Figure 12: Eastman Quarterly Income Statement 2013-2014E ($ in millions, except per-share data)

	2013					2014E				
	Q1	Q2	Q3	Q4	YEAR	Q1A	Q2A	Q3	Q4	YEAR
Sales	2,307	2,440	2,338	2,265	9,350	2,305	2,460	2,421	2,347	9,533
% Change	*27%*	*32%*	*3%*	*4%*	*15%*	*(0%)*	*1%*	*4%*	*4%*	*2%*
Cost of Sales	(1,691)	(1,763)	(1,717)	(1,768)	(6,939)	(1,710)	(1,791)	(1,781)	(1,787)	(7,068)
Gross Profit	616	677	621	497	2,411	595	669	641	561	2,465
Gross Margin	*26.7%*	*27.7%*	*26.6%*	*21.9%*	*25.8%*	*25.8%*	*27.2%*	*26.5%*	*23.9%*	*25.9%*
% Change	*43%*	*41%*	*3%*	*(19%)*	*14%*	*(3%)*	*(1%)*	*3%*	*13%*	*2%*
Selling & Administrative	(164)	(172)	(165)	(123)	(624)	(159)	(172)	(166)	(128)	(625)
SG&A/Sales	*7.1%*	*7.0%*	*7.1%*	*5.4%*	*6.7%*	*6.9%*	*7.0%*	*6.9%*	*5.5%*	*6.6%*
% Change	*40%*	*50%*	*9%*	*(45%)*	*3%*	*(3%)*	*0%*	*1%*	*4%*	*0%*
Research & Development	(49)	(51)	(51)	(45)	(196)	(53)	(56)	(54)	(48)	(210)
R&D/Sales	*2.1%*	*2.1%*	*2.2%*	*2.0%*	*2.1%*	*2.3%*	*2.3%*	*2.2%*	*2.0%*	*2.2%*
% Change	*20%*	*19%*	*(2%)*	*(27%)*	*(1%)*	*8%*	*10%*	*5%*	*6%*	*7%*
(S&A+R&D)/Sales	*9.2%*	*9.1%*	*9.2%*	*7.4%*	*8.8%*	*9.2%*	*9.3%*	*9.1%*	*7.5%*	*8.8%*
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	*48%*	*41%*	*2%*	*1%*	*21%*	*(5%)*	*(3%)*	*4%*	*17%*	*2%*
EBITDA	512	562	512	435	2,021	493	559	532	496	2,086
Operating Margin	*22.2%*	*23.0%*	*21.9%*	*19.2%*	*21.6%*	*21.4%*	*22.7%*	*22.0%*	*21.1%*	*21.9%*
% Change	*48%*	*44%*	*0%*	*(1%)*	*20%*	*(4%)*	*(1%)*	*4%*	*14%*	*3%*
Interest Expense	(47)	(46)	(44)	(43)	(180)	(42)	(45)	(47)	(47)	(181)
% Change	*147%*	*142%*	*(8%)*	*(10%)*	*34%*	*(11%)*	*(2%)*	*7%*	*9%*	*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
Net Margin	*11.0%*	*11.6%*	*11.2%*	*9.3%*	*10.8%*	*10.7%*	*11.8%*	*11.1%*	*10.2%*	*11.0%*
% Change	*47%*	*43%*	*7%*	*12%*	*26%*	*(2%)*	*3%*	*2%*	*14%*	*4%*
Basic Shares Outstanding	154.4	154.4	154.0	153.2	154.0	151.4	149.5	148.7	148.2	149.4
% Change	*12%*	*12%*	*1%*	*(0%)*	*6%*	*(2%)*	*(3%)*	*(3%)*	*(3%)*	*(3%)*
Diluted Shares Outstanding	156.7	156.7	156.4	155.6	156.5	153.0	151.3	151.1	150.6	151.5
% Change	*11%*	*11%*	*0%*	*(1%)*	*5%*	*(2%)*	*(3%)*	*(3%)*	*(3%)*	*(3%)*
Basic EPS	**$1.64**	**$1.83**	**$1.71**	**$1.37**	**$6.55**	**$1.63**	**$1.94**	**$1.80**	**$1.62**	**$7.00**
% Change	***31%***	***28%***	***6%***	***13%***	***19%***	***(0%)***	***6%***	***6%***	***18%***	***7%***
Diluted EPS	**$1.61**	**$1.80**	**$1.68**	**$1.35**	**$6.44**	**$1.61**	**$1.92**	**$1.78**	**$1.60**	**$6.90**
% Change	***32%***	***29%***	***7%***	***13%***	***20%***	***(0%)***	***7%***	***6%***	***18%***	***7%***

Source: Deutsche Bank estimates, Eastman