EASTMAN CHEMICAL CO

Form 4 October 04, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction **SECURITIES**

1(b).

(Last)

(City)

1.Title of

Security

(Instr. 3)

(Instr. 3)

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

MCLAIN THOMAS H

(First) (Middle)

(Zip)

2. Transaction Date 2A. Deemed

200 S. WILCOX DRIVE

(Street)

(State)

KINGSPORT, TN 37660

2. Issuer Name and Ticker or Trading

Symbol

EASTMAN CHEMICAL CO [EMN]

3. Date of Earliest Transaction

(Month/Day/Year) 10/02/2006

4. If Amendment, Date Original

Filed(Month/Day/Year)

X Form filed by One Reporting Person Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 4. Securities (Month/Day/Year) Execution Date, if

> (Month/Day/Year) (Instr. 8)

TransactionAcquired (A) or Code Disposed of (D)

(Instr. 3, 4 and 5)

(A)

or (Instr. 3 and 4) Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Issuer

below)

5. Amount of

Securities

Following

Reported

Transaction(s)

Owned

Beneficially

X Director

Applicable Line)

Officer (give title

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

Price of

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

4. Transactionof Code Derivative (Instr. 8)

5. Number 6. Date Exercisable and **Expiration Date** (Month/Day/Year) Securities

7. Title and Amount of 8. Price **Underlying Securities** (Instr. 3 and 4)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

6. Individual or Joint/Group Filing(Check

Form filed by More than One Reporting

6. Ownership

Form: Direct

(Instr. 4)

(D) or Indirect Beneficial

(Check all applicable)

10% Owner Other (specify

7. Nature of

Ownership

(Instr. 4)

SEC 1474

(9-02)

Indirect

Estimated average

burden hours per

Derivati Security (Instr. 5)

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Derivative Acquired Security (A) or Disposed of (D) (Instr. 3, 4, and 5) Code V (A) (D) Date Expiration Title Amount Exercisable Date Number of Shares Phantom 141 Common \$ 0 (1) (1) 141 (2) Stock 10/02/2006 \$0 (2) Stock Units

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

MCLAIN THOMAS H
200 S. WILCOX DRIVE X

KINGSPORT, TN 37660

Signatures

Brian L. Henry, by Power of Attorney

10/04/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Phantom stock units credited under the Directors' Deferred Compensation Plan, each having a value equal to the market value of one share of issuer common stock and payable only in cash after termination of service as a director.
- (2) Automatic deferral of a portion of director's annual retainer fee into the director's stock account of the Directors' Deferred Compensation Plan.
- (3) Includes 8 units credited since April 3, 2006 as a hypothetical reinvestment of dividend equivalents.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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