Forward-looking statements
During this presentation, we make certain forward-looking statements concerning plans and expectations for Eastman Chemical Company. We caution you that actual events or results may differ materially from our plans and expectations. See Form 10-Q filed with the Securities and Exchange Commission for first quarter 2017 for risks and uncertainties which could cause actual results to differ materially from current expectations.

Non-GAAP financial measures
Earnings referenced in this presentation are earnings per share and operating earnings that exclude certain non-core items. In addition, earnings per share is calculated with an adjusted tax rate that is the forecasted full year tax rate that excludes the provision for income taxes of non-core items. “Free Cash Flow” is cash provided by operating activities minus cash used for additions to properties and equipment. Reconciliations to the most directly comparable GAAP financial measures and other associated disclosures, including a description of the excluded and adjusted items, are available in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Forms 10-K and 10-Q filed with the SEC for the periods for which non-GAAP financial measures are presented. Projections of future earnings also exclude any non-core, unusual, or non-recurring items, and projections of future earnings per share assume that the adjusted tax rate for the most recent completed period will be the actual tax rate for the projected periods.
Advanced Materials: Sectoral leverage combined with diversity of end markets and geographies enable sustainable growth

2016 revenue by end-use market

- Transportation: 33%
- Electronics: 16%
- Consumer Durables: 16%
- Building & Construction: 16%
- Personal Care / Health & Wellness: 9%
- Other: 6%

2016 revenue by product line

- Specialty Plastics: 50%
- Performance Films: 16%
- Advanced Interlayers: 34%

2016 revenue by region

- Asia: 37%
- East: 26%
- Europe: 32%
- Latin America: 5%

2017 growth drivers

- Core volume growth of GDP+
- Strong growth of innovative products, driving product mix improvement
- Fixed cost leverage
- Offset partially by selling prices catching up to higher raw material costs and a stronger dollar

2014-2016 revenue

- 2014: $2,378
- 2015: $2,414
- 2016: $2,457

2014-2016 operating earnings and operating margin

- 2014: $293 (12%)
- 2015: $409 (17%)
- 2016: $471 (19%)

(1) Dollars in millions
(2) “Operating margin” is operating earnings divided by sales revenue
Celebrating 10 years
Innovation highlights

- Strong growth in innovative specialty products driving earnings mix improvement

**Paint protection films**

- **SunTek®** window film
- **V-KOOL®** window film
- **LLumar®** window and paint protection film

**Saflex® Q series (acoustic)**

- **SAFLEX®** polyvinyl butyral
**Advanced Materials:** A *winning formula for sustainable growth*

**Example:** Advanced Interlayers - Automotive

### GDP + Volume Growth

Source: LMC Automotive

### Mix Upgrade

- **Saflex® Q series (acoustic)**

### Fixed Cost Leverage

### Capacity Utilization

- Scale

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**Worldwide - Vehicle Production**

- + beyond windscreen

**Saflex® VIEW (head-up display)**
Questions?