

EASTMAN CHEMICAL CO
Form 8-K
October 26, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15 (d) of the Securities and Exchange Act of 1934

**Date of report (Date of earliest event reported):
October 26, 2006**

EASTMAN CHEMICAL COMPANY
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation)	1-12626 (Commission File Number)	62-1539359 (IRS Employer Identification No.)
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200 South Wilcox Drive, Kingsport, TN (Address of Principal Executive Offices)	37660 (Zip Code)
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(423) 229-2000
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EASTMAN CHEMICAL
COMPANY - EMN

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Item 2.02 Results of Operations and Financial Condition

On October 26, 2006, the registrant publicly released its financial results for third quarter 2006. The full text of the release is furnished as Exhibit 99.01 to this Form 8-K, and is incorporated herein by reference. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

This Form 8-K includes the following non-GAAP financial measures:

Eastman Chemical Company Operating Earnings, Earnings Before Tax, Net Earnings and Diluted Earnings Per Share excluding asset impairments and restructuring charges.

Eastman’s management believes that the asset impairments and restructuring charges do not reflect ongoing business results. However, management believes that this item is indicative of the performance of certain businesses and product lines and results of continuous efforts and actions to improve the profitability of the company. Management believes that investors can better evaluate and analyze historical and future business trends if they also consider the reported results without the identified item. Management utilizes sales revenue and operating results excluding the identified item in the measures it uses to evaluate business performance and in determining certain performance-based compensation. This measure is not recognized in accordance with generally accepted accounting principles (GAAP) and should not be viewed as an alternative to the GAAP measures of performance. Table 6 in the accompanying third quarter 2006 financial tables reconciles operating earnings, earnings before tax, net earnings and earnings per share on a GAAP basis, as reflected in Eastman’s Consolidated Statements of Earnings, to operating earnings, earnings before tax, net earnings and earnings per share excluding asset impairments and restructuring charges.

In addition, the Company has chosen to present sales revenue and operating earnings (loss) attributable to product lines being divested. Tables 4 and 5 in the accompanying third quarter 2006 financial tables provide this information on a GAAP basis.

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Item 9.01 Financial Statements and Exhibits:

(d) Exhibits

The following exhibit is furnished pursuant to Item 9.01:

99.01 Public release by the registrant on October 26, 2006 of third quarter 2006 financial results.

EASTMAN CHEMICAL
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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Eastman Chemical Company

By: /s/ Curtis E. Espeland
Curtis E. Espeland
Vice President and Chief Accounting Officer

Date: October 26, 2006