

FERGUSON J BRIAN  
Form 4  
November 02, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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 \*  
FERGUSON J BRIAN

2. Issuer Name and Ticker or Trading Symbol  
EASTMAN CHEMICAL CO [EMN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
EASTMAN CHEMICAL COMPANY, 100 NORTH EASTMAN ROAD  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
10/31/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman of the Board and CEO

KINGSPORT, TN 37660-5075

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	10/31/2006		M		179,084	A	\$ 29.9
Common Stock	10/31/2006		F		52,516	D	\$ 60.92
Common Stock	10/31/2006		S		72,084	D	\$ 60.92
Common Stock							5,073
Common Stock							579
						I	401(K)
						I	ESOP

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	
Employee Stock Option (Right to Buy)	\$ 60.92	10/31/2006		A		165,000	10/31/2007 <sup>(1)</sup>	10/30/2016	Common Stock
Employee Stock Option (Right to Buy)	\$ 29.9	10/31/2006		M		179,084	04/04/2005	04/03/2013	Common Stock
Employee Stock Option (Right to Buy)	\$ 60.92	10/31/2006		A		52,516	10/31/2006	04/03/2013	Common Stock
Phantom Stock Units	\$ 0 <sup>(3)</sup>	11/01/2006		I		15,846 <sup>(2)</sup>	<sup>(3)</sup>	<sup>(3)</sup>	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FERGUSON J BRIAN EASTMAN CHEMICAL COMPANY 100 NORTH EASTMAN ROAD KINGSPORT, TN 37660-5075	X		Chairman of the Board and CEO	

## Signatures

Brian L. Henry, by Power of  
Attorney

11/02/2006

\_\_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) One-third of the option becomes exercisable on October 31, 2007, October 31, 2008 and October 31, 2009, respectively.
- (2) Includes 1,280 phantom stock units credited under the Executive Deferred Compensation Plan since April 1, 2004 as hypothetical reinvestment of dividend equivalents.
- (3) Phantom stock units credited under the Executive Deferred Compensation Plan, each having a value of one share of issuer common stock and payable only in cash and, subject to certain acceleration and early withdrawal provisions, after termination of employment.

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.