



Figure 14: Eastman Quarterly Segment Income Statement 2013-2014E (\$ in millions, except per-share data)

	2013					2014E				
	Q1	Q2	Q3	Q4	YEAR	Q1A	Q2A	Q3	Q4	YEAR
Sales										
Additives & Functional Products	419	430	445	425	1,719	423	452	465	440	1,780
% Change	5%	2%	10%	11%	7%	1%	5%	4%	4%	4%
Adhesives & Plasticizers	345	339	321	321	1,326	345	358	335	337	1,375
% Change	(8%)	(9%)	(8%)	(5%)	(7%)	0%	6%	4%	5%	4%
Advanced Materials	584	625	583	557	2,349	581	631	590	568	2,370
% Change	3%	4%	4%	5%	4%	(1%)	1%	1%	2%	1%
Fibers	346	363	363	369	1,441	354	386	380	380	1,500
% Change	7%	14%	4%	14%	10%	2%	6%	5%	3%	4%
Specialty Fluids & Intermediates	607	677	620	593	2,497	601	633	650	621	2,505
% Change	(5%)	4%	5%	1%	1%	(1%)	(6%)	5%	5%	0%
Total Segment Sales	2,301	2,434	2,332	2,265	9,332	2,304	2,460	2,420	2,346	9,530
Other	6	6	6	0	18	1	0	1	1	3
Sales	2,307	2,440	2,338	2,265	9,350	2,305	2,460	2,421	2,347	9,533
% Change	(1%)	3%	3%	4%	3%	(0%)	1%	4%	4%	2%
Operating Profit										
Additives & Functional Products	98	105	111	92	408	94	103	110	108	415
Operating Margin	23.4%	24.4%	24.9%	21.6%	23.6%	22.2%	22.8%	23.7%	24.5%	23.3%
% Change	4%	0%	6%	3%	3%	(4%)	(2%)	(1%)	17%	2%
Adhesives & Plasticizers	49	50	41	33	173	47	56	45	37	185
Operating Margin	14.2%	14.7%	12.8%	10.3%	13.0%	13.6%	15.6%	13.4%	11.0%	13.5%
% Change	(26%)	(31%)	(44%)	(37%)	(34%)	(4%)	12%	10%	12%	7%
Advanced Materials	65	81	69	45	260	71	80	80	64	295
Operating Margin	11.1%	13.0%	11.6%	8.1%	11.1%	12.2%	12.7%	13.6%	11.3%	12.4%
% Change	7%	29%	21%	55%	24%	9%	(1%)	16%	42%	13%
Fibers	114	116	113	119	462	117	123	115	125	480
Operating Margin	32.9%	32.0%	31.1%	32.2%	32.1%	33.1%	31.9%	30.3%	32.9%	32.0%
% Change	13%	21%	15%	28%	19%	3%	6%	2%	5%	4%
Specialty Fluids & Intermediates	95	118	90	61	364	64	96	85	65	310
Operating Margin	15.7%	17.4%	14.5%	10.3%	14.6%	10.6%	15.2%	13.1%	10.5%	12.4%
% Change	30%	22%	(6%)	(34%)	1%	(33%)	(19%)	(6%)	7%	(15%)
Segment Operating Profit	421	470	424	350	1,665	393	458	435	399	1,685
% Change	7%	9%	(1%)	(2%)	3%	(7%)	(3%)	3%	14%	1%
Other	(18)	(16)	(19)	(21)	(74)	(10)	(17)	(14)	(14)	(55)
Operating Profit	403	454	405	329	1,591	383	441	421	385	1,630
Operating Margin	17.5%	18.6%	17.3%	14.5%	17.0%	16.6%	17.9%	17.4%	16.4%	17.1%
% Change	11%	13%	2%	1%	7%	(5%)	(3%)	4%	17%	2%
Pro Forma/Actual EBITDA										
Additives & Functional Products					501					513
EBITDA Margin					29.1%					28.8%
% Change					2%					2%
Adhesives & Plasticizers					218					230
EBITDA Margin					18.4%					18.7%
% Change					(29%)					6%
Advanced Materials					404					443
EBITDA Margin					17.2%					18.7%
% Change					16%					10%
Fibers					527					545
EBITDA Margin					36.6%					36.3%
% Change					15%					3%
Specialty Fluids & Intermediates					444					395
EBITDA Margin					17.8%					15.8%
% Change					1%					(11%)
Segment EBITDA					2,094					2,126
% Change					3%					2%
Other					(70)					(51)
EBITDA					2,024					2,075
EBITDA Margin					21.6%					21.8%
% Change					5%					3%
Interest Expense	(47)	(46)	(44)	(43)	(180)	(42)	(45)	(47)	(47)	(181)
% Change	147%	142%	(8%)	(10%)	34%	(11%)	(2%)	7%	8%	1%
Other Income (Expense)	(1)	0	(1)	(1)	(3)	3	8	0	0	11
Pretax Income	355	408	360	285	1,408	344	404	374	338	1,460
Pretax Margin	15.4%	16.7%	15.4%	12.6%	15.1%	14.9%	16.4%	15.4%	14.4%	15.3%
% Change	38%	36%	2%	0%	18%	(3%)	(1%)	4%	19%	4%
Taxes	(101)	(124)	(96)	(72)	(393)	(96)	(112)	(105)	(95)	(407)
Tax Rate	28.5%	30.4%	26.7%	25.3%	27.9%	27.9%	27.7%	28.0%	28.0%	27.9%
Net Income Attributable to Noncontrolling Interests	(1)	(2)	(1)	(3)	(7)	(1)	(2)	(1)	(3)	(7)
Net Income	253	282	263	210	1,008	247	290	268	240	1,046

Source: Deutsche Bank estimates, Eastman