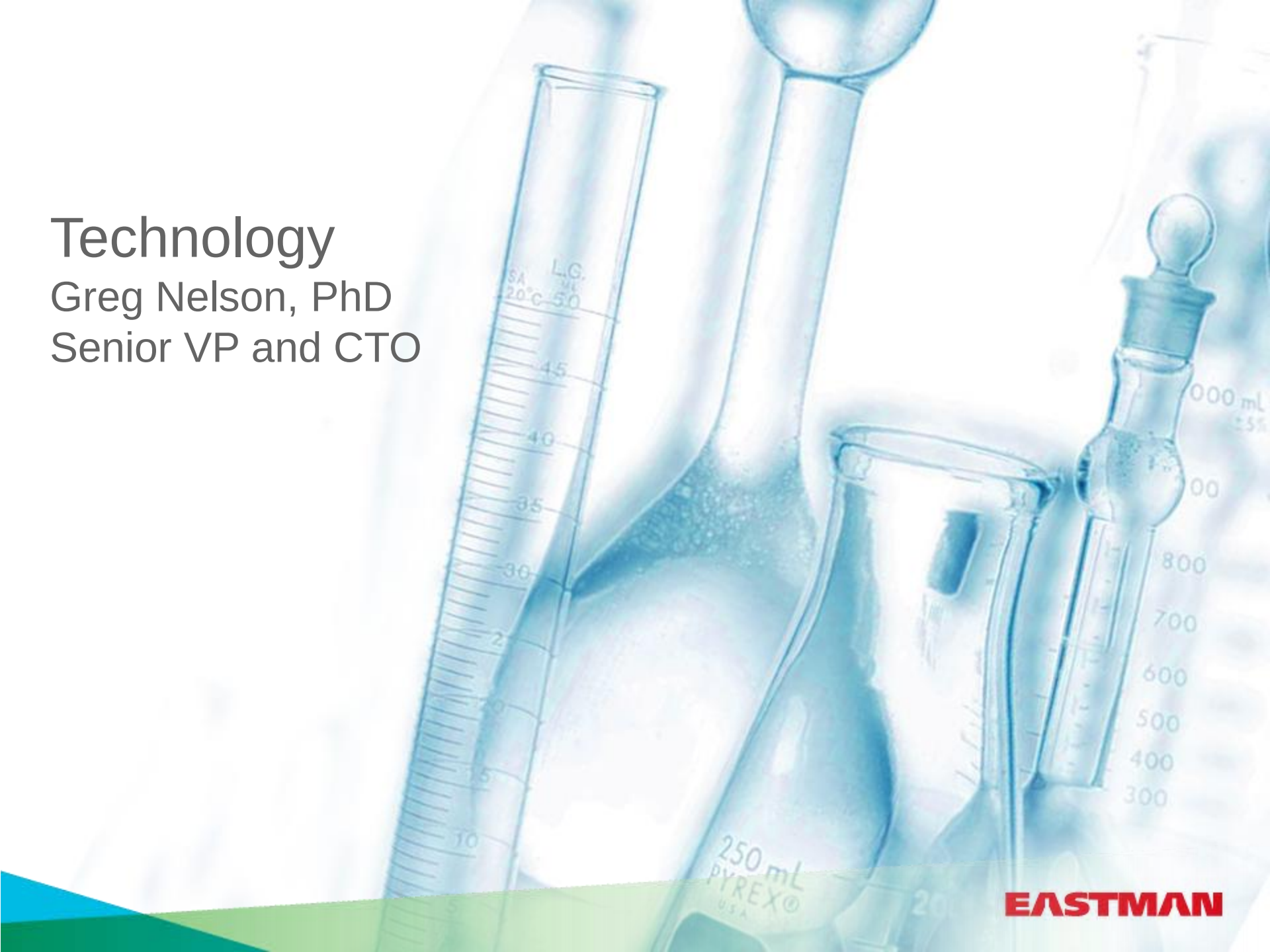
Technology

Greg Nelson, PhD
Senior VP and CTO



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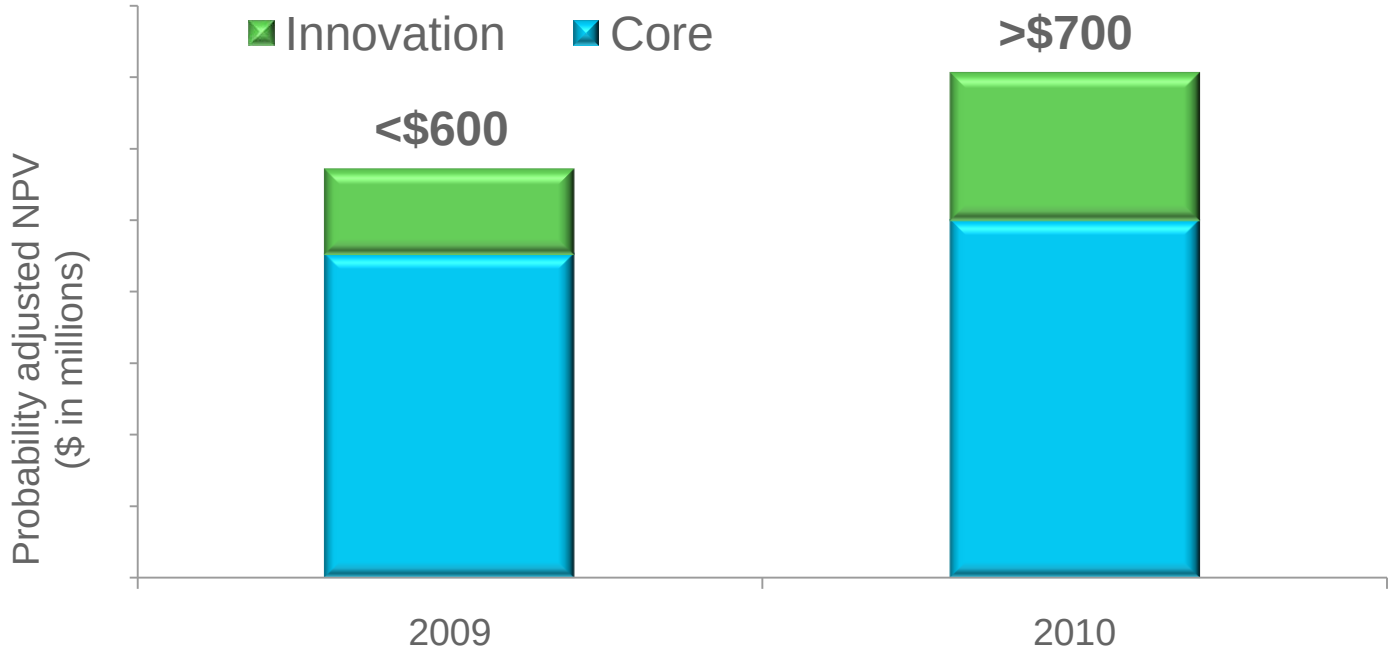
Net present value increasing for projects in development



- Value of projects in development through launch increased by 23%
- Value delivery timeline
  - Initial market launches in 2011 – 2013 timeframe
  - Reaching maturity in 2015 – 2020

NPV targeted to increase to $800 million in 2011

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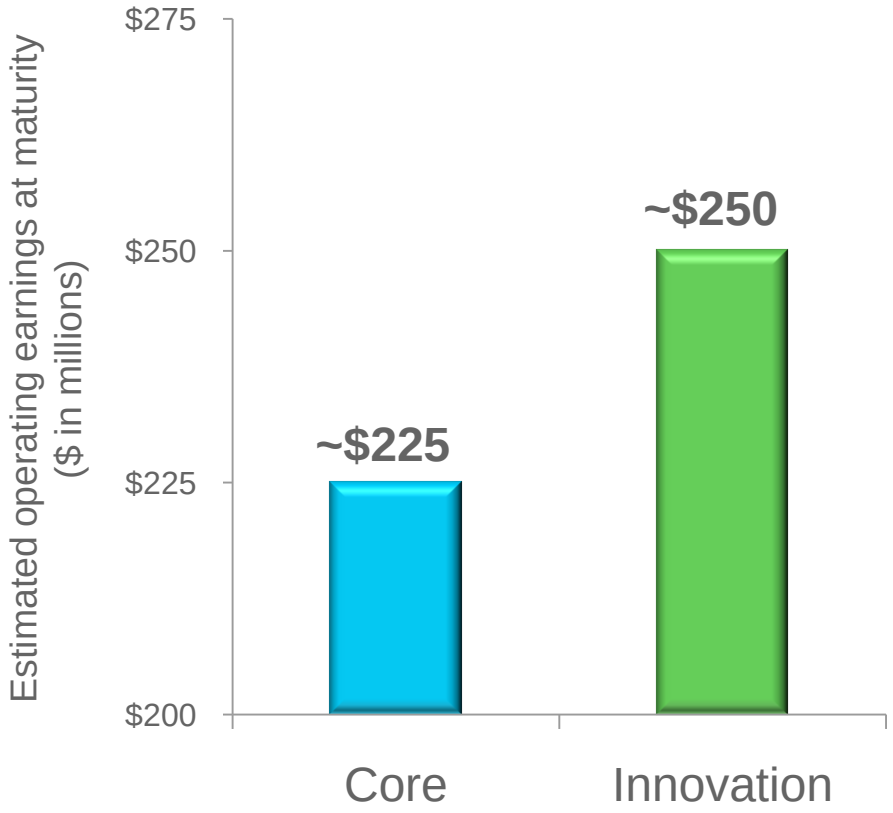
Earnings potential of R&D pipeline at maturity

Maintaining focus on current and new businesses



- Core continually offers good growth opportunities
- Innovation creates possibilities for starting new businesses
- Our pipeline generates options for growth in both

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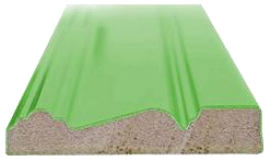
Disciplined approach to new product growth options

Within the core and within innovation

Core growth	Innovation
• Focus on growth platforms for existing businesses • Target traditional and adjacent markets • Build off existing capabilities and assets	• Focus on markets with >2x GDP growth rates • Aligned with sustainability and fast expanding regions • Leverage and build application development competencies
• $10 M – $100 M opportunities • Similar profitability to core • Traditional capital intensity	• $100 M+ opportunities • Higher margin • Lower capital intensity



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Polyester technology: Core continues to present growth opportunities

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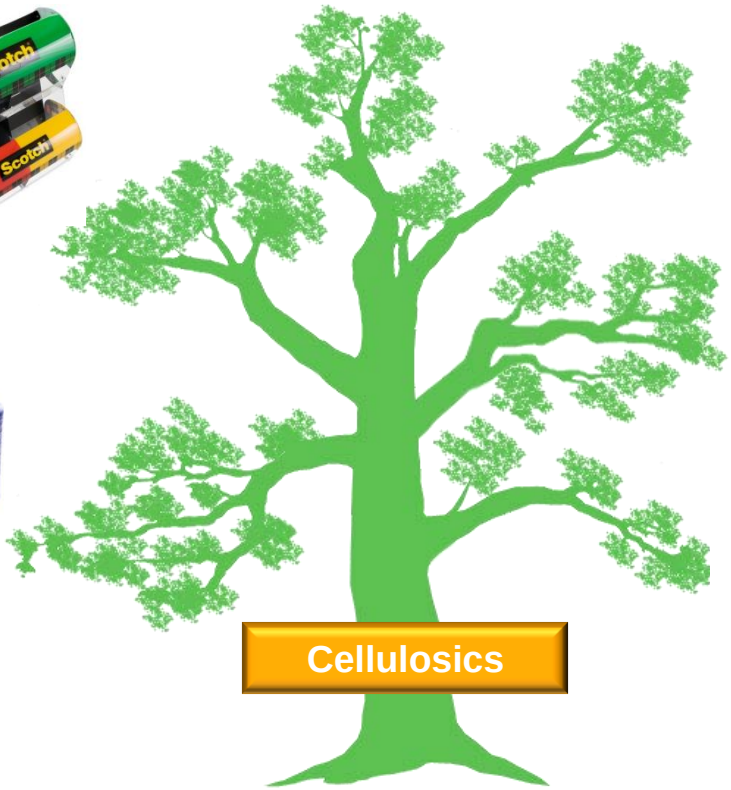
Cellulosics technology: Core continues to present growth opportunities

Tenite™ cellulosics (thermoplastic)

Film base for 3M Scotch® Tape

CABs for solvent-borne coatings



Eastman Solus™ 2300 performance additive

Acetate tow and yarn

Eastman Visualize™ material

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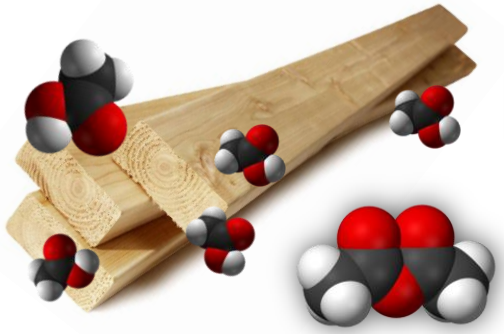
Eastman acetylated wood technology produces real wood…with long-lasting performance

Raw material:
Wood (Southern Pine)

Renewable resource…sourced regionally

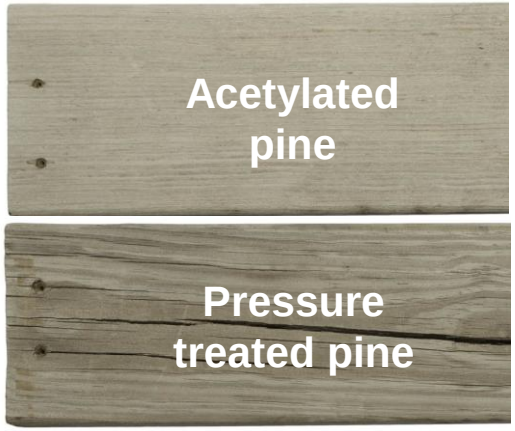
Process:
Acetylation with acetic anhydride

Breakthrough process technology…enables high quality acetylation at reasonable cost and leverages our integration



Result:
Acetylated wood

70% more dimensionally stable, translating into longer life



Both after 5 years of outdoor exposure

Breakthrough technology enables innovation, providing consumers a sustainable solution without traditional compromises

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Over $2 billion addressable market for acetylated wood

Windows:
reduced shrink and swell, easier opening/closing

Siding and trim:
less warping than cedar and composite materials

Decking:
real wood with minimized warping, cupping, and twisting

- Full-scale plant delivers $500 million revenue opportunity at capacity
- Gross margins projected to be at or above Eastman historical average for specialty businesses

Revenue/capital ratio projected to approach 2x

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Aggressive innovation timeline

2010
Process innovation and customer research completed

2011
Investment in market launch facility

2012
Market launch

2015-2016
Full-scale plant expansion

Under construction – Kingsport, TN

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Eastman Cerfis™ technology: Enabling high quality finishes for a wider variety of wood at a competitive price

Molding and trim

Windows and doors

Shutters

- Proprietary, unique copolyesters and technology to extrusion coat solid or engineered woods
- Enables lower quality, more sustainable woods to be upgraded into higher quality, finished products
- Gross margins forecasted at high end of Specialty Plastics
- Low capital intensity utilizing existing assets

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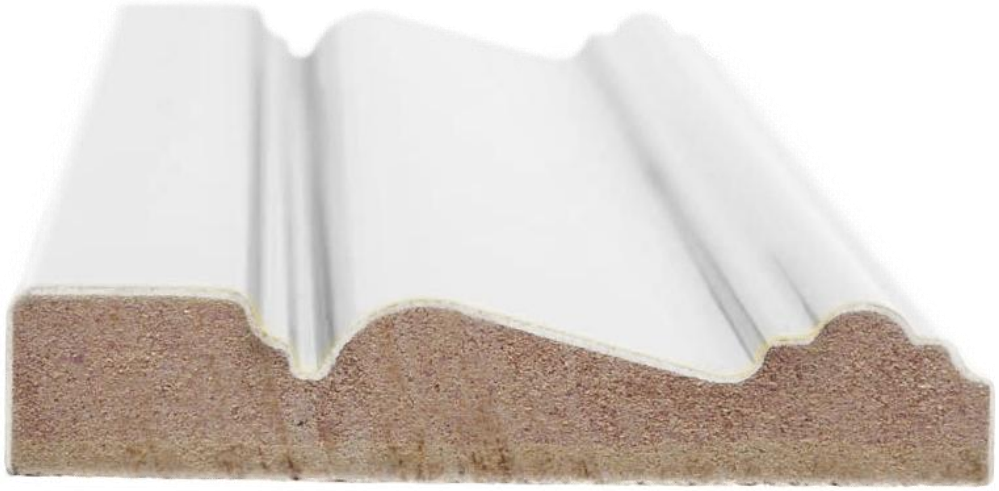
Eastman Cerfis™ technology market validation



woodgrain millwork®

THE HOME DEPOT®

Woodgrain Millwork, a leader in the millwork industry, is bringing an Eastman Cerfis™ technology enabled product to The Home Depot in the second quarter of 2011.

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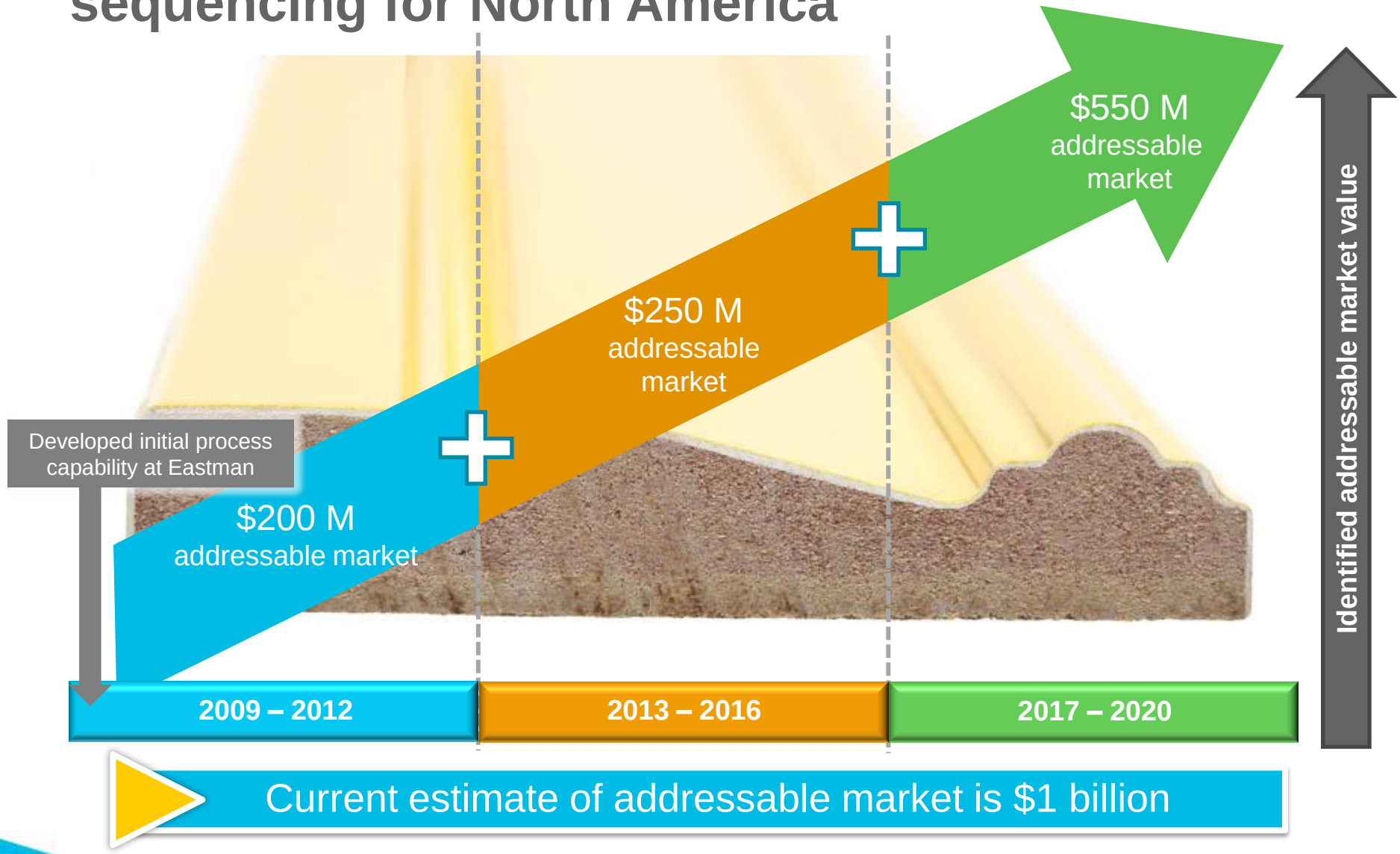
Eastman Cerfis™ technology platform growth sequencing for North America



Current estimate of addressable market is $1 billion

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Persistent, unmet needs in growing end markets

High purity filtration (air, water)

- Stronger, less brittle
- Greater porosity control and consistency
- Lower energy consumption

Energy storage

- Smaller, lighter
- More storage
- Longer life

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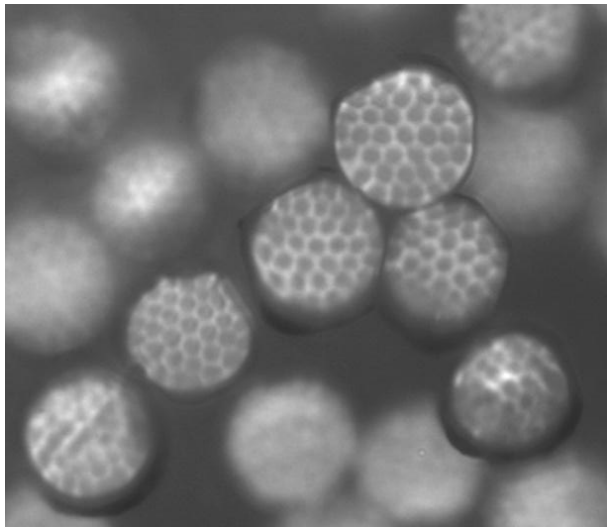
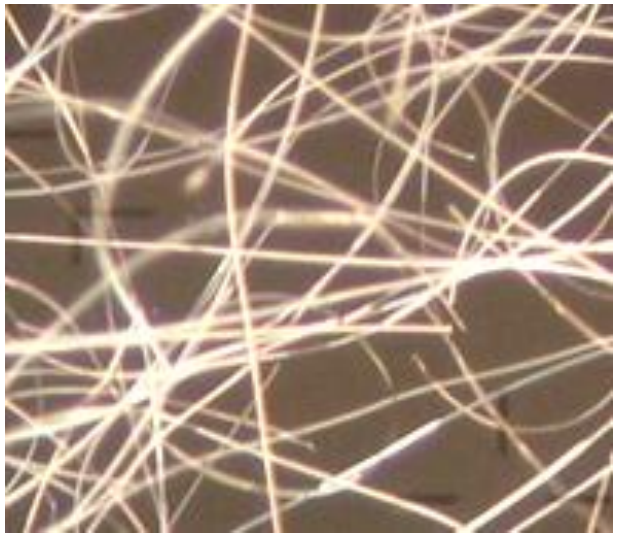
Eastman™ microfibers: Raising level of performance collectively to enable significant improvement in filtration and energy storage



Microfiber bundle

Eastman proprietary technology



Eastman™ microfibers

Smallest synthetic fiber	Strength	Easy to process	Design optionality	Strong intellectual property

Projected high sales revenue to capital ratio with low capital intensity

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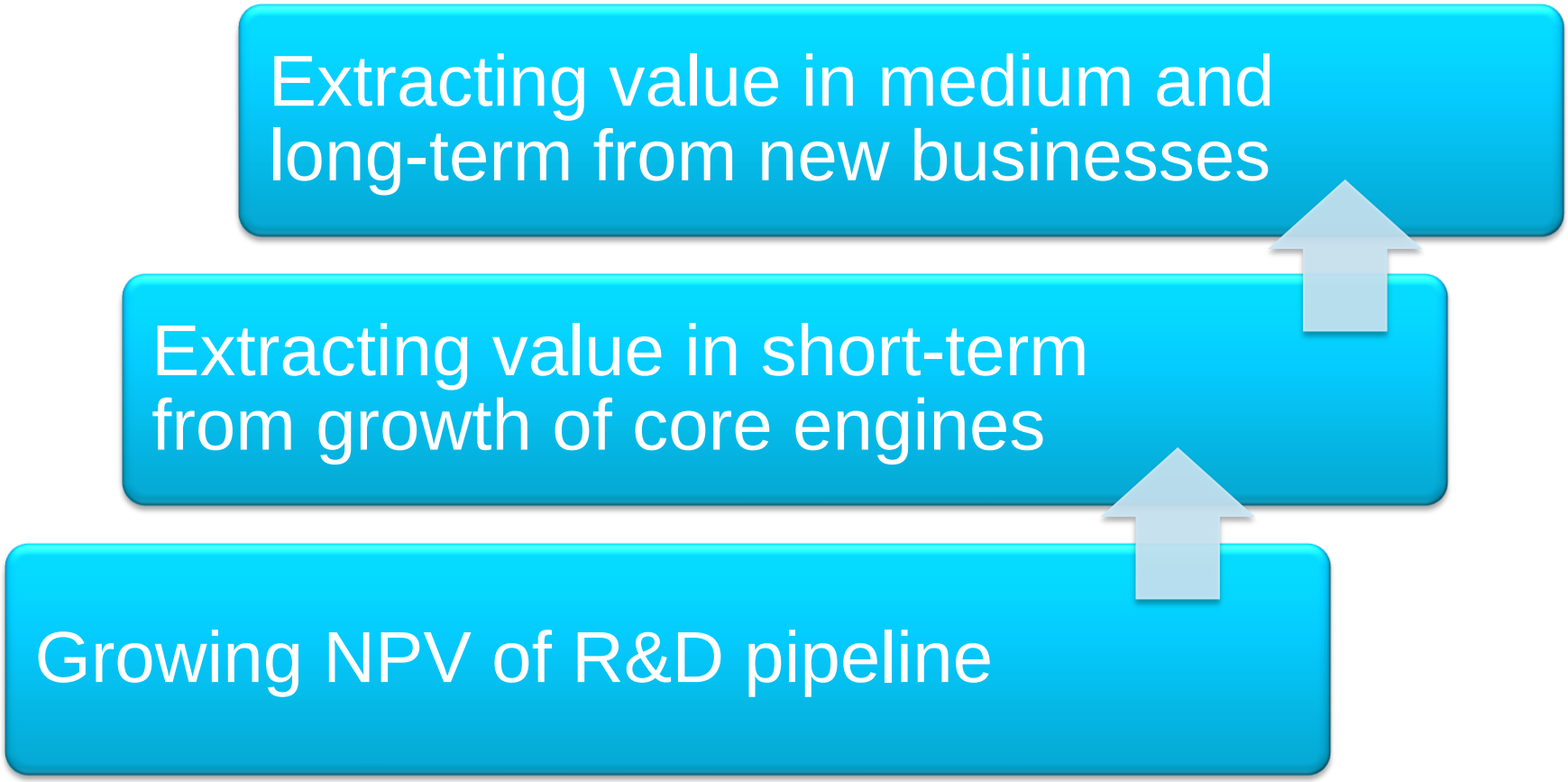
Eastman technology: Extracting value from core engines and new businesses



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