



2014 Segment Outlook

Figure 4: 2014E. Segment Operating Earnings Guidance and Drivers(\$ in millions)

Segment	2014E	2013	%Δ	Comments
Additives & Functional Products	\$410-430	\$406	1%-6%	(+) Higher vols as improvements in the transportation and building & construction markets (-) Partial offset by contracted olefin spread.
Adhesives & Plasticizers	>\$175	\$173	1%	(+) Improved vols, better productivity and lower operating costs (-) Competitive pricing pressure in plasticizers
Advance Materials	\$280-\$300	\$260	8%-15%	(+) Increased volume and mix improvement. (-) Costs of the unplanned shutdown.
Fibers	~\$480	\$462	4%	(+) Strong acetate flake volume, lower raw material costs and higher selling prices. (-) Lower tow acetate vols and higher operating costs
Specialty Fluids & Intermediates	\$300-\$320	\$364	(12%-18%)	(-) Volatility of key raw materials (primarily propane) and unplanned shutdown. (+)Technology licensing revenue to negate the impact of raw material volatility.

Source: Eastman

Figure 5: 2014 olefins spread impact

Full year projected olefins prices

Propane	\$1.18/gallon
Ethane	\$0.29/gallon
Propylene	\$0.70/lb
Ethylene	\$0.46/lb

Actions to offset headwinds

Increasing use of ethane relative to propane as a feedstock
 Hedging program mitigates propane costs exposure
 Pricing actions expected to partially offset higher feedstock costs

Narrowing olefins spreads projected to negatively impact 2014

EPS relative to 2013 by \$0.30 to \$0.40

Source: Eastman, NYMEX, IHS