Figure 15: Eastman Annual Cash Flow Statement 2011-2015E ($ in millions)

	2011	2012	2013	Q1A	Q2A	2014E	2015E
Operating Activities:							
Adjustments to Reconcile Net							
Income to Cash From Operations							
Net Income	$696	$444	$1,172	$234	$294	$1,046	$1,138
Depreciation and Amortization	273	360	433	107	110	445	465
Deferred Income Taxes	11	48	331	32	29	185	185
Mark-to-Market Pension & OPEB (Gains) Losses		247	(383)				
Pension and OPEB Contributions in Excess							
of Expenses		(97)	(149)	(12)	(33)	(135)	(135)
Variable Compensation in Excess of Expenses		26	82	(93)	40		
Asset Impairment Charges		46	28	8	0		
(Gain) Loss On Sale of Assets/Investments	(70)						
Other			0		(5)		
Change in Operating Assets and Liabilities							
Working Capital (Increases)	(370)	96	(46)	(255)	(34)	(7)	(50)
Other	85	(42)	(171)	(51)	18	(125)	(125)
Cash Flow From Operations	625	1,128	1,297	(30)	419	1,408	1,478
Free Cash Flow							
Cash Flow From Operations	625	1,128	1,297	(30)	419	1,408	1,478
Less: Capital Expenditures	(457)	(465)	(483)	(122)	(132)	(575)	(600)
Free Cash Flow	168	663	814	(152)	287	833	878
Less: Dividends	(136)	(192)	(140)	(53)	(53)	(212)	(226)
Free Cash Flow (EMN Definition)	32	471	674	(205)	234	621	652
Investing Activities:							
Capital Expenditures	(457)	(465)	(483)	(122)	(132)	(575)	(600)
Acquisitions	(156)	(2,669)			(283)	(370)	
Proceeds from Sale of Assets & Investments	651	207	31	4	8		
Additions to Short-Term Time Deposits	(200)						
Additions to Capitalized Software	(9)	(5)	(5)	(1)			
Other	29	(30)			2		
Total Investing Activities	(142)	(2,962)	(457)	(119)	(405)	(945)	(600)
Financing Activities:							
Inc. (Decr.) in L/T Debt	(2)	1,645	(955)	125	365	249	
Inc. (Decr.) in S/T Debt	1	(1)	425	257	(231)		
Dividends	(136)	(192)	(140)	(53)	(53)	(212)	(226)
Purchase of Treasury Stock	(316)		(238)	(260)	(100)	(500)	(600)
Dividends Paid to Noncontrolling Interets			(10)	(3)	(6)		
Proceeds from Stock Option Exercises				32	(2)		
Other	30	52	59				
Total Financing Activities	(423)	1,504	(859)	98	(27)	(463)	(826)
Effect of Exchange Rate Changes on Cash	1	2	7	(1)	3		
Increase (Decrease) in Cash	61	(328)	(12)	(52)	(10)	0	52

Source: Deutsche Bank estimates, Eastman