



Figure 13: Eastman Annual Segment Income Statement 2011-2015E (\$ in millions, except per-share data)

	2011	2012	2013	2014E	2015E
<b>Pro Forma/Actual Sales</b>	<i>PF</i>	<i>PF</i>			
Additives & Functional Products	1,677	1,613	1,719	1,780	1,860
% Change	8%	(4%)	7%	4%	4%
Adhesives & Plasticizers	1,381	1,432	1,326	1,375	1,425
% Change	32%	4%	(7%)	4%	4%
Advanced Materials	2,313	2,254	2,349	2,370	2,500
% Change	12%	(3%)	4%	1%	5%
Fibers	1,279	1,315	1,441	1,500	1,525
% Change	12%	3%	10%	4%	2%
Specialty Fluids & Intermediates	2,548	2,473	2,497	2,505	2,600
% Change	34%	(3%)	1%	0%	4%
<b>Total Segment Sales</b>	<b>9,198</b>	<b>9,087</b>	<b>9,332</b>	<b>9,530</b>	<b>9,910</b>
Other	77	33	18	3	5
<b>Sales</b>	<b>9,275</b>	<b>9,120</b>	<b>9,350</b>	<b>9,533</b>	<b>9,915</b>
% Change	19%	(2%)	3%	2%	4%
<b>Pro Forma/Actual Operating Profit</b>	<i>PF</i>	<i>PF</i>			
Additives & Functional Products	382	393	406	415	454
Operating Margin	22.8%	24.4%	23.6%	23.3%	24.4%
% Change	3%	3%	3%	2%	9%
Adhesives & Plasticizers	250	263	173	185	195
Operating Margin	18.1%	18.4%	13.0%	13.5%	13.7%
% Change	34%	5%	(34%)	7%	5%
Advanced Materials	251	210	260	295	323
Operating Margin	10.9%	9.3%	11.1%	12.4%	12.9%
% Change	20%	(16%)	24%	13%	9%
Fibers	365	388	462	480	488
Operating Margin	28.5%	29.5%	32.1%	32.0%	32.0%
% Change	7%	6%	19%	4%	2%
Specialty Fluids & Intermediates	278	359	364	310	375
Operating Margin	10.9%	14.5%	14.6%	12.4%	14.4%
% Change	28%	29%	1%	(15%)	21%
<b>Segment Operating Profit</b>	<b>1,526</b>	<b>1,613</b>	<b>1,665</b>	<b>1,685</b>	<b>1,835</b>
% Change	15%	6%	3%	1%	9%
Other	(128)	(126)	(74)	(55)	(55)
<b>Operating Profit</b>	<b>1,398</b>	<b>1,487</b>	<b>1,591</b>	<b>1,630</b>	<b>1,780</b>
Operating Margin	15.1%	16.3%	17.0%	17.1%	18.0%
% Change	12%	6%	7%	2%	9%
<b>Pro Forma/Actual EBITDA</b>	<i>PF</i>	<i>PF</i>			
Additives & Functional Products	477	490	501	513	557
EBITDA Margin	28.4%	30.4%	29.1%	28.8%	29.9%
% Change	3%	3%	2%	2%	9%
Adhesives & Plasticizers	294	308	218	230	241
EBITDA Margin	21.3%	21.5%	16.4%	16.7%	16.9%
% Change	31%	5%	(29%)	6%	5%
Advanced Materials	386	347	404	443	477
EBITDA Margin	16.7%	15.4%	17.2%	18.7%	19.1%
% Change	14%	(10%)	16%	10%	8%
Fibers	433	457	527	545	554
EBITDA Margin	33.9%	34.8%	36.6%	36.3%	36.3%
% Change	7%	6%	15%	3%	2%
Specialty Fluids & Intermediates	358	440	444	395	467
EBITDA Margin	14.1%	17.8%	17.9%	15.8%	18.0%
% Change	23%	23%	1%	(11%)	18%
<b>Segment EBITDA</b>	<b>1,948</b>	<b>2,042</b>	<b>2,094</b>	<b>2,126</b>	<b>2,296</b>
% Change	14%	5%	3%	2%	8%
Other	(121)	(119)	(70)	(51)	(51)
<b>EBITDA</b>	<b>1,827</b>	<b>1,923</b>	<b>2,024</b>	<b>2,075</b>	<b>2,245</b>
EBITDA Margin	19.7%	21.1%	21.6%	21.8%	22.6%
% Change	11%	5%	5%	3%	8%
<b>Interest Expense</b>	<b>(76)</b>	<b>(134)</b>	<b>(180)</b>	<b>(181)</b>	<b>(188)</b>
% Change	(23%)	76%	34%	1%	4%
<b>Other Income/Expense</b>	<b>19</b>	<b>10</b>	<b>(3)</b>	<b>11</b>	<b>0</b>
<b>Pretax Income</b>	<b>956</b>	<b>1,195</b>	<b>1,408</b>	<b>1,460</b>	<b>1,592</b>
Pretax Margin	13.3%	14.7%	15.1%	15.3%	16.1%
% Change	20%	25%	18%	4%	9%
<b>Taxes</b>	<b>(304)</b>	<b>(391)</b>	<b>(393)</b>	<b>(407)</b>	<b>(446)</b>
Tax Rate	31.8%	32.7%	27.9%	27.9%	28.0%
<b>Net Income Attributable to Noncontrolling Interests</b>	<b>0</b>	<b>(2)</b>	<b>(7)</b>	<b>(7)</b>	<b>(8)</b>
<b>Net Income</b>	<b>652</b>	<b>802</b>	<b>1,008</b>	<b>1,046</b>	<b>1,138</b>

Source: Deutsche Bank estimates, Eastman