to $2.0 billion of long-term debt issued to finance the Danisco acquisition and $0.6 billion of contractual obligations assumed as part of the Danisco acquisition.

PFOA

See discussion under "PFOA" on pages 46-47 of the company's 2010 Annual Report and Note 11 to the interim Consolidated Financial Statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Note 13, "Derivatives and Other Hedging Instruments", to the interim Consolidated Financial Statements. See also Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, on pages 47 - 49 of the company's 2010 Annual Report for information on the company's utilization of financial instruments and an analysis of the sensitivity of these instruments.

Item 4. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

The company maintains a system of disclosure controls and procedures to give reasonable assurance that information required to be disclosed in the company's reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. These controls and procedures also give reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

As of September 30, 2011, the company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), together with management, conducted an evaluation of the effectiveness of the company's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the CEO and CFO concluded that these disclosure controls and procedures are effective.

b) Changes in Internal Control over Financial Reporting

During the third quarter 2011, the company completed the acquisition of Danisco A/S (Danisco) (see Note 2 to the interim Consolidated Financial Statements), which represented approximately 20 percent of DuPont's total assets as of September 30, 2011. The company is in the process of fully integrating Danisco into its internal controls over financial reporting.

Other than as described above, there has been no change in the company's internal control over financial reporting that occurred during the quarter ended September 30, 2011 that has materially affected or is reasonably likely to materially affect the company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The company is subject to various litigation matters, including, but not limited to, product liability, patent infringement, antitrust claims, and claims for third party property damage or personal injury stemming from alleged environmental torts. Information regarding certain of these matters is set forth below and in Note 11 to the interim Consolidated Financial Statements.

Litigation

PFOA: Environmental and Litigation Proceedings

Information related to this matter is included in Note 11 to the interim Consolidated Financial Statements under the heading PFOA.

Environmental Proceedings

Belle Plant, West Virginia

The U.S. Environmental Protection Agency (EPA) is investigating three chemical releases at DuPont's Belle facility in West Virginia which occurred in January 2010. One of the releases involved the death of a DuPont employee after exposure to phosgene.

Chambers Works Plant, Deepwater, New Jersey

In 2010, the government initiated an enforcement action alleging that the facility violated recordkeeping requirements of certain provisions of the Clean Air Act (CAA) and the Federal Clean Air Act Regulations (FCAR) governing Leak Detection and Reporting and that it failed to report emissions of a compound from Chambers Works' waste water treatment facility under the Emergency Planning and Community Right-to-Know Act. The alleged non-compliance was identified by EPA in 2007 and 2009 following separate environmental audits. DuPont is in settlement negotiations with EPA and the Department of Justice (DOJ).

DuPont and the New Jersey Department of Environmental Protection (NJDEP) have agreed in principle to settle alleged violations of hazardous waste regulations in 2009. DuPont will pay a penalty of $725,000 and enhance its program to manage historical residual waste materials at Chambers Works.

DuPont and DOJ have agreed in principle to settle allegations of environmental non-compliance at Chambers Works that arose from an investigation into DuPont's management of hazardous waste in rail cars. DuPont will pay a $250,000 penalty and enhance the program for management of on-site rail cars containing hazardous waste.

Edge Moor Plant, Edgemoor, Delaware

DuPont, the State of Delaware, EPA and DOJ have agreed in principle on a $500,000 penalty and an engineering analysis of Edge Moor's wastewater handling systems to settle allegations of permit non-compliance under certain Clean Water Act.

Yerkes Plant, Buffalo, New York

The government alleges that the facility violated recordkeeping requirements of certain provisions of the CAA and the FCAR governing Leak Detection and Reporting and that it failed to accurately report emissions under the Emergency Planning and Community Right-to-Know Act. The alleged non-compliance was identified by EPA in 2006 and 2010 following separate environmental audits. DuPont is in settlement negotiations with EPA and DOJ.

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Item 1A. RISK FACTORS

There have been no material changes in the company's risk factors from those disclosed in Part I, Item 1A, Risk Factors, in the company's 2010 Annual Report.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In June 2001, the Board of Directors authorized up to $2.0 billion for repurchases of the company's common stock. During the third quarter 2011, the company paid $400 million to purchase and retire 8.8 million shares at an average price of $45.27 per share under this plan. As of September 30, 2011, cumulative purchases of common stock under this plan are 39.7 million shares at a cost of approximately $1.9 billion. There is no expiration date on the current authorization and no determination has been made by the company to suspend or cancel purchases under the plan.

The following table summarizes information with respect to the company's purchase of its common stock during the three months ended September 30, 2011:

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Value of Shares that May Yet Be Purchased Under the Program (Dollars in millions)
September	8,836,596	$45.27	8,836,596	$116
Total	8,836,596		8,836,596	

Item 5. OTHER INFORMATION

The company owns and operates a surface mine near Starke, Florida. The company is contesting citations issued by the Mine Safety and Health Administration in the third quarter 2011, including 19 violations that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under the Mine Safety and Health Act of 1977. Penalties for these citations have not yet been assessed.

Item 6. EXHIBITS

Exhibits: The list of exhibits in the Exhibit Index to this report is incorporated herein by reference.

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SIGNATURE

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

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

Date: October 25, 2011

By: /s/Nicholas C. Fanandakis

Nicholas C. Fanandakis
Executive Vice President and
Chief Financial Officer
(As Duly Authorized Officer and
Principal Financial and Accounting Officer)

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EXHIBIT INDEX

Exhibit Number	Description
3.1	Company's Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the company's Annual Report on Form 10-K for the year ended December 31, 2007).
3.2	Company's Bylaws, as last amended effective November 1, 2009 (incorporated by reference to Exhibit 3.2 to the company's Annual Report on Form 10-K for the year ended December 31, 2009).
4	The company agrees to provide the Commission, on request, copies of instruments defining the rights of holders of long-term debt of the company and its subsidiaries.
10.1*	The DuPont Stock Accumulation and Deferred Compensation Plan for Directors, as last amended effective January 1, 2009 (incorporated by reference to Exhibit 10.1 to the company's Annual Report on Form 10-K for the year ended December 31, 2008).
10.2*	Company's Supplemental Retirement Income Plan, as last amended effective June 4, 1996 (incorporated by reference to Exhibit 10.3 to the company's Annual Report on Form 10-K for the year ended December 31, 2006).
10.3*	Company's Pension Restoration Plan, as restated effective July 17, 2006 (incorporated by reference to Exhibit 10.3 to the company's Quarterly Report on Form 10-Q for the period ended June 30, 2011).
10.4*	Company's Rules for Lump Sum Payments, as last amended effective December 20, 2007 (incorporated by reference to Exhibit 10.4 to the company's Quarterly Report on Form 10-Q for the period ended June 30, 2011).
10.5*	Company's Stock Performance Plan, as last amended effective January 25, 2007 (incorporated by reference to Exhibit 10.7 to the company's Quarterly Report on Form 10-Q for the period ended March 31, 2007).
10.6*	Company's Equity and Incentive Plan as amended and restated effective March 2, 2011 and approved by the company's shareholders on April 27, 2011 (incorporated by reference to pages B1-B15 of the company's Annual Meeting Proxy Statement dated March 18, 2011).
10.7*	Form of Award Terms under the company's Equity and Incentive Plan (incorporated by reference to Exhibit 10.8 to the company's Quarterly Report on Form 10-Q for the period ended March 31, 2009).
10.8*	Company's Retirement Savings Restoration Plan, as last amended effective June 1, 2011 (incorporated by reference to Exhibit 10.8 to the company's Quarterly Report on Form 10-Q for the period ended June 30, 2011).
10.9*	Company's Retirement Income Plan for Directors, as last amended August 1995 (incorporated by reference to Exhibit 10.17 to the company's Annual Report on Form 10-K for the year ended December 31, 2007).
10.10*	

Company’s Bicentennial Corporate Sharing Plan, adopted by the Board of Directors on December 12, 2001 and effective January 9, 2002 (incorporated by reference to Exhibit 10.19 to the company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).

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Exhibit Number	Description
10.11*	Company's Management Deferred Compensation Plan, adopted on May 2, 2008, as last amended May 12, 2010 (incorporated by reference to Exhibit 10.11 to the company's Quarterly Report on Form 10-Q for the period ended June 30, 2010).
10.12*	Supplemental Deferral Terms for Deferred Long Term Incentive Awards and Deferred Variable Compensation Awards (incorporated by reference to Exhibit 10.15 to the company's Annual Report on Form 10-K for the year ended December 31, 2008).
12	Computation of Ratio of Earnings to Fixed Charges.
31.1	Rule 13a-14(a)/15d-14(a) Certification of the company's Principal Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of the company's Principal Financial Officer.
32.1	Section 1350 Certification of the company's Principal Executive Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
32.2	Section 1350 Certification of the company's Principal Financial Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

*Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-Q.