Figure 11: Eastman Annual Income Statement 2011-2015E ($ in millions, except per-share data)

	2011	2012	2013	2014E	2015E
Sales	7,178	8,102	9,350	9,533	9,915
% Change	*11%*	*13%*	*15%*	*2%*	*4%*
Cost of Sales	(5,538)	(5,978)	(6,939)	(7,068)	(7,272)
Gross Profit	1,640	2,124	2,411	2,465	2,643
Gross Margin	*22.8%*	*26.2%*	*25.8%*	*25.9%*	*26.7%*
% Change	*8%*	*30%*	*14%*	*2%*	*7%*
Selling & Administrative	(469)	(607)	(624)	(625)	(645)
SG&A/Sales	*6.5%*	*7.5%*	*6.7%*	*6.6%*	*6.5%*
% Change	*4%*	*29%*	*3%*	*0%*	*3%*
Research & Development	(158)	(198)	(196)	(210)	(218)
R&D/Sales	*2.2%*	*2.4%*	*2.1%*	*2.2%*	*2.2%*
% Change	*(1%)*	*25%*	*(1%)*	*7%*	*4%*
(S&A+R&D)/Sales	*8.7%*	*9.9%*	*8.8%*	*8.8%*	*8.7%*
Operating Profit	1,013	1,319	1,591	1,630	1,780
Operating Margin	*14.1%*	*16.3%*	*17.0%*	*17.1%*	*18.0%*
% Change	*11%*	*30%*	*21%*	*2%*	*9%*
EBITDA	1,305	1,689	2,021	2,086	2,245
Operating Margin	*18.2%*	*20.8%*	*21.6%*	*21.9%*	*22.6%*
% Change	*11%*	*29%*	*20%*	*3%*	*8%*
Interest Expense	(76)	(134)	(180)	(181)	(188)
% Change	*(23%)*	*76%*	*34%*	*1%*	*4%*
Other Income/Expense	19	10	(3)	11	0
Pretax Income	956	1,195	1,408	1,460	1,592
Pretax Margin	*13.3%*	*14.7%*	*15.1%*	*15.3%*	*16.1%*
% Change	*20%*	*25%*	*18%*	*4%*	*9%*
Taxes	(304)	(391)	(393)	(407)	(446)
Tax Rate	*31.8%*	*32.7%*	*27.9%*	*27.9%*	*28.0%*
Net Income Attributable to Noncontrolling Interests	0	(2)	(7)	(7)	(8)
Net Income	652	802	1,008	1,046	1,138
Net Margin	*9.1%*	*9.9%*	*10.8%*	*11.0%*	*11.5%*
% Change	*24%*	*23%*	*26%*	*4%*	*9%*
Basic Shares Outstanding	139.7	145.5	154.0	149.4	145.4
% Change	*(3%)*	*4%*	*6%*	*(3%)*	*(3%)*
Diluted Shares Outstanding	143.0	148.9	156.5	151.5	147.8
% Change	*(3%)*	*4%*	*5%*	*(3%)*	*(2%)*
Basic EPS	**$4.66**	**$5.51**	**$6.55**	**$7.00**	**$7.83**
% Change	***28%***	***18%***	***19%***	***7%***	***12%***
Diluted EPS	**$4.56**	**$5.39**	**$6.44**	**$6.90**	**$7.70**
% Change	***28%***	***18%***	***20%***	***7%***	***12%***

Source: Deutsche Bank estimates, Eastman