

FINANCIAL INFORMATION
April 23, 2009

For use in the Eastman Chemical Company Conference Call
at 8:00 AM (EDT), April 24, 2009.

Table of Contents

Item	Page
TABLE 1 Statements of Earnings	1
TABLE 2A Segment Sales Information	2
TABLE 2B Sales Revenue Change	2
TABLE 2C Sales by Region	3
TABLE 2D Percentage Growth in Sales Volume by Region	3
TABLE 3 Operating Earnings (Loss), Accelerated Depreciation Costs, and Asset Impairments and Restructuring Charges, Net	4
TABLE 4 Eastman Chemical Company Detail of Sales Revenue	5
TABLE 5 Operating Earnings, Earnings, and Earnings Per Share from Continuing Operations Reconciliation	6
TABLE 6 Statements of Cash Flows	7
TABLE 7 Selected Balance Sheet Items	8

During 2007 and first quarter 2008, the company took strategic actions in its Performance Polymers segment for its underperforming polyethylene terephthalate ("PET") manufacturing facilities outside the United States. During second quarter 2007, the company sold its PET manufacturing facility in Spain. In first quarter 2008, the company sold its PET polymers and purified terephthalic acid ("PTA") production facilities in the Netherlands and its PET production facility in the United Kingdom and the related assets and businesses. Because the company exited the PET business in the European region, results from sales of PET products manufactured at the Spain, the Netherlands, and the United Kingdom facilities, including impairments and restructuring charges of those operations, and gains and losses from disposal of those assets and businesses, are presented as discontinued operations and are therefore not included in results from continuing operations for the company or the Performance Polymers segment under generally accepted accounting principles.

TABLE 1 – STATEMENTS OF EARNINGS

	First Quarter	
	2009	2008
(Dollars in millions, except per share amounts)		
Sales	\$ 1,129	\$ 1,727
Cost of sales	950	1,390
Gross profit	<u>179</u>	<u>337</u>
Selling, general and administrative expenses	94	110
Research and development expenses	34	42
Asset impairments and restructuring charges, net	26	17
Operating earnings	<u>25</u>	<u>168</u>
Interest expense, net	19	16
Other charges (income), net	4	(1)
Earnings from continuing operations before income taxes	<u>2</u>	<u>153</u>
Provision for income taxes from continuing operations	--	38
Earnings from continuing operations	<u>2</u>	<u>115</u>
Earnings from disposal of discontinued operations, net of tax	--	18
Net earnings	<u>\$ 2</u>	<u>\$ 133</u>
Basic earnings per share		
Earnings from continuing operations	\$ 0.03	\$ 1.47
Earnings from discontinued operations	--	0.23
Basic earnings per share	<u>\$ 0.03</u>	<u>\$ 1.70</u>
Diluted earnings per share		
Earnings from continuing operations	\$ 0.03	\$ 1.46
Earnings from discontinued operations	--	0.22
Diluted earnings per share	<u>\$ 0.03</u>	<u>\$ 1.68</u>
Shares (in millions) outstanding at end of period	72.6	76.2
Shares (in millions) used for earnings per share calculation		
Basic	72.5	78.2
Diluted	72.9	79.2

TABLE 2A – SEGMENT SALES INFORMATION

(Dollars in millions)	First Quarter	
	2009	2008
Sales by Segment		
Coatings, Adhesives, Specialty Polymers, and Inks	\$ 250	\$ 389
Fibers	259	254
Performance Chemicals and Intermediates	286	556
Performance Polymers	177	304
Specialty Plastics	157	224
Total Eastman Chemical Company	<u>\$ 1,129</u>	<u>\$ 1,727</u>

TABLE 2B – SALES REVENUE CHANGE

	First Quarter 2009 Compared to First Quarter 2008				
	Change in Sales Revenue Due To				
	Revenue % Change	Volume Effect	Price Effect	Product Mix Effect	Exchange Rate Effect
Coatings, Adhesives, Specialty Polymers, and Inks	(36) %	(32) %	1 %	(4) %	(1) %
Fibers	2 %	(10) %	10 %	2 %	-- %
Performance Chemicals and Intermediates ⁽¹⁾	(49) %	(31) %	(18) %	-- %	-- %
Performance Polymers ⁽²⁾	(42) %	(18) %	(24) %	-- %	-- %
Specialty Plastics	(30) %	(24) %	(3) %	(3) %	-- %
Total Eastman Chemical Company	<u>(35) %</u>	<u>(25) %</u>	<u>(9) %</u>	<u>(1) %</u>	<u>-- %</u>

⁽¹⁾ Included in 2009 and 2008 sales revenue are contract ethylene sales under the transition supply agreement related to the divestiture of the polyethylene ("PE") businesses. Refer to Table 4 for more information.

⁽²⁾ Sales revenue in 2008 included contract polymer intermediates sales under the transition supply agreement related to the divestiture of the PET manufacturing facilities and related businesses in Mexico and Argentina in fourth quarter 2007. Refer to Table 4 for more information.

TABLE 2C – SALES BY REGION

(Dollars in millions)	First Quarter	
	2009	2008
Sales by Region		
United States and Canada ⁽¹⁾	\$ 671	\$ 1,056
Asia Pacific	210	275
Europe, Middle East, and Africa	178	254
Latin America ⁽²⁾	70	142
	<u>\$ 1,129</u>	<u>\$ 1,727</u>

⁽¹⁾ Included in 2009 and 2008 sales revenue are contract ethylene sales under the transition supply agreement related to the divestiture of the PE businesses. Refer to Table 4 for more information.

⁽²⁾ Included in 2008 sales revenue are contract polymer intermediates sales under the transition supply agreement related to the divestiture of the Mexican and Argentine businesses. Refer to Table 4 for more information.

TABLE 2D – PERCENTAGE GROWTH IN SALES VOLUME BY REGION

Regional sales volume growth	First Quarter
	United States and Canada ⁽¹⁾
Asia Pacific	(22) %
Europe, Middle East, and Africa	(26) %
Latin America ⁽²⁾	(49) %

⁽¹⁾ Included in 2009 and 2008 sales revenue are contract ethylene sales under the transition supply agreement related to the divestiture of the PE businesses. Refer to Table 4 for more information.

⁽²⁾ Included in 2008 sales revenue are contract polymer intermediates sales under the transition supply agreement related to the divestiture of the Mexican and Argentine businesses. Refer to Table 4 for more information.

TABLE 3 - OPERATING EARNINGS (LOSS), ACCELERATED DEPRECIATION COSTS, AND ASSET IMPAIRMENTS AND RESTRUCTURING CHARGES, NET

(Dollars in millions)	First Quarter	
	2009	2008
Operating Earnings (Loss) by Segment and Items		
Coatings, Adhesives, Specialty Polymers, and Inks		
Operating earnings	\$ 14	\$ 59
Asset impairments and restructuring charges, net	7	--
Operating earnings excluding items	<u>21</u>	<u>59</u>
Fibers		
Operating earnings	69	68
Asset impairments and restructuring charges, net	4	--
Operating earnings excluding items	<u>73</u>	<u>68</u>
Performance Chemicals and Intermediates		
Operating earnings (loss)	(3)	44
Accelerated depreciation costs included in costs of goods sold	--	1
Asset impairments and restructuring charges, net	6	16
Operating earnings excluding items	<u>3</u>	<u>61</u>
Performance Polymers		
Operating loss	(25)	(6)
Accelerated depreciation costs included in costs of goods sold	--	1
Asset impairments and restructuring charges, net	4	1
Operating loss excluding items	<u>(21)</u>	<u>(4)</u>
Specialty Plastics		
Operating earnings (loss)	(18)	17
Asset impairments and restructuring charges, net	5	--
Operating earnings (loss) excluding items	<u>(13)</u>	<u>17</u>
Total Operating Earnings by Segment and Items		
Total operating earnings	37	182
Total accelerated depreciation costs included in costs of goods sold	--	2
Total asset impairments and restructuring charges, net	26	17
Total operating earnings excluding items	<u>63</u>	<u>201</u>
Other ⁽¹⁾		
Operating loss	<u>(12)</u>	<u>(14)</u>
Total Eastman Chemical Company		
Total operating earnings	\$ 25	\$ 168
Total accelerated depreciation costs included in costs of goods sold	--	2
Total asset impairments and restructuring charges, net	26	17
Total operating earnings excluding items	<u>\$ 51</u>	<u>\$ 187</u>

⁽¹⁾ Expenses not identifiable to an operating segment are not included in segment operating results and are shown as "other" operating losses.

TABLE 4 – EASTMAN CHEMICAL COMPANY DETAIL OF SALES REVENUE

(Dollars in millions)	<u>First Quarter 2009</u>					
Sales Revenue	\$ 1,129					
Less: Performance Chemicals and Intermediates – contract ethylene sales ⁽¹⁾	<u>17</u>					
Sales revenue excluding listed items	<u>\$ 1,112</u>					
(Dollars in millions)	<u>First Quarter 2008</u>	<u>Second Quarter 2008</u>	<u>Third Quarter 2008</u>	<u>Fourth Quarter 2008</u>	<u>Twelve Months 2008</u>	
Sales Revenue	\$ 1,727	\$ 1,834	\$ 1,819	\$ 1,346	\$ 6,726	
Less: Performance Chemicals and Intermediates – contract ethylene sales ⁽¹⁾	92	102	89	31	314	
Performance Polymers – contract polymer intermediates sales ⁽²⁾	<u>56</u>	<u>26</u>	<u>35</u>	<u>21</u>	<u>138</u>	
Sales revenue excluding listed items	<u>\$ 1,579</u>	<u>\$ 1,706</u>	<u>\$ 1,695</u>	<u>\$ 1,294</u>	<u>\$ 6,274</u>	

⁽¹⁾ Sales revenue for 2009 and 2008 included contract ethylene sales under the transition supply agreement related to the divestiture of the PE businesses in fourth quarter 2006.

⁽²⁾ Sales revenue for 2008 included contract polymer intermediates sales under the transition supply agreement related to the divestiture of the PET manufacturing facilities and related businesses in Mexico and Argentina in fourth quarter 2007.

TABLE 5 – OPERATING EARNINGS, EARNINGS, AND EARNINGS PER SHARE FROM CONTINUING OPERATIONS RECONCILIATION
EARNINGS PER DILUTED SHARE FROM CONTINUING OPERATIONS EXCLUDING CERTAIN ITEMS

		First Quarter 2009			
		Earnings from Continuing Operations			
(Dollars in millions)	Operating Earnings	Before Tax	After Tax	Per Diluted Share	
As reported	\$ 25	\$ 2	\$ 2	\$ 0.03	
Certain Items:					
Asset impairments and restructuring charges, net	26	26	16	0.22	
Excluding certain items	<u>\$ 51</u>	<u>\$ 28</u>	<u>\$ 18</u>	<u>\$ 0.25</u>	
		First Quarter 2008			
		Earnings from Continuing Operations			
(Dollars in millions)	Operating Earnings	Before Tax	After Tax	Per Diluted Share	
As reported	\$ 168	\$ 153	\$ 115	\$ 1.46	
Certain Items:					
Accelerated depreciation costs included in costs of goods sold	2	2	1	0.01	
Asset impairments and restructuring charges, net	17	17	12	0.15	
Net deferred tax benefits related to the previous divestiture of businesses	--	--	(11)	(0.14)	
Excluding certain items	<u>\$ 187</u>	<u>\$ 172</u>	<u>\$ 117</u>	<u>\$ 1.48</u>	

TABLE 6 – STATEMENTS OF CASH FLOWS

(Dollars in millions)	First Three Months	
	2009	2008
Cash flows from operating activities		
Net earnings	\$ 2	\$ 133
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	67	65
Asset impairments charges	--	1
Gain on sale of assets	--	(7)
Provision (benefit) for deferred income taxes	(13)	(56)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in trade receivables	5	(40)
(Increase) decrease in inventories	70	(116)
Increase (decrease) in trade payables	(17)	(47)
Increase (decrease) in liabilities for employee benefits and incentive pay	(55)	(61)
Other items, net	23	75
Net cash provided by (used in) operating activities	82	(53)
Cash flows from investing activities		
Additions to properties and equipment	(110)	(132)
Proceeds from sale of assets	24	323
Additions to capitalized software	(2)	(3)
Other items, net	(20)	(6)
Net cash provided by (used in) investing activities	(108)	182
Cash flows from financing activities		
Net increase in commercial paper, credit facility and other borrowings	6	48
Dividends paid to stockholders	(32)	(35)
Treasury stock purchases	--	(245)
Proceeds from stock option exercises and other items	5	7
Net cash used in financing activities	(21)	(225)
Effect of exchange rate changes on cash and cash equivalents	--	1
Net change in cash and cash equivalents	(47)	(95)
Cash and cash equivalents at beginning of period	387	888
Cash and cash equivalents at end of period	\$ 340	\$ 793

TABLE 7 – SELECTED BALANCE SHEET ITEMS

(Dollars in millions)	<u>March 31, 2009</u>	<u>December 31, 2008</u>
Current Assets	\$ 1,303	\$ 1,423
Net Properties and Equipment	3,228	3,198
Other Assets	<u>666</u>	<u>660</u>
Total Assets	<u>\$ 5,197</u>	<u>\$ 5,281</u>
Payables and Other Current Liabilities	\$ 756	\$ 819
Short-term Borrowings	13	13
Long-term Borrowings	1,437	1,442
Other Liabilities	1,468	1,454
Stockholders' Equity	<u>1,523</u>	<u>1,553</u>
Total Liabilities and Stockholders' Equity	<u>\$ 5,197</u>	<u>\$ 5,281</u>