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FOR IMMEDIATE RELEASE

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**Eastman Continues Investment in Calhoun
County, S.C., Site**

Celebrating the Site's 40-year History and Investing in its Future

COLUMBIA, S.C. - The South Carolina Department of Commerce and the Central S.C. Alliance joined Eastman Chemical Company in announcing that the company will invest approximately \$100 million to further invest in and transform its facility in Calhoun County, S.C.

"Today's announcement is another sign that our efforts to strengthen the economic soil conditions are working to grow existing businesses in our state. As we work to compete in the global economy, these efforts are critical to our future success. We remain committed to continuing to enhance opportunities that will promote economic growth and job creation throughout South Carolina," said Gov. Mark Sanford.

Supporting previously announced strategic growth efforts for both specialty copolyesters and polyethylene terephthalate (PET) product lines, the company disclosed that this expenditure will encompass the conversion of an existing polymer line to add specialty copolyester production to the site, transformation from dimethyl terephthalate (DMT) to purified terephthalic acid (PTA) production to create an integrated PTA-based polymer site, and infrastructure investments. Also included will be projects aimed at increasing the capacity of the site's IntegRex technology polymer production by at least 50%. The projects are currently underway and expected to be completed in 2008.

Commenting on the importance of these investments to the company's specialty copolyesters business in particular, Dante Rutstrom, vice president and general manager of Eastman's specialty plastics business, said, "Eastman is dedicated to efficiently serving the needs of our customers in the global copolyester market. The additional capacity and flexibility the expansions will give us are a clear demonstration of our

commitment to this business and to growing with our specialty copolyester customers."

"It's appropriate that we're beginning these projects during the 40th anniversary of our South Carolina Operations. As we're celebrating the site's history, these investments are about its future," said Gregory O. Nelson, executive vice president and head of Eastman's polymers business group.

Nelson noted the site began operation in 1967 as a manufacturer of polyester textile fibers. During the early 80s, the site became one of the earliest producers of PET resin for carbonated soft drink bottles. In the late 80s, the site ceased fiber production and was fully converted to the manufacture of PET resin for packaging applications. The site remains one of the world's largest PET resin manufacturing facilities in the world.

"For 40 years, Eastman Chemical has been a strong corporate citizen in South Carolina. The company's contributions to grow the local economy create jobs and innovation that are felt throughout the state. We thank Eastman for their continued commitment to strengthen their presence in South Carolina and look forward to celebrating many more years of continued success," said Joe Taylor, Secretary of Commerce.

Central S.C. Alliance Chairman, George Bullwinkel, Jr added, "Today marks another significant announcement by a company that has deep industrial roots in Central South Carolina. Eastman Chemical Company's South Carolina Operations recently celebrated 40 years of manufacturing excellence in Calhoun County and we are proud of the association with this great company. On behalf of our board of directors, I congratulate all the employees of Eastman for their continued success."

Eastman manufactures and markets chemicals, fibers, and plastics worldwide. It provides key differentiated coatings, adhesives and specialty plastics products; is one of the world's largest producers of PET polymers for packaging; and is a major supplier of cellulose acetate fibers. Founded in 1920 and headquartered in Kingsport, Tenn., Eastman is a FORTUNE 500 company with 2006 sales of \$7.5 billion and approximately 11,000 employees. For more information about Eastman, visit www.eastman.com.

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