

Eastman Completes Acquisition of Solutia

Eastman

Announces New Reporting Segments

KINGSPORT, Tenn., July 2, 2012 Eastman Chemical Company (NYSE:EMN) announced today the completion of its acquisition of Solutia Inc. (NYSE:SOA). The approximately \$4.8 billion acquisition supports Eastmans growth strategy to increase revenues and profit margins by expanding the companys geographic reach, especially in emerging markets, and establishing a more diverse and sustainable product portfolio. Eastman expects the acquisition to be immediately accretive to earnings, excluding acquisition-related costs and charges.

We are pleased to complete this transaction and welcome Solutia to the global Eastman team, said Jim Rogers, Chairman and Chief Executive Officer of Eastman. The addition of these strong businesses, unique technologies, and highly differentiated products is expected to contribute strong cash generation and a solid return on capital to Eastman. We are confident this acquisition strengthens our position as a top-tier specialty chemicals company and establishes a powerful combined platform with significant opportunities for organic growth. We are committed to the successful integration of Solutia and look forward to delivering the projected growth and synergies from this combination.

With the acquisition of Solutia, Eastman has made structural and reporting changes resulting in five reporting segments: Additives and Functional Products, Adhesives and Plasticizers, Advanced Materials, Fibers, and Specialty Fluids and Intermediates. This structure takes into consideration the strategies, operating models, and sales channels that the various businesses employ to be leaders in their respective markets.

- **Additives and Functional Products** consists of the rubber materials product lines from Solutias former Technical Specialties segment and the specialty polymers and solvents product lines of Eastmans former Coatings, Adhesives, Specialty Polymers and Inks (CASPI) segment.
- **Adhesives and Plasticizers** consists of the plasticizer product lines of Eastmans former Performance Chemicals and Intermediates (PCI) segment and the adhesives product lines formerly in its CASPI segment.
- **Advanced Materials** consists of Eastmans former Specialty Plastics segment and Solutias former Performance Films and Advanced Interlayers segments.
- **Fibers**, which continues to consist of the acetate tow, acetate yarn, and acetyl product lines.
- **Specialty Fluids and Intermediates** consists of the specialty fluids product lines from Solutias former Technical Specialties segment and Eastmans oxo and acetyl intermediates product lines of its former PCI

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segment.

Solutias Photovoltaics business will be managed as a developing business initiative and reported as other sales and operating earnings (loss).

The company will report third quarter 2012 financial results under the new reporting structure.

In conjunction with the realignment of its reporting segments, Eastman also announced the following changes in executive leadership responsibilities. Mark J. Costa, Executive Vice President, has responsibility for the Additives and Functional Products and Advanced Materials segments, and Ronald C. Lindsay, Executive Vice President, has responsibility for the Adhesives and Plasticizers, Fibers, and Specialty Fluids and Intermediates segments. Godefroy A. F. E. Motte is assuming responsibility for the companys global supply chain and procurement as Senior Vice President, Integrated Supply Chain, Chief Regional and Sustainability Officer.

The closing follows the receipt of all necessary regulatory and other approvals, including approval of the transaction by Solutia stockholders on June 29, 2012. Pursuant to the terms of the merger agreement, Solutia stockholders are entitled to receive \$22.00 in cash and 0.12 shares of Eastman common stock for each share of Solutia common stock. Eastman issued 14,686,067 shares of its common stock in the acquisition and, as a result of the assumption of outstanding warrants to purchase shares of Solutias common stock, has outstanding 4,481,250 warrants which are potentially exercisable for up to an aggregate of 537,750 shares of Eastman common stock and cash.

With the closing of the transaction, Solutias common stock and warrants will cease trading on the New York Stock Exchange as of the close of the market on July 2, 2012 and will no longer be listed on the NYSE. Beginning on July 3, 2012, Eastmans warrants will trade on the NYSE under the symbol EMN.W.

Forward-Looking Statements

This communication includes forward-looking statements subject to the safe harbor provisions of the federal securities laws. Forward-looking statements include, but are not limited to, statements regarding Eastmans current expectations regarding the expected benefits of the Solutia acquisition, integration plans and expected synergies therefrom, and Eastmans anticipated future financial and operating performance and results, including estimates for general economic conditions and growth. Such expectations are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans, and are subject to a number of risks and uncertainties inherent in projecting future conditions, events, and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions or expectations prove to be inaccurate or are unrealized. Important factors that could cause actual results to differ materially from such expectations are and will be detailed in the companys filings with the Securities and Exchange Commission (SEC), including the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. Filings made by Eastman are available when filed with the

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SEC, on the Eastman web site at www.eastman.com [1] in the Investors, SEC Information section.

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