

EASTMAN CHEMICAL CO
Form 424B5
May 19, 2016
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Registration No. 333-204119

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated May 19, 2016

Preliminary Prospectus Supplement

(To Prospectus dated May 13, 2015)

Eastman Chemical Company

% Notes due 20

We are offering _____ principal amount of _____ % notes due 20____ (the _____ notes _____). We will pay interest on the notes annually on _____ of each year, beginning _____, 2017.

We may redeem the notes, in whole or in part, at any time and from time to time prior to their maturity at the applicable redemption prices described herein under Description of Notes Optional Redemption. In addition, we may redeem all, but not part, of the notes at any time at our option in the event of certain developments affecting U.S. taxation as described under Description of Notes Redemption for Tax Reasons. Upon the occurrence of a change of control triggering event, we will be required to make an offer to repurchase the notes from holders at a redemption price equal to 101% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption. Description of Notes Change of Control Triggering Event. There will be no sinking funds for the notes.

The notes will be unsecured and will rank equally in right of payment with all our other unsecured and unsubordinated debt from time to time outstanding. The notes will be issued only in denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.

See Risk Factors beginning on page S-11 of this prospectus supplement for a discussion of certain risks that you should consider in connection with an evaluation of an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to public⁽¹⁾	Underwriting discounts and commissions	Proceeds, before expenses⁽¹⁾
	%	%	%
Per note			
Total			

(1) Plus accrued interest, if any, from _____, 2016, if settlement occurs after that date. The notes are a new issue of securities with no established trading market. We intend to apply to list the notes on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time.

The underwriters expect to deliver the notes to purchasers in book-entry form only through the facilities of Clearstream Banking, *société anonyme*, and Euroclear Bank, S.A./N.V., on or about _____, 2016, which is the London business day following the date of this prospectus supplement.

Joint Book-Running Managers

Barclays

BofA Merrill Lynch
_____, 2016

J.P. Morgan

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, including the documents incorporated by reference herein, which describes the specific terms of the notes being offered. The second part, the accompanying prospectus, gives more general information, some of which may not apply to the notes being offered. You should read this entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under **Incorporation of Documents by Reference** in this prospectus supplement and **Incorporation of Certain Documents by Reference** in the accompanying prospectus.

We have not and the underwriters have not authorized anyone to provide any information other than that which is contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectus prepared by us or on our behalf to which we have referred you. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information and we take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. Further, you should assume that the information appearing in this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein and therein, and any free writing prospectus, is accurate only as of the respective dates of those documents in which the information is contained. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus supplement to **Eastman**, **we**, **us**, **our**, **the Company** or similar references mean Eastman Chemical Company and its consolidated subsidiaries. References in this prospectus supplement and the accompanying prospectus to **\$** and **U.S. dollars** are to the currency of the United States (**U.S.**). References to **€**, **EUR** and **euro** are to the currency of the member states of the European Monetary Union that have adopted or that adopt the single currency in accordance with the treaty establishing the European Community, as amended by the Treaty on European Union. The financial information presented in this prospectus supplement and the accompanying prospectus has been prepared in accordance with generally accepted accounting principles (**GAAP**) in the U.S.

In connection with the issue of the notes, J.P. Morgan Securities plc (the **stabilizing manager**) (or persons acting on behalf of the stabilizing manager) may over-allot notes or effect transactions with a view to supporting the price of the notes at a level higher than that which might otherwise prevail. This stabilizing, if commenced, may be discontinued at any time. However, there is no assurance that the stabilizing manager (or persons acting on its behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of the allotment of the notes. Any

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stabilization action or over-allotment must be conducted by the stabilizing manager (or persons acting on its behalf) in accordance with all applicable laws and rules. See Underwriting.

Notice to Prospective Investors in the European Economic Area

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of the notes in any Member State of the European Economic Area (the EEA) that has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to produce a prospectus for offers of notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of the notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do we or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer. Prospectus Directive means Directive 2003/71/EC, as amended, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive and that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a Relevant Person). This prospectus supplement and the accompanying prospectus and their contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus supplement and/or the accompanying prospectus or any of their contents.

This prospectus supplement and the accompanying prospectus have not been approved for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (FSMA) by a person authorized under FSMA. This prospectus supplement and the accompanying prospectus are being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply to us.

The notes are not being offered or sold to any person in the United Kingdom except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of FSMA.

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WHERE YOU CAN FIND MORE INFORMATION

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any of these documents and this information at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 or (202) 942-8090 for further information on the public reference room. The SEC also maintains an Internet website that contains reports, proxy statements and other information regarding issuers, including us, who file electronically with the SEC. The address of that site is <http://www.sec.gov>. You may also access the SEC filings and obtain other information about Eastman through our website at <http://www.eastman.com>. Other than the SEC filings specifically incorporated by reference below, the information contained on our website is not a part of or incorporated by reference into this prospectus supplement or the accompanying prospectus.

This prospectus supplement and the accompanying prospectus contain summaries of provisions contained in some of the documents discussed in this prospectus supplement and the accompanying prospectus, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of certain of the documents referred to in this prospectus supplement and the accompanying prospectus have been filed with or are incorporated by reference as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus are a part. If any contract, agreement or other document is filed or incorporated by reference as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means we can disclose information to you by referring you to another document we have filed with the SEC. We will make those documents available to you without charge upon your oral or written request. Requests for those documents should be directed to Eastman Chemical Company, P.O. Box 431, Kingsport, Tennessee 37662, Attention: Investor Relations (telephone: (423) 229-4647).

This prospectus supplement incorporates by reference the following documents filed with the SEC but which we have not included or delivered with this prospectus supplement and the accompanying prospectus:

our Annual Report on Form 10-K (including the portions of our Definitive Proxy Statement for our 2016 Annual Meeting of Stockholders filed on March 23, 2016 and incorporated by reference therein) for the year ended December 31, 2015;

our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016; and

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our Current Reports on Form 8-K, filed with the SEC on February 19, 2016, February 22, 2016, February 23, 2016, April 18, 2016 and May 10, 2016 (other than documents or portions of documents not deemed to be filed). We are also incorporating by reference any additional documents we may file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) after the date of this prospectus supplement until this offering of notes has been completed, other than any portion of the respective filings furnished, rather than filed, under applicable SEC rules. This additional information is a part of this prospectus supplement from the date of filing of those documents.

The information contained in this prospectus supplement and the accompanying prospectus should be read together with the information in the documents incorporated herein by reference.

Any statement made in this prospectus supplement, in the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

A number of the statements made or incorporated by reference in this prospectus supplement and the accompanying prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Exchange Act. Forward-looking statements are all statements, other than statements of historical fact, that may be made by us from time to time. In some cases, you can identify forward-looking statements by terminology such as anticipates, believes, estimates, expects, intends, may, plans, projects, will, would, and similar expressions or expressions of these terms. Forward-looking statements may relate to, among other things, such matters as planned and expected capacity increases and utilization; anticipated capital spending; expected depreciation and amortization; environmental matters; pending and future legal proceedings; exposure to, and effects of hedging of, raw material and energy costs, foreign currencies and interest rates; global and regional economic, political, and business conditions; competition; growth opportunities; supply and demand, volume, price, cost, margin and sales; earnings, cash flow, dividends and other expected financial results, events, and conditions; expectations, strategies, and plans for individual assets and products, businesses, and segments, as well as for the whole of Eastman; cash requirements and uses of available cash; financing plans and activities; pension expenses and funding; credit ratings; anticipated and other future

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restructuring, acquisition, divestiture, and consolidation activities; cost reduction and control efforts and targets; the timing and costs of, and benefits from, the integration of, and expected business and financial performance of, acquired businesses; strategic initiatives and development, production, commercialization and acceptance of new products, services and technologies and related costs; asset, business and product portfolio changes; and expected tax rates and net interest costs.

Forward-looking statements are based upon certain underlying assumptions as of the date such statements were made. Such assumptions are based upon internal estimates and other analyses of current market conditions and trends, management expectations, plans, and strategies, economic conditions, and other factors. Forward-looking statements and the assumptions underlying them are necessarily subject to risks and uncertainties inherent in projecting future conditions and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions and expectations proves to be inaccurate or is unrealized. The most significant known factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements are identified and discussed under **Forward-Looking Statements and Risk Factors** contained in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, which is incorporated herein by reference, and any risk factors included or described in our other periodic reports, and in other information that we file with the SEC from time to time and incorporated by reference into this prospectus supplement.

We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this prospectus supplement in the case of forward-looking statements contained in this prospectus supplement, or the dates of the accompanying prospectus or any documents incorporated by reference herein and therein in the case of forward-looking statements made in the accompanying prospectus or such incorporated documents. Except as may be required by law, we undertake no obligation to update or alter these forward-looking statements, whether as a result of new information, future events, or otherwise.

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SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information you should consider when making your investment decision. We urge you to read all of this prospectus supplement, the accompanying prospectus and the documents incorporated by reference, including our consolidated financial statements and accompanying notes, carefully to gain a fuller understanding of our business and the terms of the notes, as well as some of the other considerations that may be important to you, before making your investment decision. You should pay special attention to the Risk Factors section of this prospectus supplement and the information under the headings Forward-Looking Statements and Risk Factors contained in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, which is incorporated herein by reference, and any subsequent Quarterly Reports on Form 10-Q or Annual Reports on Form 10-K incorporated by reference in this prospectus supplement.

Eastman Chemical Company

Eastman Chemical Company is a global specialty chemical company that produces a broad range of advanced materials, chemicals, and fibers that are found in products people use every day. Eastman began business in 1920 for the purpose of producing chemicals for Eastman Kodak Company's photographic business and became a public company, incorporated in Delaware, on December 31, 1993. Eastman has 49 manufacturing sites and equity interests in four manufacturing joint ventures in 14 countries that supply products to customers throughout the world. The Company's headquarters and largest manufacturing site are located in Kingsport, Tennessee.

Eastman is focused on consistent earnings growth through a market-driven approach that takes advantage of the Company's existing technology platforms, global market and manufacturing presence, and leading positions in key end markets such as transportation, building and construction, and consumables. Eastman management believes that the Company's end-market diversity is a source of strength, and that many of the markets into which the Company's products are sold are benefiting from longer-term global trends such as energy efficiency, a rising middle class in emerging economies, and an increased focus on health and wellness. Management believes that these trends, combined with the diversity of the Company's end markets, facilitate more consistent demand for the Company's products over time.

In 2015, the Company reported sales revenue of \$9.6 billion, operating earnings of \$1.4 billion, and earnings of \$848 million. Earnings per diluted share were \$5.66. Asset impairments and restructuring charges and acquisition-related costs included in operating earnings were \$183 million and \$35 million, respectively. Additionally, operating earnings included mark-to-market (MTM) pension and other postretirement benefits plans actuarial net loss of \$115 million. For the three months ended March 31, 2016, the Company had sales

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revenue of \$2.2 billion, operating earnings of \$399 million and net earnings of \$251 million. Earnings per diluted share were \$1.69 for the three months ended March 31, 2016.

First quarter 2016 operating earnings included costs related to prior acquisitions of \$9 million and a gain from the sale of a previously impaired asset of \$2 million, and net earnings also included a \$5 million cost of disposition of claims against operations that were discontinued by an acquired business prior to the Company's acquisition of that business.

As of January 2016, the Company changed its organizational and management structure following the completion of the integration of recently acquired businesses to better align similar strategies and business models. As a result, beginning first quarter 2016, the Company's products and operations are managed and reported in four operating segments: Additives & Functional Products, Advanced Materials, Chemical Intermediates and Fibers.

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The Offering

The following summary contains information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section in this prospectus supplement entitled "Description of Notes" and the section in the accompanying prospectus entitled "Description of Debt Securities." Unless the context requires otherwise, all references to "we" and "the Company" in this "Summary The Offering" section refer only to Eastman Chemical Company and not its subsidiaries.

Issuer Eastman Chemical Company

Notes Offered aggregate principal amount of % notes due 20

Maturity The notes will mature on , 20 .

Interest % per year

Interest Payment Dates We will pay interest on the notes annually on , beginning , 2017.

Ranking The notes:

- will be unsecured;
- will rank equally in right of payment with all our existing and future unsecured and unsubordinated debt;
- will be senior to any of our future subordinated debt;
- will be effectively subordinated to any of our future secured debt to the extent of the value of the assets securing such debt; and
- will be structurally subordinated to all existing and future liabilities of our subsidiaries.

As of March 31, 2016, we had approximately \$6.9 billion of debt that would rank equally with the notes, and our subsidiaries had approximately \$194 million of debt that would be structurally senior in right of repayment to our obligations under the notes.

Optional Redemption

We may redeem the notes, in whole or in part, at any time prior to _____, 20____ (three months prior to their

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maturity, on at least 30 days , but not more than 60 days , prior notice mailed (or otherwise transmitted in accordance with the applicable procedures of Euroclear or Clearstream) to the registered address of each holder of the notes, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined in this prospectus supplement) of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined in this prospectus supplement) plus basis points; plus, in each case, accrued and unpaid interest to the redemption date.

In addition, commencing , 20 (three months prior to the maturity date), we may redeem the notes, in whole or in part, at any time and from time to time, on at least 30 days , but not more than 60 days , prior notice mailed (or otherwise transmitted in accordance with the applicable procedures of Euroclear or Clearstream) to the registered address of each holder of the notes to be redeemed, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the redemption date.

See Description of Notes Optional Redemption.

Redemption for Tax Reasons

We may redeem the notes, in whole but not part, at any time if certain events occur involving changes in U.S. taxation that would require us to pay additional amounts as described under Description of Notes Payment of Additional Amounts, at a redemption price equal to 100% of the principal amount of the notes, together with accrued and unpaid interest on the notes to be redeemed to the date of redemption. See Description of Notes Redemption for Tax Reasons.

Payment of Additional Amounts

We will, subject to certain exceptions and limitations, pay as additional interest on the notes such additional amounts as are necessary in order that the net payment of principal

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of and interest on the notes to a holder who is not a U.S. Person (as defined herein), after withholding or deduction for any present or future tax, assessment or other governmental charge imposed by the U.S. or a taxing authority in the U.S., will not be less than the amount provided in the notes to be then due and payable. See Description of Notes Payment of Additional Amounts.

Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event (as defined in this prospectus supplement), the holders of the notes will have the right to cause us to repurchase all or a portion of the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to, but excluding, the date of repurchase. See Description of Notes Change of Control Triggering Event.

Covenants

The indenture under which the notes will be issued contains covenants that, among other things, restrict our ability to:

incur certain secured indebtedness;

enter into sale and leaseback transactions; and

consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

These covenants are subject to important exceptions and qualifications, which are described in this prospectus supplement and the accompanying prospectus. For a more detailed description, see Description of Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

Issuance of Additional Notes

We may create and issue additional notes ranking equally and ratably with the notes in all respects, except for any differences in the issue date, price to the public, interest accrued prior to the issue date of such additional notes and the initial interest payment date, so that such additional notes shall be consolidated with the notes offered hereby, including for purposes of voting and redemptions,

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provided that if such additional notes are not fungible for U.S. federal income tax purposes, such additional notes will have a different CUSIP number from the notes offered hereby.

Form and Denomination

The notes will be issued in fully registered form in denominations of 100,000 and in integral multiples of 1,000 in excess thereof. The notes will be represented by one or more permanent global notes that will be deposited with a common depository and will be registered in the name of the nominee of the common depository for the accounts of Clearstream Banking, *société anonyme* (Clearstream) and Euroclear Bank S.A./N.V. (Euroclear). Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in Clearstream or Euroclear. Except in the limited circumstances described in this prospectus supplement, certificates will not be issued in exchange for beneficial interests in the notes. See Description of Notes Book-Entry Procedures in this prospectus supplement.

Use of Proceeds

We expect that we will receive approximately million, or \$ million based on the euro/U.S. dollar exchange rate of 1.00 = \$1.1294 as of May 13, 2016 as published by the U.S. Federal Reserve Board, in net proceeds from this offering, after deducting the underwriting discounts and estimated offering expenses payable by us. We currently expect that we may use the net proceeds from this offering to repay or redeem a portion of the \$1.0 billion outstanding aggregate principal amount of our 2.4% notes due June 2017, either at or prior to maturity. Any proceeds not used therefor will be used for general corporate purposes, which may include working capital, capital expenditures, the repayment of other indebtedness outstanding from time to time, and other matters in connection with the implementation of our strategic initiatives. Pending the application of the net proceeds, we will invest such net proceeds in short-term investments. See Use of Proceeds.

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Listing

We intend to apply to list the notes on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time. Currently, there is no public market for the notes. Certain of the underwriters have advised us that they intend to make a market in the notes, but the underwriters are not obligated to do so and may discontinue market-making with respect to the notes at any time without notice. See **Underwriting** beginning on page S-50 of this prospectus supplement for more information about possible market-making by the underwriters.

Currency

All payments of interest on and the principal of the notes and any redemption price for, or additional amounts as described under **Description of Notes Payment of Additional Amounts**, if any, with respect to, the notes will be made in euro. If we are unable to obtain euro in amounts sufficient to make a required payment under the notes due to the imposition of exchange controls or other circumstances beyond our control (including the dissolution of the European Monetary Union) or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments will be made in U.S. dollars until the euro is again available to us or so used. Any payments in respect of the notes so made in U.S. dollars will not constitute an event of default under the terms of the notes or the indenture. See **Description of Notes Issuance in Euros**.

Certain U.S. Federal Income Tax Considerations

You should consult your tax advisor with respect to the U.S. federal, state, local and non-U.S. tax considerations in connection with owning and disposing of the notes. See **Certain U.S. Federal Income Tax Considerations**.

Risk Factors

See **Risk Factors** and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding whether to invest in the notes.

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Governing Law

The notes will be and the indenture is governed by the laws of the State of New York.

Paying Agent

Elavon Financial Services Limited, UK Branch

Trustee

Wells Fargo Bank, National Association

ISIN / Common Code / CUSIP

/ /

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The following table presents selected historical consolidated financial data for us as of and for the fiscal years ended December 31, 2015, 2014, 2013, 2012, 2011, and as of and for the three months ended March 31, 2016 and 2015. This financial data has been derived from, and is qualified in its entirety by reference to, our historical consolidated financial data and related notes. This information should be read in conjunction with our consolidated financial statements and the related notes thereto and the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our Annual Report on Form 10-K for the year ended December 31, 2015, our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 and our Current Report on Form 8-K filed on April 18, 2016, each of which is incorporated by reference into this prospectus supplement. The financial data for the three months ended March 31, 2016 and 2015, and as of March 31, 2016, includes all adjustments, consisting of normal recurring accruals, that we consider necessary for a fair presentation of our results of operations for such period and our financial position as of such date. Interim results are not necessarily indicative of results to be expected for any future periods, or our financial position expected to be achieved, at any future date.

(in millions, except per share amounts)	Three months ended March 31,		Year ended December 31,				
	2016	2015	2015	2014 ⁽¹⁾	2013	2012 ⁽²⁾	2011 ⁽³⁾
Operating Data							
Sales	\$ 2,236	\$ 2,443	\$ 9,648	\$ 9,527	\$ 9,350	\$ 8,102	\$ 7,178
Operating earnings ⁽⁴⁾	399	311	1,384	1,162	1,862	800	937
Net earnings	251	172	854	755	1,172	443	607
Less: Net earnings attributable to non-controlling interest		1	6	6	7	7	1
Net earnings attributable to Eastman	\$ 251	\$ 171	\$ 848	\$ 751	\$ 1,165	\$ 437	\$ 646
Basic earnings per share attributable to Eastman	\$ 1.70	\$ 1.15	\$ 5.71	\$ 5.03	\$ 7.57	\$ 3.00	\$ 4.63
Diluted earnings per share attributable to Eastman	\$ 1.69	\$ 1.14	\$ 5.66	\$ 4.97	\$ 7.44	\$ 2.93	\$ 4.52

(1) In 2014, Eastman completed four acquisitions, each accounted for as a business combination. On December 5, 2014, Eastman completed its acquisition of Taminco Corporation ("Taminco"), a global specialty chemical company. The fair value of total consideration transferred was \$2.8 billion, consisting of cash of \$1.7 billion, net of cash acquired, and repayment of Taminco's debt of \$1.1 billion.

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On December 11, 2014, Eastman acquired Commonwealth Laminating & Coating, Inc. (Commonwealth) for a total purchase price of \$438 million prior to post closing adjustments.

On June 2, 2014, Eastman acquired BP plc s global aviation turbine engine oil business (aviation turbine oil business) for a total cash purchase price of \$283 million.

On August 6, 2014, Eastman completed its acquisition of Knowlton Technologies, LLC (Knowlton) for a total cash purchase price of \$42 million.

(2) On July 2, 2012, Eastman completed its acquisition of Solutia, Inc. (Solutia), a global leader in performance materials and specialty chemicals. The fair value of total consideration transferred was \$4.8 billion, consisting of cash of \$2.6 billion, net of cash acquired; equity in the form of Eastman stock of approximately \$700 million; and the assumption and subsequent repayment of Solutia s debt at fair value of \$1.5 billion. The acquisition was accounted for as a business combination and, as of the date of the acquisition, results of the acquired Solutia businesses were included in Eastman s results.

(3) In third quarter 2011, Eastman completed three acquisitions, each accounted for as a business combination: Sterling Chemicals, Inc., a single site North American petrochemical producer, to produce non-phthalate plasticizers, including Eastman 168[®] non-phthalate plasticizers, and acetic acid; Scandiflex do Brasil S.A. Indústrias Químicas, a manufacturer of plasticizers located in São Paulo, Brazil; and Dynaloy, LLC, a producer of formulated solvents. The acquisitions were accounted for as business combinations.

(4) Mark-to-market pension and other postretirement benefit plans actuarial net (gains) losses for the years ended 2015, 2014, 2013, 2012 and 2011 were \$115 million, \$304 million, (\$383 million), \$276 million and \$144 million, respectively.

(in millions, except per share amounts)	As of		As of December 31,			
	March 31, 2016	2015	2014	2013	2012	2011
Statement of Financial Position Data						
Current assets	\$ 2,863	\$ 2,878	\$ 3,173	\$ 2,840	\$ 2,699	\$ 2,302
Net properties	5,185	5,130	5,087	4,290	4,181	3,107
Total assets	15,616	15,611	16,072	11,845	11,710	6,184
Current liabilities	1,847	2,056	2,022	1,470	1,364	1,114
Long-term borrowings	6,565	6,608	7,248	4,254	4,779	1,445
Total liabilities	11,331	11,590	12,482	7,970	8,682	4,283
Total stockholders equity	4,204	3,941	3,510	3,796	2,943	1,870
Dividends declared per share ⁽¹⁾	0.46	1.66	1.45	1.25	1.08	0.99

(1) In third quarter 2011, Eastman declared a two-for-one split of its common stock, distributed October 3, 2011. All per share amounts have been adjusted for all periods presented for the stock split.

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RISK FACTORS

*You should carefully consider the risks and uncertainties described below as well as any cautionary language or other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risks described under the headings *Forward-Looking Statements* and *Risk Factors* contained in our *Quarterly Report on Form 10-Q* for the quarterly period ended March 31, 2016, which is incorporated herein by reference, and any subsequent *Quarterly Reports on Form 10-Q* or *Annual Reports on Form 10-K* incorporated by reference in this prospectus supplement before deciding whether to invest in the notes. The risks described therein or set forth below are those that we consider to be the most significant to your decision whether to invest in the notes. If any of the events described below occurs, the value of your investment in the notes could decline, and in some cases we may not be able to make payments on the notes, and this could result in your losing all or part of your investment.*

The notes will be effectively subordinated to the existing and future liabilities of our subsidiaries and to any secured debt we may incur in the future to the extent of the assets securing the same and, therefore, your right to receive payments on the notes will be effectively junior to claims of our subsidiaries' creditors and to the lenders under secured debt agreements.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes. In addition, any payment of dividends, loans, or advances by our subsidiaries could be subject to statutory or contractual restrictions. Our right to receive any assets of any of our subsidiaries upon its bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any debt of our subsidiaries senior to that held by us. At March 31, 2016, our subsidiaries had approximately \$194 million of debt.

The notes are not secured by any of our assets. If we become insolvent or are liquidated, or if payment under any of the agreements governing any secured debt we may incur in the future is accelerated, the lenders under such secured debt agreements would be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to agreements governing that debt. Accordingly, those lenders would have a prior claim on our assets to the extent of their liens thereon. In that event, because the notes are not secured by any of our assets, it is possible that there would be no assets remaining from which claims of the holders of notes could be satisfied or, if any assets remain, the remaining assets may be insufficient to satisfy those claims in full.

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We may not have the funds necessary to finance the change of control repurchase offer required by the indenture.

Upon the occurrence of a Change of Control Triggering Event (as defined under the heading Description of Notes Change of Control Triggering Event), we will be required to make an offer to repurchase all outstanding notes at a repurchase price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. We cannot assure you that we will have sufficient funds available to make any required repurchases of the notes. Any failure to repurchase the notes in those circumstances would constitute a default under the indenture. A default could result in the acceleration of the principal and interest on all the notes.

The terms of the indenture and the notes provide only limited protection against a number of significant corporate events that could adversely impact your investment in the notes.

While the indenture and the notes contain terms intended to provide protection to holders of notes upon the occurrence of certain events involving significant corporate transactions and our creditworthiness, such terms are limited and may not be sufficient to protect your investment in the notes.

The definition of Change of Control contemplates, among other things, the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of our properties or assets taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise, established definition of the phrase under applicable law. Accordingly, the applicability of the requirement that we offer to repurchase the notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of our assets taken as a whole to another person or group may be uncertain.

The definition of the term Change of Control Triggering Event does not cover a variety of transactions (such as acquisitions by us or recapitalizations) that could negatively affect the value of the notes. If we were to enter into a significant corporate transaction that would negatively affect the value of the notes but would not constitute a Change of Control Triggering Event, we would not be required to offer to repurchase your notes prior to their maturity.

Furthermore, the indenture and the notes do not, and will not, among other things:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity;

limit our ability to incur debt that is equal in right of payment to the notes;

limit the ability of our subsidiaries to incur unsecured debt, which will be structurally senior to the notes;

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limit the ability of us or our subsidiaries to incur debt that is secured in any manner other than by any Principal Property (as defined under the heading Description of Notes Restrictions on Secured Debt);

restrict our ability to repurchase or prepay any other of our securities or other debt;

restrict our ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes; or

limit our ability to sell, merge or consolidate any of our unrestricted subsidiaries.

For a further discussion of the terms of the indenture and the notes, see the information under the heading Description of Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

There is currently no trading market for the notes and an active trading market for the notes may not develop.

The notes are new issues of securities with no trading market. Although we intend to apply for listing of the notes for trading on the New York Stock Exchange, no assurances can be given that the notes will become or will remain listed. As a result, an active trading market for the notes may not develop, or if one does develop, it may not be sustained. If an active trading market fails to develop or cannot be sustained, you may not be able to resell your notes at their fair market value or at all.

Holders of the notes will receive payments solely in euro except under the limited circumstances provided herein.

All payments of interest on and the principal of the notes and any redemption price for, or additional amounts with respect to, the notes will be made in euro except under the limited circumstances provided herein. See Description of Notes Issuance in Euros. We, the underwriters, the trustee and the paying agent with respect to the notes will not be obligated to convert, or to assist any registered owner or beneficial owner of such notes in converting, payments of interest, principal, any redemption price or any additional amount in euro made with respect to such notes into U.S. dollars or any other currency. If you are a U.S. Holder (as defined below), see Certain U.S. Federal Income Tax Considerations Consequences to U.S. Holders for certain U.S. federal income tax consequences of ownership and disposition related to the notes being denominated in euro.

Holders of the notes may be subject to certain risks relating to the euro, including the effects of foreign currency exchange rate fluctuations, as well as possible exchange controls.

The initial investors in the notes will be required to pay for the notes in euro. Neither we nor the underwriters will be obligated to assist the initial investors in obtaining euro or in converting other currencies into euro to facilitate the payment of the purchase price for the notes.

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An investment in any security denominated in, and all payments with respect to which are to be made in, a currency other than the currency of the country in which an investor in the notes resides or the currency in which an investor conducts its business or activities (the investor's home currency), entails significant risks not associated with a similar investment in a security denominated in the investor's home currency. In the case of the notes offered hereby, these risks may include the possibility of:

significant changes in rates of exchange between the euro and the investor's home currency; and

the imposition or modification of foreign currency exchange controls with respect to the euro or the investor's home currency.

We have no control over a number of factors affecting the notes and foreign currency exchange rates, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their effects. Changes in foreign currency exchange rates between two currencies result from the interaction over time of many factors directly or indirectly affecting economic and political conditions in the countries issuing such currencies, and economic and political developments globally and in other relevant countries. Foreign currency exchange rates may be affected by, among other factors, existing and expected rates of inflation, existing and expected interest rate levels, the balance of payments between countries and the extent of governmental surpluses or deficits in various countries. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the governments of various countries important to international trade and finance. Moreover, the recent global economic crisis and the actions taken or to be taken by various national governments in response to the crisis as well as market perceptions concerning the instability of the euro could significantly affect the exchange rates between the euro and the investor's home currency.

The exchange rates of an investor's home currency for euro and the fluctuations in those exchange rates that have occurred in the past are not necessarily indicative of the exchange rates or the fluctuations therein that may occur in the future. Depreciation of the euro against the investor's home currency would result in a decrease in the investor's home currency equivalent yield on a note, in the investor's home currency equivalent of the principal payable at the maturity of that note and generally in the investor's home currency equivalent market value of that note. Appreciation of the euro in relation to the investor's home currency would have the opposite effects.

The European Union or one or more of its member states may, in the future, impose exchange controls and modify any exchange controls imposed, which controls could affect exchange rates, as well as the availability of euro at the time of payment of principal of, interest on, or any redemption payment or additional amounts with respect to, the notes.

Furthermore, the indenture is, and the notes will be, governed by the laws of the State of New York. Under New York law, a New York state court rendering a judgment on the notes would be required to render the judgment in euro. However, the judgment would be converted into

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U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on the notes, investors would be exposed to variations in the U.S. dollar/euro exchange rate until a New York state court judgment is entered, and we cannot predict how long this would take. A U.S. federal court sitting in New York with diversity jurisdiction over a dispute arising in connection with the notes would apply the foregoing New York law. In courts outside of New York, investors may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the notes in many other U.S. federal or state courts ordinarily would be rendered in the U.S. only in U.S. dollars. The date used to determine the rate of conversion of euro into U.S. dollars would depend upon various factors, including which court renders the judgment and when the judgment is rendered.

This description of foreign currency exchange risks does not describe all the risks of an investment in securities, including, in particular, the notes, that are denominated or payable in a currency other than an investor's home currency. You should consult your own financial, legal and tax advisors as to the risks involved in an investment in the notes.

The terms of the notes will permit us to make payments in U.S. dollars if we are unable to obtain euro, which could adversely affect the value of the notes.

If, as described under "Description of Notes—Issuance in Euros," we are unable to obtain euro in amounts sufficient to make a required payment under the notes due to the imposition of exchange controls or other circumstances beyond our control (including the dissolution of the European Monetary Union) or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the then most recent U.S. dollar/euro exchange rate available on or prior to the second business day prior to the relevant payment date as determined by us in our sole discretion. There can be no assurance that this exchange rate will be as favorable to holders of notes as the exchange rate otherwise determined by applicable law. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the notes.

Trading in the clearing systems is subject to minimum denomination requirements.

The notes will be issued only in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof. It is possible that the clearing systems may process trades which could result in amounts being held in denominations smaller than the minimum denominations. If definitive notes are required to be issued in relation to such notes in accordance with the provisions of the relevant global notes, a holder who does not have the

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minimum denomination or an integral multiple of 1,000 in excess thereof in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of definitive notes unless and until such time as its holding satisfies the minimum denomination requirement.

The notes will initially be held in book-entry form and therefore investors must rely on the procedures of Euroclear and Clearstream to exercise any rights and remedies.

So long as Euroclear or Clearstream or their common depositary or nominee is the registered holder of the notes issued in the form of one or more global notes, Euroclear, Clearstream or such common depositary or nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the global notes for all purposes under the indenture and the notes. Payments of principal, interest and premium and additional amounts, if any, in respect of the global notes will be made to Euroclear, Clearstream, such common depositary or such nominee, as the case may be, as registered holder thereof. After payment to the common depositary for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if investors own a book-entry interest, they must rely on the procedures of Euroclear and Clearstream and, if investors are not participants in Euroclear and Clearstream, they must rely on the procedures of the participant through which they own their interest, to receive such payments or to exercise any other rights and obligations of a holder of notes under the indenture.

Unlike the holders of the notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the notes. Instead, if an investor owns a book-entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the indenture, unless and until definitive or certificated registered notes are issued in respect of all book-entry interests, if investors own book-entry interests, they will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream, may not be adequate to ensure the timely exercise of rights under the notes. See Description of Notes Book-Entry Procedures in this prospectus supplement.

In certain instances, it will be possible for the indenture to be amended and for compliance with certain covenants and for certain defaults thereunder to be waived with the consent of the holders of a majority in aggregate principal amount of all of the notes of each series of notes issued under the indenture, affected thereby, treated as a single class.

Subject to certain exceptions, the indenture provides that it may be amended by us and the trustee with the consent of the holders of any series of notes issued under the indenture,

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including the notes. With respect to any series of notes, the required consent can be obtained from either the holders of a majority in aggregate principal amount of the notes of that series, or from the holders of a majority in aggregate principal amount of all of the notes of that series and all other series issued under the indenture affected by the amendment, voting as a single class. In addition, subject to certain exceptions, with respect to any series of notes issued under the indenture, our compliance with certain restrictive provisions of the indenture or any past default under the indenture may be waived by either the holders of a majority in aggregate principal amount of the notes of that series, or by the holders of a majority in aggregate principal amount of all of the notes of that series and all other series issued under the indenture affected by the waiver, voting as a single class. As a result, it will be possible in certain circumstances for the indenture to be amended and for compliance with certain covenants and for certain defaults thereunder to be waived with the consent of holders of less than a majority of any particular series of notes issued under the indenture (and potentially without the consent of any of the holders of any particular series of notes issued under the indenture), including the notes offered hereby.

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The following table shows our total capitalization as of March 31, 2016:

on an actual basis; and

on an as adjusted basis to reflect this offering of notes.

This table should be read in conjunction with Summary Summary Historical Consolidated Financial Data appearing elsewhere in this prospectus supplement, the information under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements, including the accompanying notes, appearing in our Annual Report on Form 10-K for the year ended December 31, 2015, and our unaudited condensed consolidated interim financial statements appearing in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 which reports are incorporated by reference herein.

(dollars in millions, except par value)	As of March 31, 2016	
	Actual	As adjusted
% notes due 20 offered hereby (million)(1)		
2.4% notes due June 2017	998	998
6.30% notes due November 2018	165	165
5.5% notes due November 2019	249	249
2.7% notes due January 2020	795	795
4.5% notes due January 2021	249	249
3.6% notes due August 2022	894	894
7 1/4% debentures due January 2024	244	244
7 5/8% debentures due June 2024	54	54
3.8% notes due March 2025	791	791
7.60% debentures due February 2027	222	222
4.8% notes due September 2042	492	492
4.65% notes due October 2044	869	869
Credit facility borrowings and commercial paper borrowings	1,052	1,052
Capital leases	4	4
Total borrowings	7,078	
Borrowings due within one year	513	513
Long-term borrowings	\$ 6,565	\$
Stockholders' equity:		
Common stock, par value \$0.01		
Authorized 350,000,000 shares		
Issued 217,211,091 shares	\$ 2	\$ 2
Additional paid-in capital	1,877	1,877
Retained earnings	5,330	5,330
Accumulated other comprehensive income (loss)	(305)	(305)
	6,904	6,904
Less: Treasury stock at cost	2,700	2,700
Total Eastman stockholders' equity	4,204	4,204

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Noncontrolling interest	81	81
Total equity	4,285	4,285
Total capitalization	\$ 11,363	\$

(1) Based on the euro/U.S. dollar exchange rate of 1.00 = \$1.1294 as of May 13, 2016 as published by the U.S. Federal Reserve Board.

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The table below sets forth, for the periods and dates indicated, information concerning the noon buying rate in New York City for cable transfers as announced by the U.S. Federal Reserve Board for euro (expressed in U.S. dollars per 1.00). The rates in this table are provided for your reference only. Unless otherwise specified, the euro/U.S. dollar exchange rate used in this prospectus supplement is 1.00 = \$1.1294 as of May 13, 2016 as published by the U.S. Federal Reserve Board.

Period	High	Low	Period Average⁽¹⁾	Period End
2011	\$ 1.4875	\$ 1.2926	\$ 1.3931	\$ 1.2973
2012	1.3463	1.2062	1.2859	1.3186
2013	1.3816	1.2774	1.3281	1.3779
2014	1.3927	1.2101	1.3297	1.2101
2015	1.2015	1.0524	1.1096	1.0859
2016 (through May 13)	1.1516	1.0743	1.1147	1.1294
January 2016	1.0964	1.0743	1.0855	1.0832
February 2016	1.1362	1.0868	1.1092	1.0868
March 2016	1.139	1.0845	1.1134	1.139
April 2016	1.1441	1.1239	1.1346	1.1441
May 2016 (through May 13)	1.1516	1.1294	1.1424	1.1294

(1) The average of the noon buying rates of each day of the relevant year or period.

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The following table sets forth our consolidated ratio of earnings to fixed charges for the indicated periods:

	Three months ended		Year Ended December 31,			
	March 31,		2014	2013	2012	2011
	2016	2015				
Ratio of earnings to fixed charges	5.0x	4.6x	5.1x	8.8x	4.6x	9.1x

For purposes of computing this ratio, earnings represents income from continuing operations before income taxes plus interest expense, one-third of rent expense (which approximates the interest component of rental expense), and amortization of capitalized interest. Fixed charges consist of interest expense, the interest component of rental expense, and capitalized interest. We have not had any shares of preferred stock outstanding during any of these periods, and have not paid any preferred stock dividends. Therefore, our ratio of earnings to combined fixed charges and preferred dividends is the same as the ratio above.

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USE OF PROCEEDS

We expect that we will receive approximately million, or \$ million based on the euro/U.S. dollar exchange rate of 1.00 = \$1.1294 as of May 13, 2016 as published by the U.S. Federal Reserve Board, in net proceeds from this offering, after deducting the underwriting discounts and estimated offering expenses payable by us. We currently expect that we may use the net proceeds from this offering to repay or redeem a portion of the \$1.0 billion outstanding aggregate principal amount of our 2.4% notes due June 2017, either at or prior to maturity. Any proceeds not used therefor will be used for general corporate purposes, which may include working capital, capital expenditures, the repayment of other indebtedness outstanding from time to time, and other matters in connection with the implementation of our strategic initiatives. Pending the application of the net proceeds, we will invest such net proceeds in short-term investments.

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Table of Contents**DESCRIPTION OF NOTES**

The notes being offered hereby are a new, separate series of debt securities. The notes will be issued under an indenture, dated June 5, 2012, by and between Eastman Chemical Company and Wells Fargo Bank, National Association, as trustee. The following description is only a summary of the material provisions of the notes and does not purport to be complete. This summary is subject to and is qualified in its entirety by reference to all the provisions of the indenture, including the definitions of the terms used in the indenture and those terms made a part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). You should read the documents in their entirety because they, and not this description, will define your rights as a holder of the applicable series of notes. You may request a copy of the indenture from us as described under the heading **Where You Can Find More Information**.

Unless the context requires otherwise, all references to **we** and the **Company** in this **Description of Notes** section include only Eastman Chemical Company and not its Subsidiaries (as defined below). We have initially appointed Elavon Financial Services Limited, UK Branch to act as the paying agent, calculation agent and transfer agent and Elavon Financial Services Limited to act as the registrar in connection with the notes.

The following description of the particular terms of the notes offered hereby supplements the general description of debt securities set forth in the accompanying prospectus.

General

The notes will be issued in an initial aggregate principal amount of _____ and will mature on _____, 20____. The notes will be issued only in book-entry form without coupons in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof. The notes will not be entitled to any sinking funds. The notes will be represented by one or more permanent global notes that will be deposited with a common depositary and will be registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. See **Book-Entry Procedures; Global Clearance and Settlement**.

The notes will bear interest annually at a rate of _____% per annum from _____, 2016, or from the most recent date from which interest has been paid or provided for. Interest will be payable annually in arrears on _____ of each year, beginning _____, 2017 to the persons in whose names the notes are registered in the security register at the close of business on the _____ preceding the relevant interest payment date, or if the notes are represented by one or more global notes, the close of business on the business day (for this purpose a day on which Clearstream and Euroclear are open for business) immediately preceding the relevant interest payment date; except that interest payable at maturity shall be paid to the same persons to whom principal of the notes is payable.

Interest payable on the notes on any interest payment date, redemption date or maturity date shall be the amount of interest accrued from, and including, the next preceding interest payment date in respect of which interest has been paid or duly provided for (or from and

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including the original issue date of the notes, if no interest has been paid or duly provided for) to, but excluding, such interest payment date, redemption date or maturity date, as the case may be. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Markets Association. If any interest payment date, maturity date or redemption date is not a business day, the payment otherwise required to be made on such date will be made on the next business day without any additional payment as a result of such delay. The rights of holders of beneficial interests of notes to receive the payments of interest on such notes are subject to the applicable procedures of Euroclear and Clearstream.

Unless otherwise indicated, the term **business day** means any day, other than a Saturday or Sunday, (i) which is not a day on which banking institutions in The City of New York or London are authorized or required by law or executive order to close and (ii) on which the Trans-European Automated Real-time Gross Settlement Express Transfer system, or the TARGET2 system, or any successor thereto, operates.

Listing

The notes are a new issue of securities with no established trading market. We intend to apply to list the notes on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time. We currently expect trading in the notes on the New York Stock Exchange to begin within 30 days after the original issue date. Currently there is no public market for the notes.

Optional Redemption

We may redeem the notes, in whole or in part, at any time prior to _____, 20____ (three months prior to their maturity), on at least 30 days _____, but not more than 60 days _____, prior notice mailed (or otherwise transmitted in accordance with the applicable procedures of Euroclear or Clearstream) to the registered address of each holder of the notes, at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed; or

the sum of the present values of the Remaining Scheduled Payments (as defined below) of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below) plus _____ basis points; plus, in each case, accrued and unpaid interest to the redemption date.

In addition, c