



# Business Plan Review and Supplemental Financial Information

August 2012

# Disclaimer



The enclosed preliminary financial projections have been prepared by Eastman Kodak Company (the "Company"). The Company has prepared these financial projections on a managerial basis to provide its forecast of business unit profitability based on various assumptions; the projections have not been prepared on a statutory basis. These projections should not be considered a comprehensive representation of the Company's cash generation performance. Certain income statement line items below Earnings Before Interest and Taxes ("EBIT") for 2013 and beyond have not been forecasted as they are immaterial or require additional information that is not currently available. The following below EBIT line items have not been forecasted: other operating income/expense, tax benefit/expense, interest expense (beyond June 2013), other income/charges, extraordinary items, and earnings/loss from discontinued operations, net of tax. In addition, the financial projections will be further impacted by restructuring activities related to certain obligations including but not limited to domestic and foreign pension, other postretirement obligations ("OPEB"), and borrowings. The Company does not make any representation to how these obligations will be treated as part of the restructuring. In addition, the financial projections do not reflect the cash costs of the pension and OPEB obligations. The projections have not been compiled, audited, or examined by independent accountants and the Company makes no representations or warranties regarding the accuracy of the projections or its ability to achieve forecasted results.

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The 2012 historical financial information included in this presentation is preliminary, unaudited and subject to revision upon completion of the Company's closing and audit processes.

All references to dollars are to United States currency unless otherwise stated.

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# Cautionary Statement Regarding Forward-Looking Statements

The Kodak logo, consisting of the word "Kodak" in a red, sans-serif font, is positioned in the top right corner of the page. A thin yellow horizontal line runs across the page just below the header area.

This presentation includes forward-looking statements, as that term is defined under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenue or performance, liquidity, cash flows, capital expenditures, financing needs, plans or business trends, and other information that is not historical information. When used in this presentation, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts," or future or conditional verbs, such as "will," "should," "could," or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management's examination of historical operating trends and data are based upon the Company's expectations and various assumptions. Future events or results may differ from those anticipated or expressed in these forward-looking statements. Important factors that could cause actual events or results to differ materially from these forward-looking statements include, among others, the risks and uncertainties described under the heading "Risk Factors" in the Company's most recent annual report on Form 10-K under Item 1A of Part 1, in the Company's most recent quarterly report on Form 10-Q under Item 1A of Part II and those described in filings made by the Company with the U.S. Bankruptcy Court for the Southern District of New York and in other filings the Company makes with the Securities & Exchange Commission from time to time, as well as the following: the ability of the Company to continue as a going concern, the Company's ability to obtain Bankruptcy Court approval with respect to motions in the chapter 11 cases, the ability of the Company and its subsidiaries to prosecute, develop, secure approval of and consummate one or more plans of reorganization with respect to the chapter 11 cases, the Company's ability to improve its operating structure, balance sheet and profitability following emergence from chapter 11, Bankruptcy Court rulings in the chapter 11 cases and the outcome of the cases in general, the length of time the Company will operate under the chapter 11 cases, risks associated with third party motions in the chapter 11 cases, which may interfere with the Company's ability to develop and consummate one or more plans of reorganization once such plans are developed, the potential adverse effects of the chapter 11 proceedings on the Company's liquidity, results of operations, brand or business prospects, the ability to execute the Company's business and restructuring plan, increased legal costs related to the chapter 11 bankruptcy filing and other litigation, our ability to raise sufficient proceeds from the sale of non-core assets and the monetization of our digital imaging patent portfolios within our plan, the Company's ability to comply with the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) covenants in its Debtor in Possession Credit Agreement, the Company's ability to generate or raise cash and maintain a cash balance sufficient to comply with the minimum liquidity covenants in its Debtor in Possession Credit Agreement and to fund continued investments, capital needs, restructuring payments and service its debt; the Company's ability to maintain contracts that are critical to its operation, to obtain and maintain normal terms with customers, suppliers and service providers, to maintain product reliability and quality, to effectively anticipate technology trends and develop and market new products, to retain key executives, managers and employees, our ability to successfully license and enforce our intellectual property rights and the ability of the Company's non-US subsidiaries to continue to operate their businesses in the normal course and without court supervision, the uncertainty in commodities and foreign exchange rates, and the impact of the global economic environment on the Company. There may be other factors that may cause the Company's actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to the Company or persons acting on its behalf apply only as of the date of this presentation, and are expressly qualified in their entirety by the cautionary statements included in this presentation. The Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

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Kodak

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# Our Strategy

Kodak

Exploit competitive advantage at the intersection of materials science, digital imaging science, and deposition processes



- Large analog printing and packaging markets in need of transformation offer great growth opportunities
- Higher margins are driven by expanding consumables and services

**It extends naturally into large and emerging markets such as functional printing and printed electronics**



# Deposition Based Businesses Include Present Large Printing Markets and New Large and Fast Growing Applications

Kodak

## Digital Printing & Document Imaging

**Mature with Growing Segments**



### Commercial Printing

Transform Analog Markets

- Print (Marketing Collateral)
- Publishing

### Enterprise Content Services

- Document Imaging

### Consumer Inkjet Systems

- Premium Photo
- Consumer & Office Inkjet

Market Size: >\$70B

## Evolving Printing Markets

**Large and Growing**



### Packaging Print

- Packaging
- Sustained Printing

### Functional Printing

- Printed Electronics
- Materials

Market Size: \$50B - \$70B

## Consumables & Services



Annuity Based Businesses  
(consumables & services)

Business Models that have High  
Gross Profit

Ability to Withstand Economic  
Cycles

# Kodak's Transformation – Four Key Objectives



## 1. Restructure Film Business (2004 to middle of 2007)

- 13 film plants closed; only 2 plants remain
- 130 photo labs closed
- Reduced workforce by **~50,000 employees** worldwide in a socially acceptable way and without affecting the Kodak Brand perception and value
- Cost of **\$3.4B**: 50% with cash; 50% through accounting write-offs
- Managed film business for cash to fund film restructuring

## 2. Manage Legacy Costs

- Followed industry practices by increasing employee/retiree contributions to health care coverage
- Since 2003 reduced OPEB liabilities from **\$3.5B to \$1.2B** and cash requirements from **\$245M/year to \$110M/year**
- Pension plans were overfunded significantly until equity markets collapsed in 2008

## 3. Create a New Company

- Selected the intersection of materials science, digital imaging science and deposition technologies as our strongest operating space
- Created product lines at this technology intersection with a differentiated value proposition and leveraged supply chain experience

## 4. IP Strategy

- Started aggressively monetizing IP portfolio (**Plan: \$250-\$350M per year – Actual ~\$400M/year**) and selling non-strategic assets to provide an additional source of funding for growth businesses and to pay for legacy costs

# 2008 – 2011 Challenges



- **Film Business Declined Faster than Expected**

- Industry projected decline rate: 10%; EK Plan: 20%; Consumer Film Actual: 40%

- **Economic Crisis Negatively Impacted Other Businesses**

- Lack of financing, industry overcapacity and price pressures impacted cash-generating businesses (Prepress, Digital Cameras, Retail Systems Solutions, Document Imaging, Entertainment Imaging)
- Increases in silver and aluminum prices reduced profitability of Entertainment Imaging and Prepress
- Market contraction also impacted demand and top-line of growth businesses (Consumer Inkjet, Workflow Solutions) delaying achievement of profitability objectives
- Poor equity performance and low interest rates caused our pension funding to reverse from positive to negative (\$2B+ overfunded to \$1B underfunded)
- Current economic climate has created a buyer's market for asset sales, lowering and delaying proceeds

- **Jan 2011 Setback in ITC Delays Licensing Revenue**

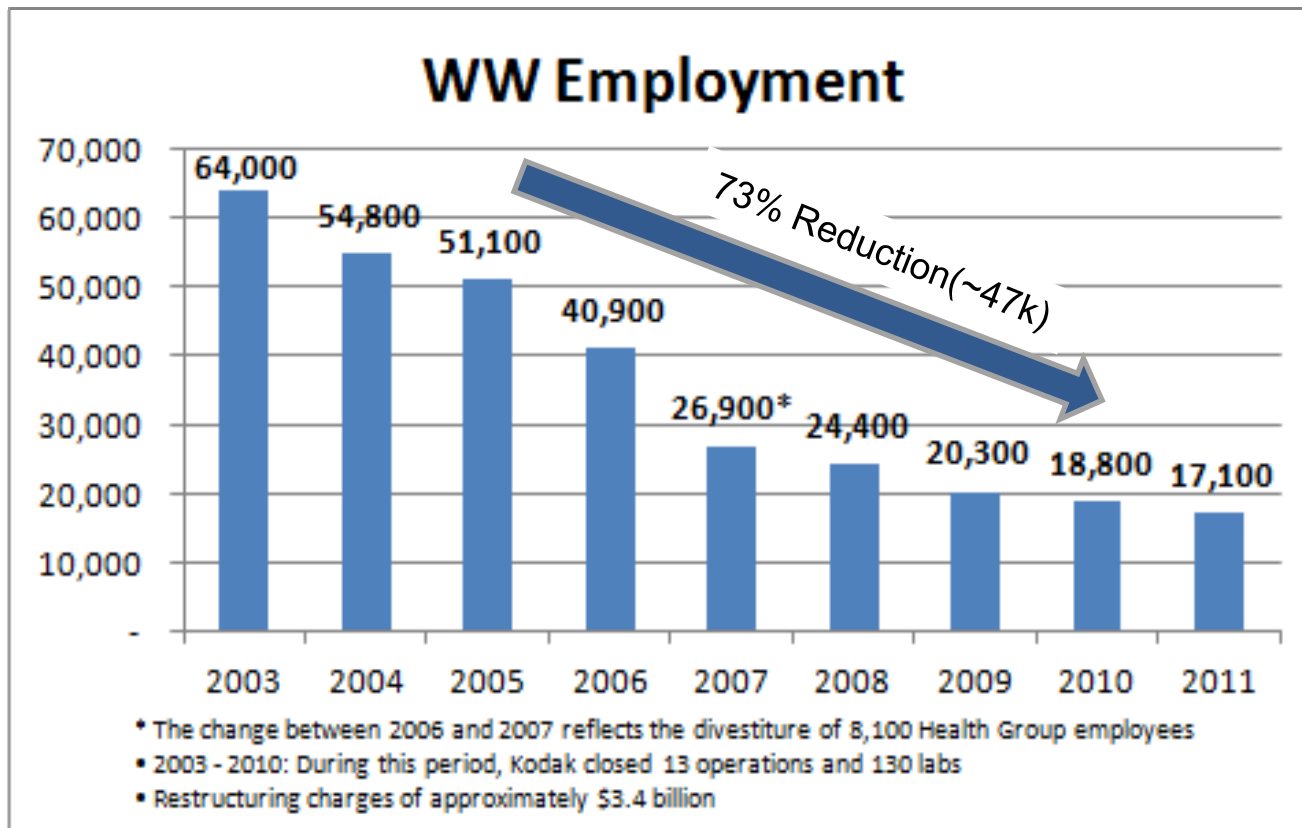
- IP licensing exceeded \$250-350M annual plan from 2004-2010, averaging ~\$400M per year
- However, in January 2011 an International Trade Commission (“ITC”) Administrative Law Judge (“ALJ”) ruled that a well-tested and validated Kodak patent was invalid and not infringed in the Apple/RIM case
- In June 2011 the ITC remanded the Apple/RIM case back to an ALJ for further consideration



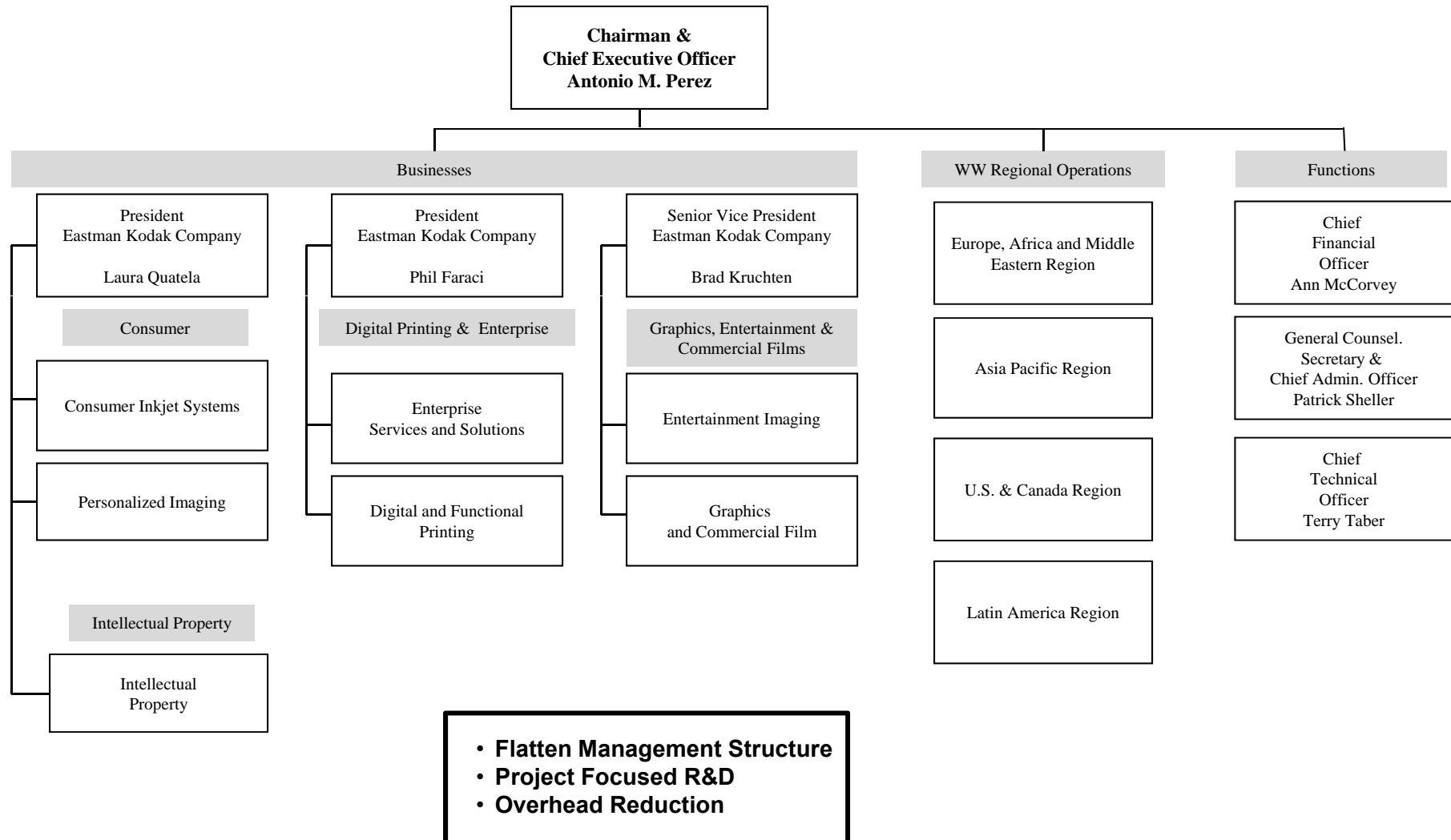
# Reductions in Worldwide Employment: 2003 to 2011

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- Kodak has Reduced Global Headcount Significantly in the Last Decade



# Eastman Kodak Company



# Organization & Cost Structure Actions

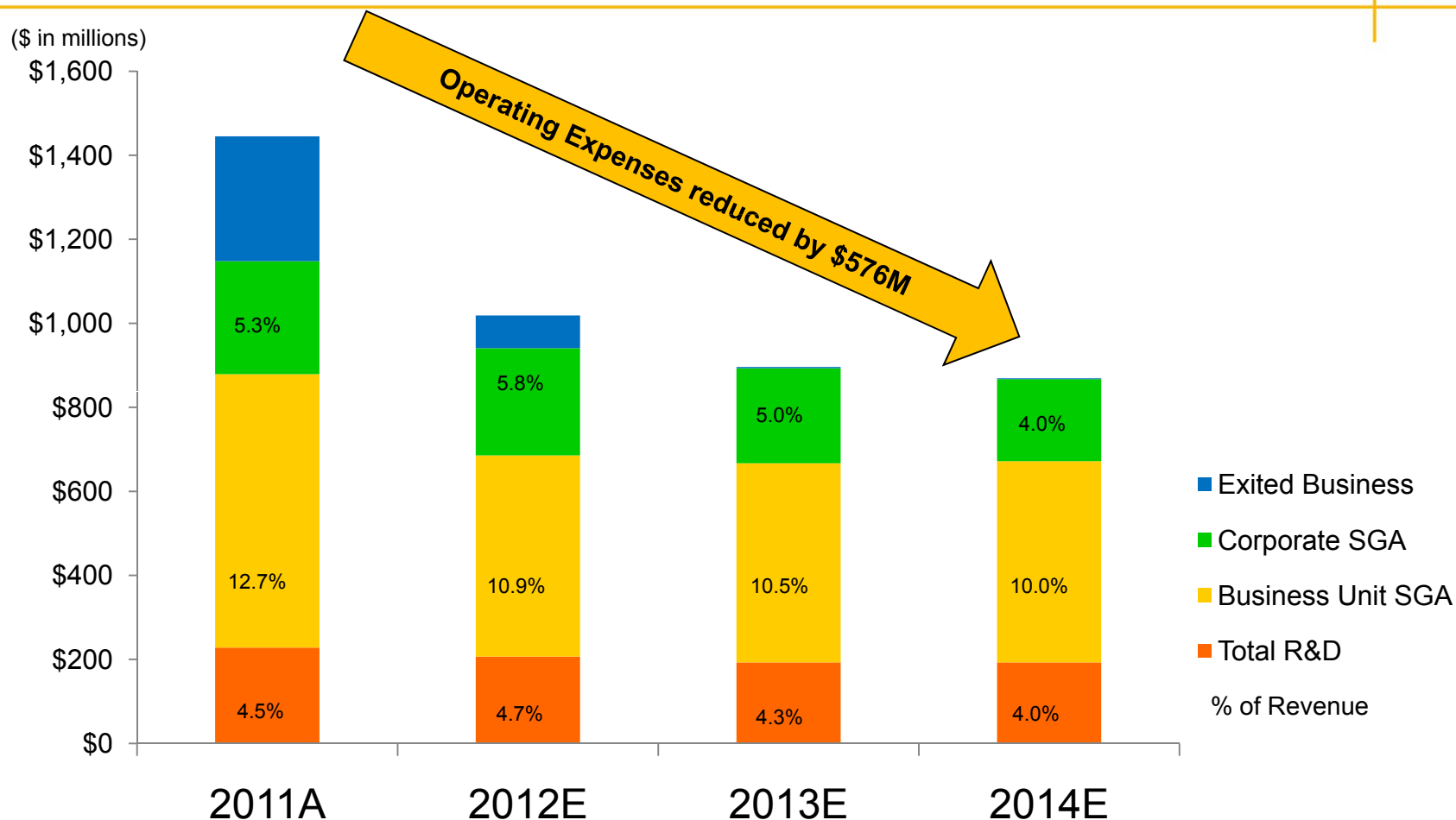
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Kodak

- Flatten Management Structure
  - Consolidate P&L's
  - Align by business model
  - Increased accountability
- Project Focused R&D
  - Combine research and product line R&D resources
  - Drive focus on projects for introduction in next 36 months
- Corporate SG&A Reduction
  - Corporate SG&A from today's 6% to 4% revenue by 2014
  - Sized for the simplified organization

# 2011A – 2014E Operating Expense Reduction

Kodak

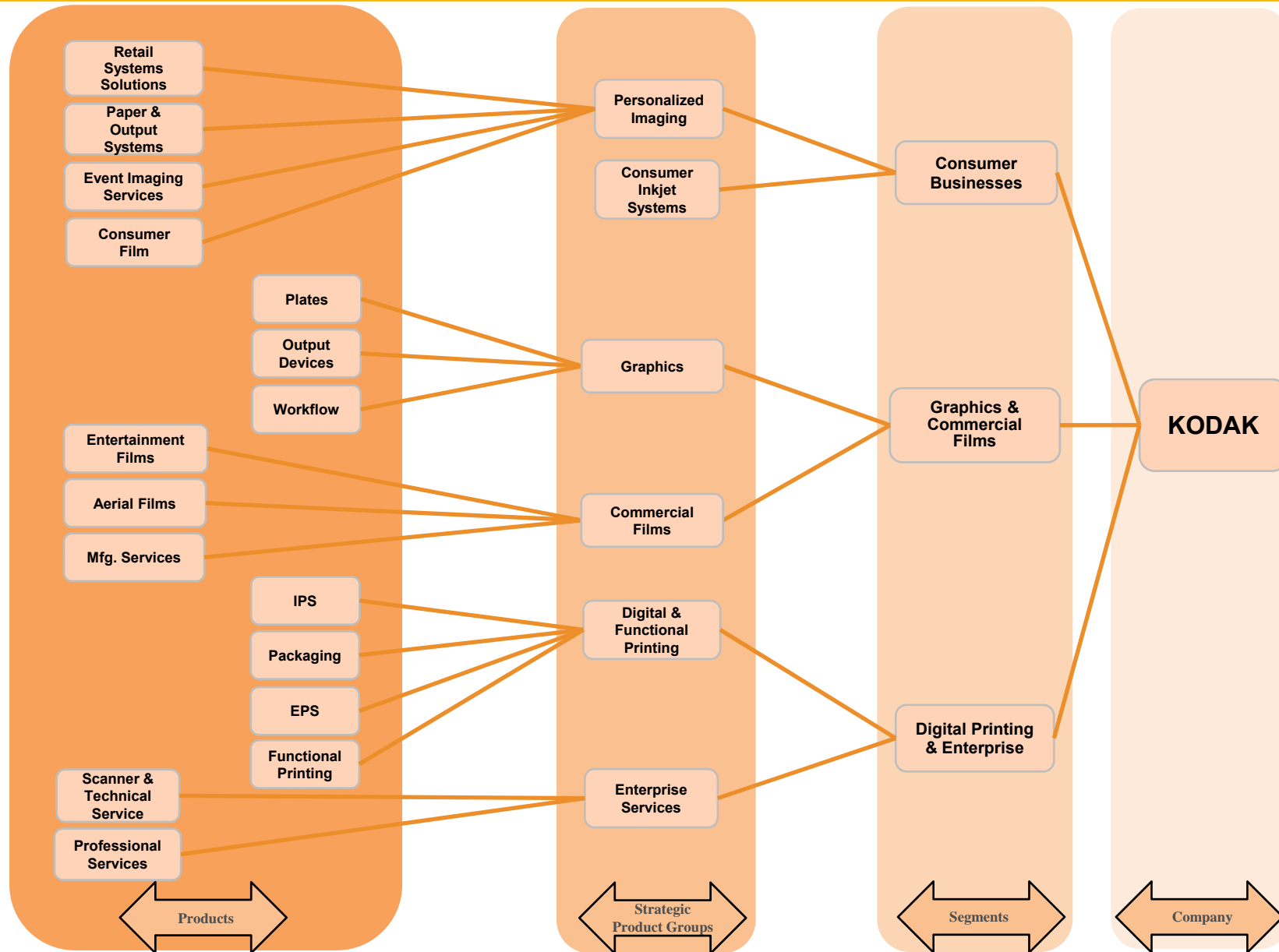


- Cost reduction initiatives are expected to drive a >40% reduction in operating expense during the period while revenues are expected to decline ~20%
- More than 2300 positions reduced in the first half 2012

\* Excludes DC&D Non Essentials, CIS, ISS, & all IP (incl. corp costs allocated to IP)

# Reporting the Operations

Kodak



A yellow crosshair graphic consisting of a vertical line and a horizontal line intersecting at the center.

**Kodak**

# Business Emergence Plan

**Commercial Businesses**



# Commercial Businesses

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## Digital Printing & Enterprise

### Digital and Functional Printing

#### Digital Printing Solutions

- Cut-sheet Production Presses
- Roll-fed Production Presses
- Consumables
- OEM



#### Functional Printing

- Flexo Solutions
- Display



### Enterprise Services & Solutions

#### Technical Services

- Document Imaging
- Commercial Print
- Retail Solutions
- Multi-Vendor Services



#### Enterprise Content Management

- Content & Document Management
- Brand Management
- Print Management



## Graphics, Entertainment & Commercial Film

### Graphics

- Digital Plates
- Optical Devices
- Unified Workflow



### Entertainment Imaging & Commercial Films



Winning solutions in the conversion to multi-channel communications

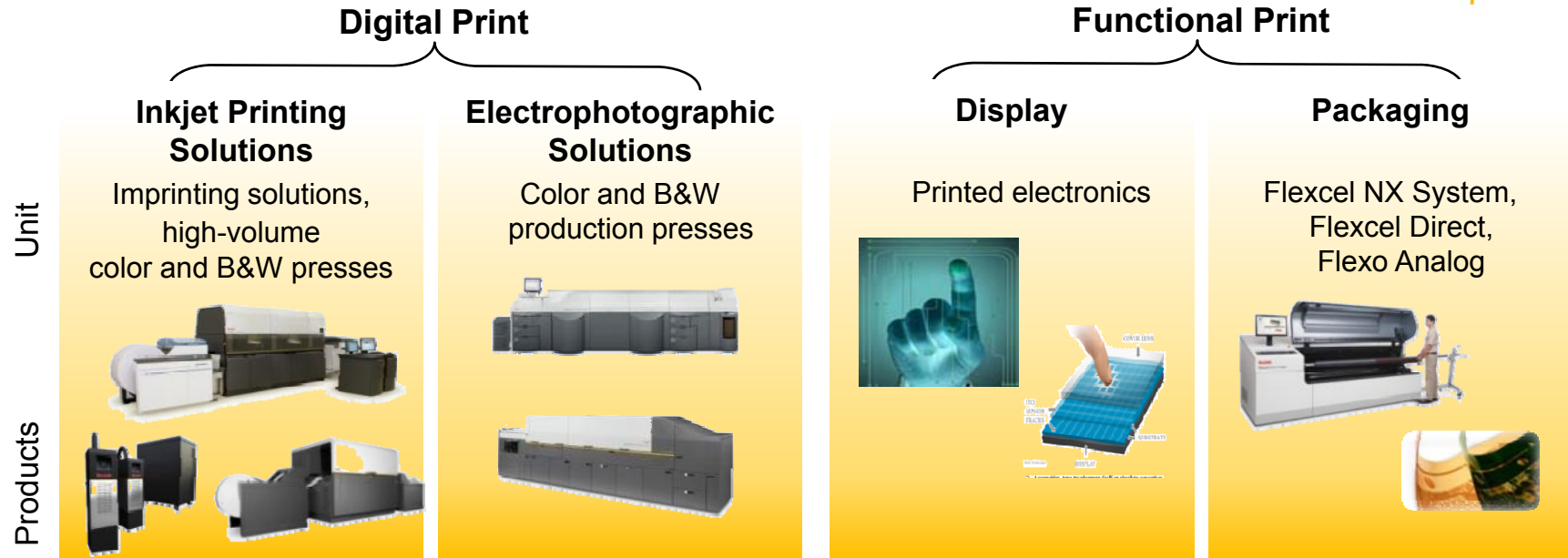


# Business Emergence Plan

**Digital & Functional Printing**

# Digital and Functional Print Business

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Packaging, Direct Mail, Books, Displays

Applications



# Commercial Printing: Rapidly Changing

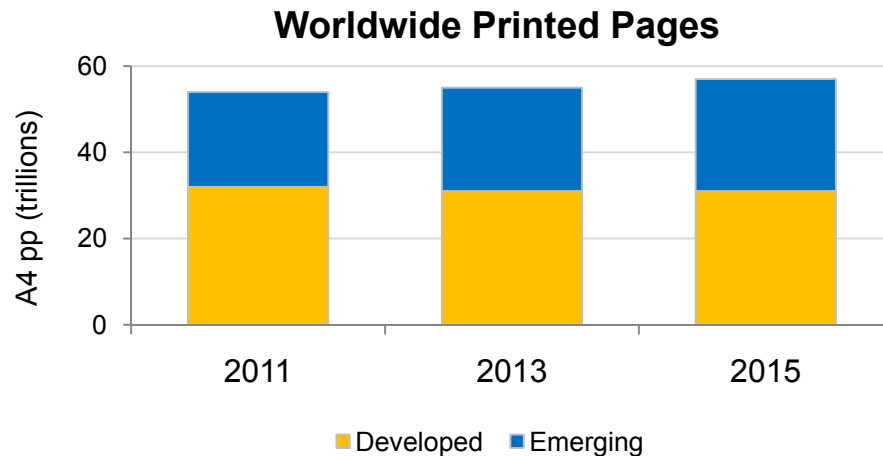
Kodak

## Communications Industry Trends

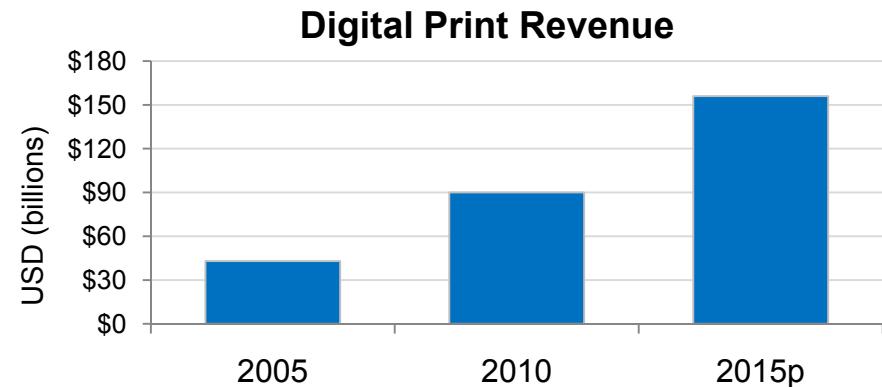
- Multi-channel communications:
  - Personalization
- Emerging markets experiencing rapid growth and expansion
- Developed markets experiencing industry consolidation driving production efficiencies
- Kodak uniquely positioned to profit from the digitalization of print



## Print Market Growth



























Source: Poyry



Source: Pira Worldwide Market for Print

# We are Competing in Growth Areas of the Market

Kodak

Key Data Points	Market CAGR 11-14			Source
	Worldwide	Developed	Emerging	
Digital Color Page Volume	30%  	N/A	N/A	InfoTrends & EK
Digital Plate Volume	3% 	-1% 	10%  	VSM
Packaging Substrate Volume**	3% 	1% 	5% 	Poyry
Print Advertising Spend	-2% 	-3% 	4% 	Zenith-Optimedia
CM Printing Paper Volume**	1% 	-3% 	3% 	Poyry
Newsprint Volume**	-1% 	-4% 	2% 	Poyry
Print & Document Mgmt Srvcs*	8% 	N/A	N/A	IDC
Document Capture w/Service	4% 	N/A	N/A	InfoTrends, H. Spencer
Functional & Specialty Printing	11%  	N/A	N/A	NPD Group
Entertainment Imaging	-28%  	N/A	N/A	Kodak

\* CAGR 2010-2013

\*\* CAGR 2011-2016

# Print Transforming from Mass to Personalized

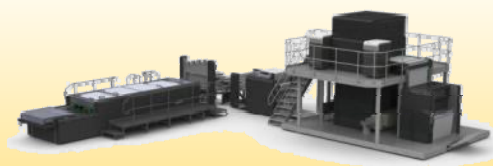
Game-changing technology in the transformation of print



**Prosper**  
Components



**Prosper Presses**  
B&W and Color



**OEM systems**  
Timsons



**Digital Print**  
NexPress

... Plus a range of **WORKFLOW SOFTWARE** and **INTEGRATION SERVICES**

Direct Mail, Inserts  
Corrugated, Folding Carton

Packaging - Corrugated,  
Folding carton, Flexible

Direct Mail, Books, Photo

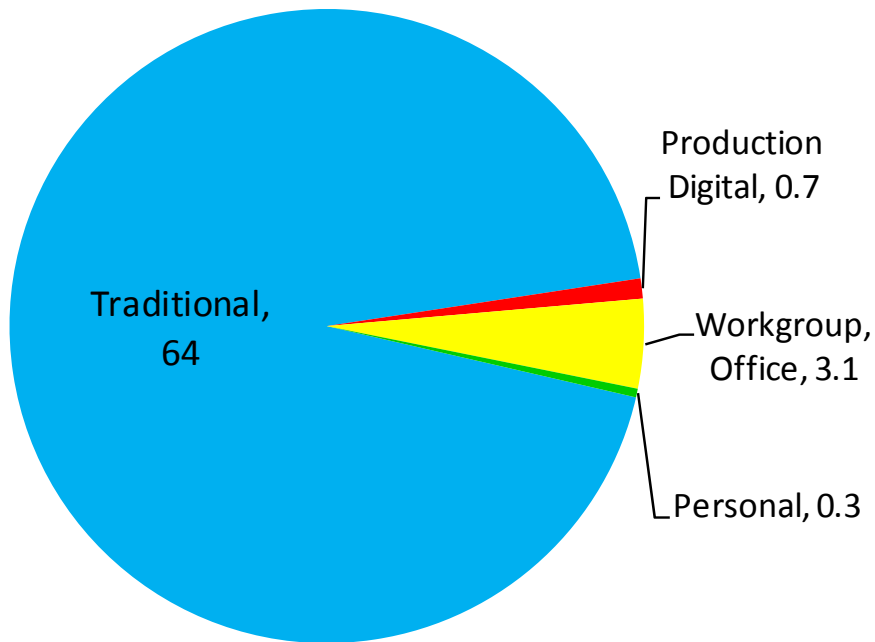




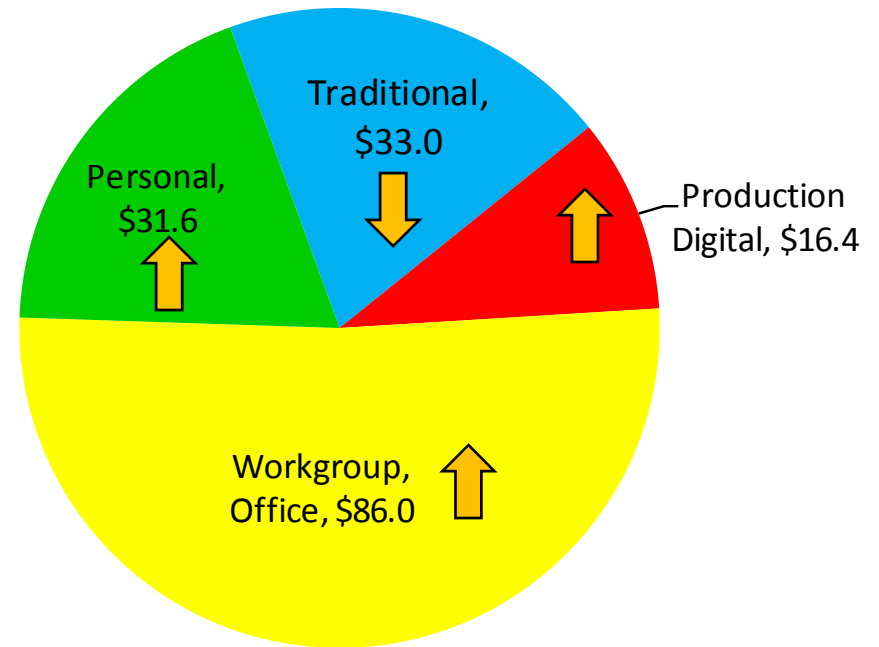
# Our Biggest Target is Digital Color Production

Kodak

**Total Worldwide Page Volume**  
Total = 68 Trillion A4 Pages\*

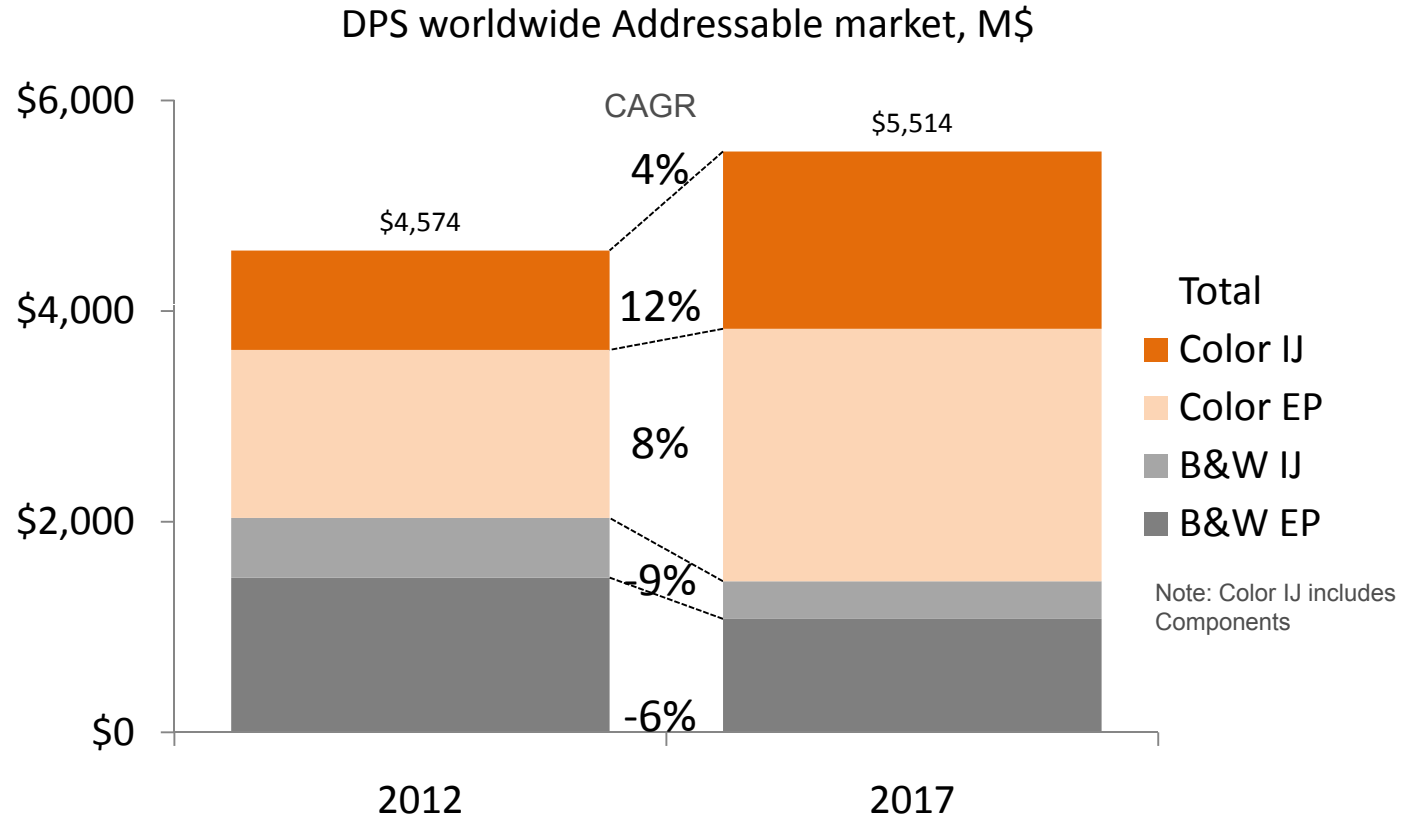


**Total Vendor Market = \$167B**



\* excludes 7.7T pages of waste, with waste = 76T A4 pages

# Kodak participates in a \$5B digital production print market



Source: Infotrends, IDC, Kodak internal analysis

# Kodak has strength across the digital production printing

	Cut Sheet High Volume (1M+) Color	Cut Sheet Production B&W	Commercial IJ – HV Print	Packaging & Labels
KODAK	√√	√	√√	√√
Competitor A	√√	√√	X	X
Competitor B	√	√√	√	X
Competitor C	√√	X	√√	√√
Competitor D	√	√	√	X
Competitor E	√	√	X	X
Competitor F	X	X	X	√
Competitor G	√	X	√	√
Competitor H	√	X	√	X

Key: √√ = Strong √ = Medium X = None / Limited

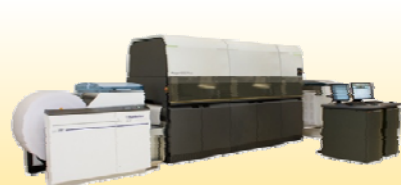
- Competitors include: Canon/Oce, Fuji, HP, Konica Minolta, Ricoh, Screen, Xeikon, Xerox

# Inkjet is transforming production print

## Game-changing technology in the transformation of print



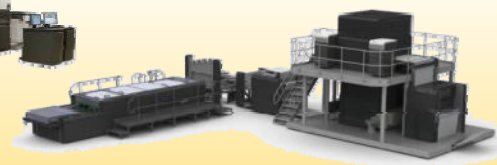
**Prosper  
Components**



**Prosper Presses  
Monochrome Press**



**Color Press**



**OEM systems  
Timsons**

... Plus a range of **WORKFLOW SOFTWARE** and **INTEGRATION SERVICES**

Direct Mail, Inserts  
Corrugated, Folding Carton

Packaging - Corrugated,  
Folding carton, Flexible

Direct Mail, Books, Photo



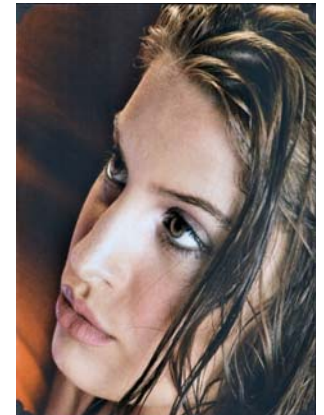
# Stream is highly differentiated as evidenced by our customers and partners

**Kodak**

<b>Productivity – Speed and Width</b>	<b>Meets Application Needs</b> <ul style="list-style-type: none"> <li>▪ Up to 3000 fpm with single array</li> <li>▪ 500+ kHz drop generation</li> <li>▪ Width up to 49"</li> </ul>
<b>Reliability</b>	<b>Most Robust</b> <ul style="list-style-type: none"> <li>▪ Heavy duty for 24/7 production operation</li> <li>▪ Head life independent of coverage</li> </ul>
<b>Quality</b>	<b>Delivers Offset Quality</b> <ul style="list-style-type: none"> <li>▪ Most uniform drop formation</li> <li>▪ Highest drop momentum for placement accuracy</li> <li>▪ Ink chemistry for glossy paper</li> </ul>
<b>Cost</b>	<b>Right Cost</b> <ul style="list-style-type: none"> <li>• Long head life yields more images per dollar</li> <li>• Head redundancy not required</li> <li>• Enables replacement of incumbent technologies</li> </ul>

Stream

Others



Kodak delivers the complete package of technology, hardware, software and services



# Packaging is a \$250B and growing opportunity

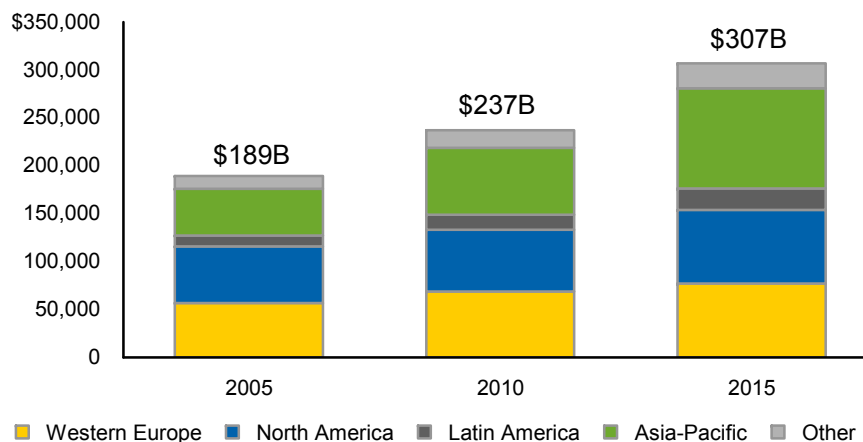
## The Packaging Industry

- Fastest growing and sustainable print market
- Highly fragmented value chain
- Ripe for technology substitution
- Kodak well positioned to lead digitization and drive integration
- Attractive business case, but need to accelerate to scale

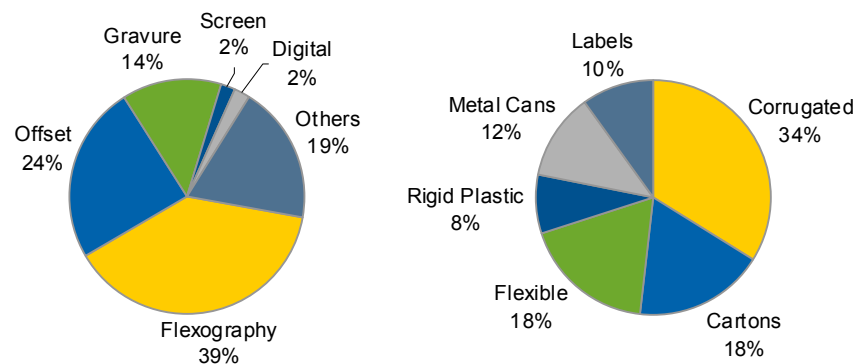


## Packaging Market Growth

(\$ in millions)



## Packaging Market Breakdown

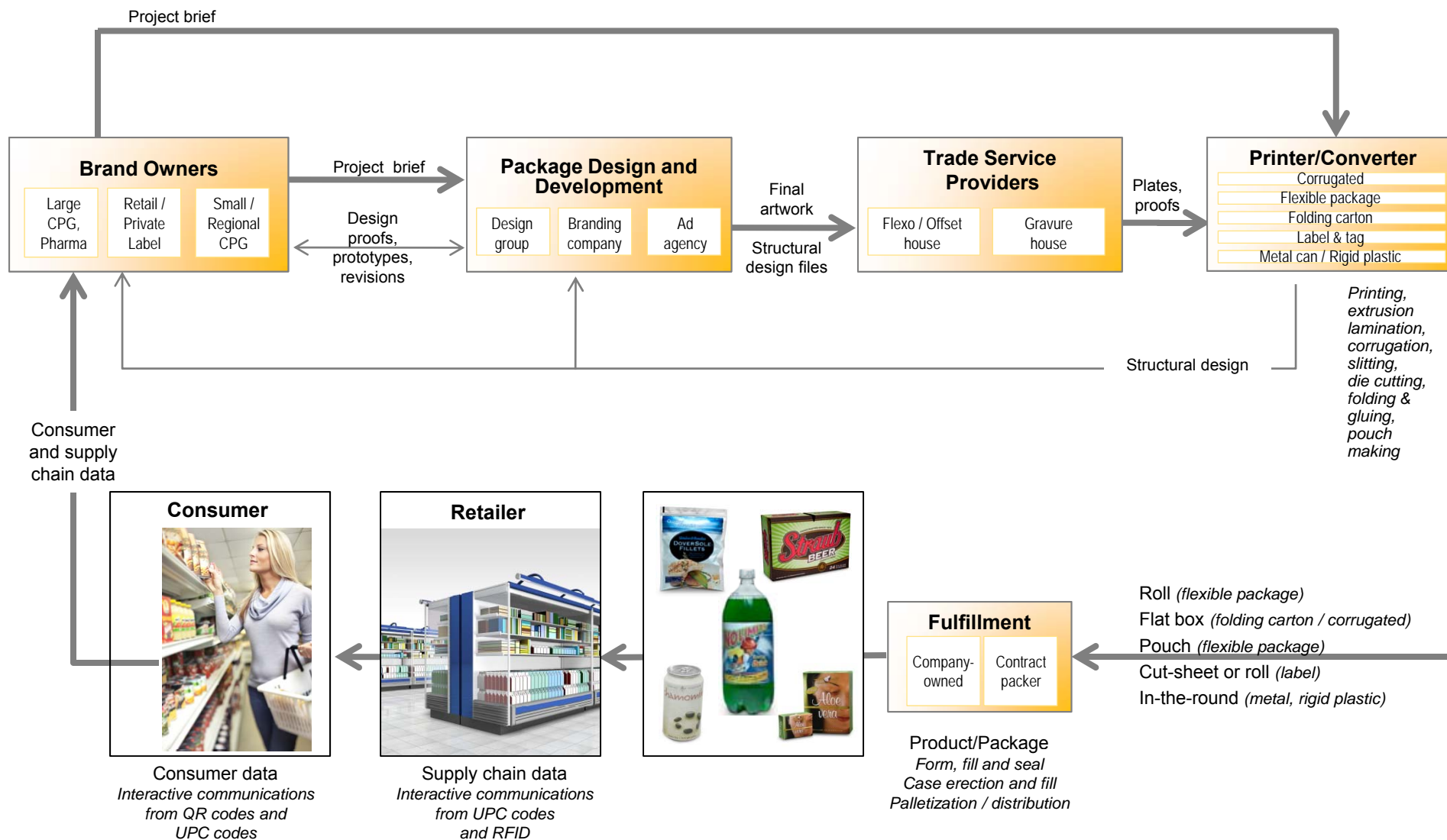


Source: PIRA, PRIMIR, EK internal analysis



# Printed Packaging Ecosystem

Kodak



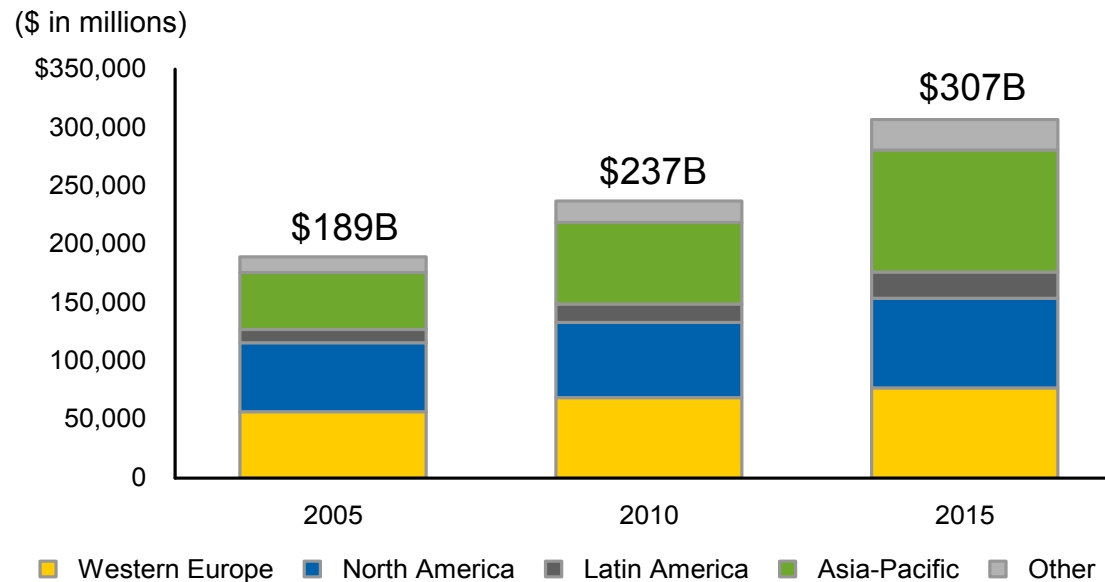
# Large Sustained and Growing Market

Kodak

- Packaging Industry Trends
  - Population & urbanization drive growth
  - Fragmented value chain
  - Ripe for Innovation
  - Electronic substitution proof



## Printed Packaging Market Growth

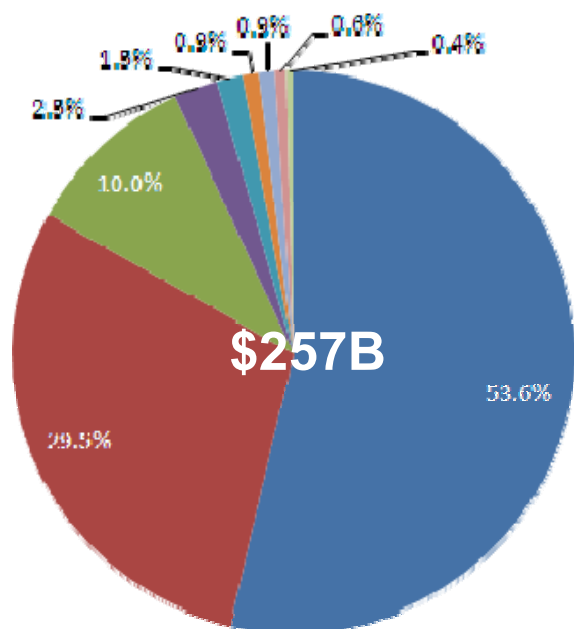


Sources: Pira, IT Strategies, Info Sys

# Kodak participates in a \$2.3 billion packaging market

Kodak

## Printed Packaging Market

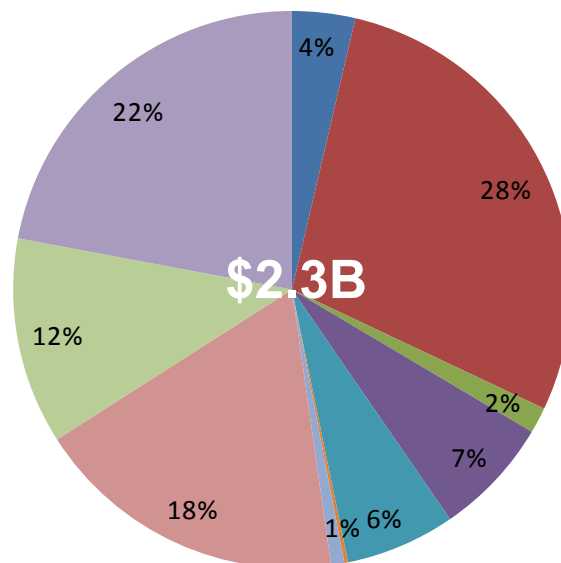


■ Substrate  
 ■ Converting  
 ■ Overhead, transport, other  
 ■ Ink  
 ■ Cylinders  
 ■ Brand Protection  
 ■ Press Equipment  
 ■ Proofing, Plates, and Systems  
 ■ Software and Services

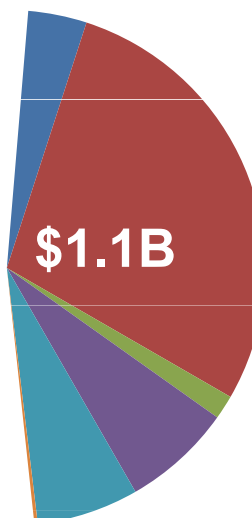
## Kodak's Packaging Addressable Market

■ includes Flexo. Proofing systems, Letterpress, inkjet, EP, offset and enterprise solutions & services

■ includes Flexo. Proofing systems and Letterpress



■ Smart Packaging  
 ■ Commercial Inkjet Systems  
 ■ Electrophotographic Systems  
 ■ Offset Plate Systems  
 ■ Workflow, D2L, Security and Services



■ Output Devices  
 ■ Flexo Plates / Sleeves  
 ■ Services  
 ■ Letterpress Plates  
 ■ Proofing Systems

# Kodak's Technology Differentiation for Packaging and Functional Printing

Kodak

## Core Competence in High Resolution Imaging and Printing with Kodak's Laser Spot Head Technology

- Highest resolution laser thermal imaging device
  - Up to 25,600 DPI
  - 450 lines per inch versus industry at ~ 200 lines per inch
- Highest resolution flexographic “printing plate” making process
- Specialized coating capability

### Printing of Fine Line and Patterns by the Use of Kodak Imaging Device, Media and System

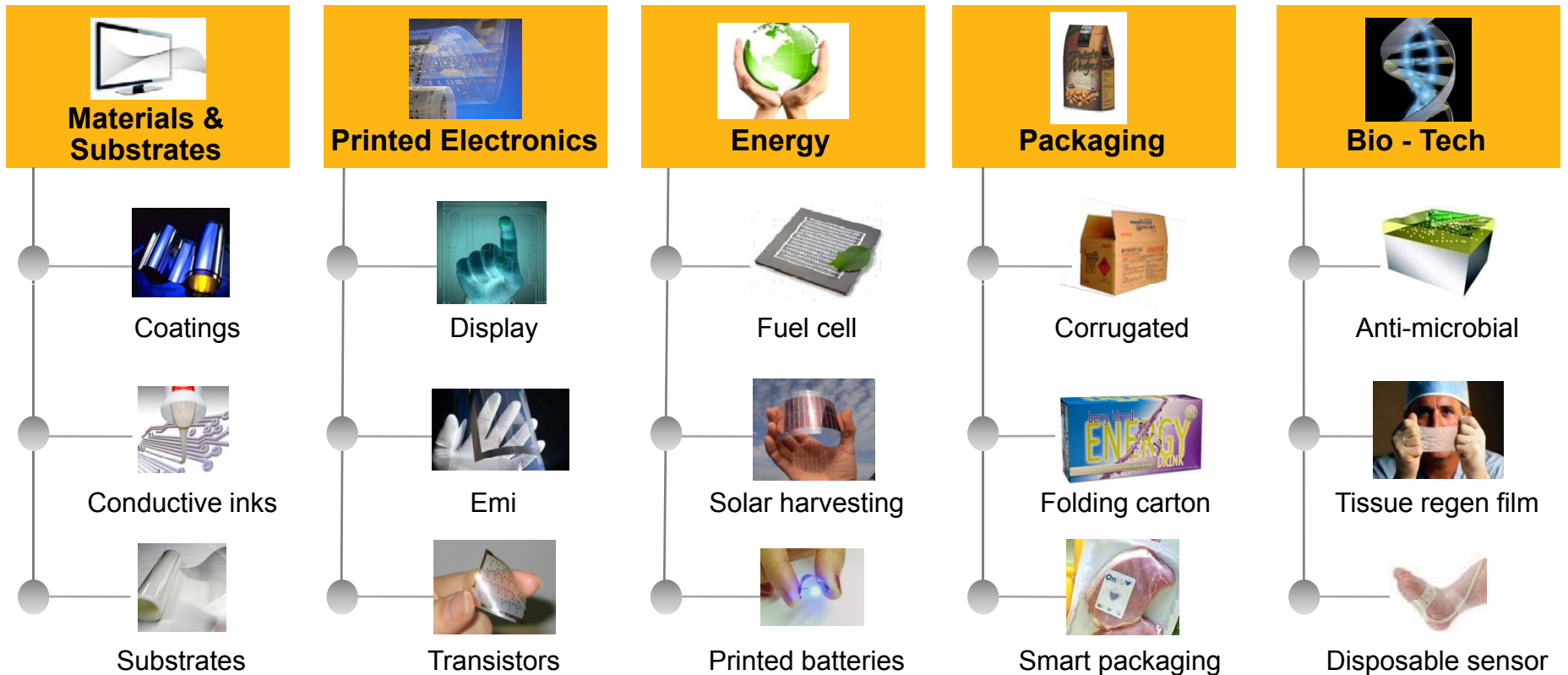


Applications: Touch screen, touch switch, EMI shield, solar cell...

# Functional Printing

Kodak

Printing to deliver functionality beyond visual communications



# Kodak has a highly competitive Packaging portfolio

**Kodak**

	Workflow	Output Devices	Flexo Plates	Proofing/ Approval
Kodak	✓	✓✓	✓✓	✓✓
Competitor A	✓✓	✓✓	X	✓
Competitor B	X	X	✓✓	X
Competitor C	X	X	✓✓	X
Competitor D	X	X	✓✓	X
Competitor E	X	X	✓✓	X
Competitor F	X	X	X	X
Competitor G	X	X	X	✓

Key: ✓✓ = Strong ✓ = Medium X = None / Limited

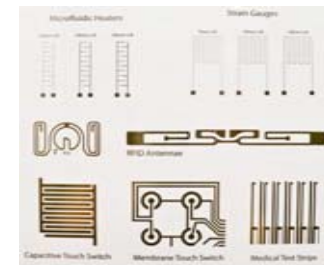
- Main competitors include Asahi, DuPont, Esko, Flint, Fuji, Macdermid, Toray



# Kodak's sustainable differentiation in Functional Print based on our core strengths

Kodak

- Scalable assets; Formulation to manufacturing
- Squarespot: Highest resolution laser thermal imaging platform (up to 25,600 DPI)
- Expertise in the deposition of conductive materials (silver) in roll-to-roll manufacturing environment
- Customized substrates
- IP and high value know-how



# Kodak's Technology Differentiation for Packaging and Functional Printing

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Applications: Touch screen, touch switch, EMI shield, solar cell...



**Kodak**

# Business Emergence Plan

**Enterprise Service & Solution**

# Enterprise Services & Solutions Overview

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## Content & Document Management



### Offerings

- Scanning & scanner service
- Document protection & authenticity
- System design

## Brand & Security Management



### Offerings

- Marketing workflow SW (D2L)
- Anti-counterfeiting / diversion
- Track and trace capabilities
- System design

## Enterprise Print Management



### Offerings

- Print network management
- Print aggregation solutions
- Multi-channel communication workflow



Capture

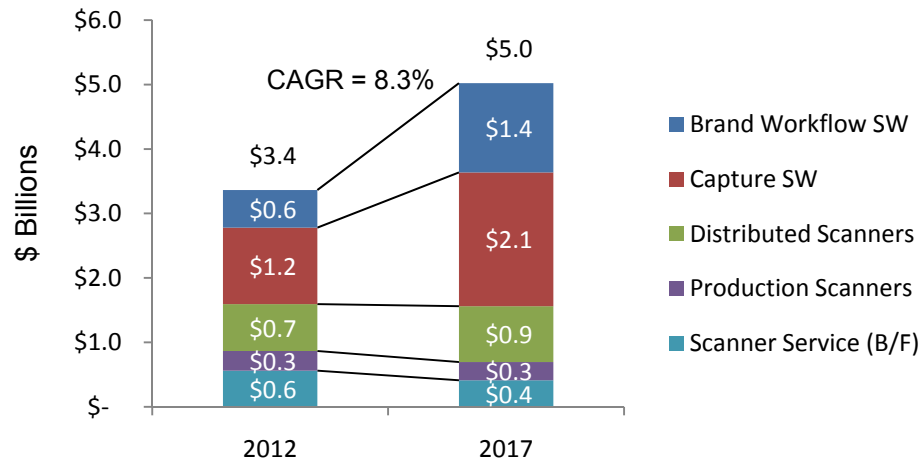
Manage

Deliver

# Enterprise Services & Solutions - Market Opportunity

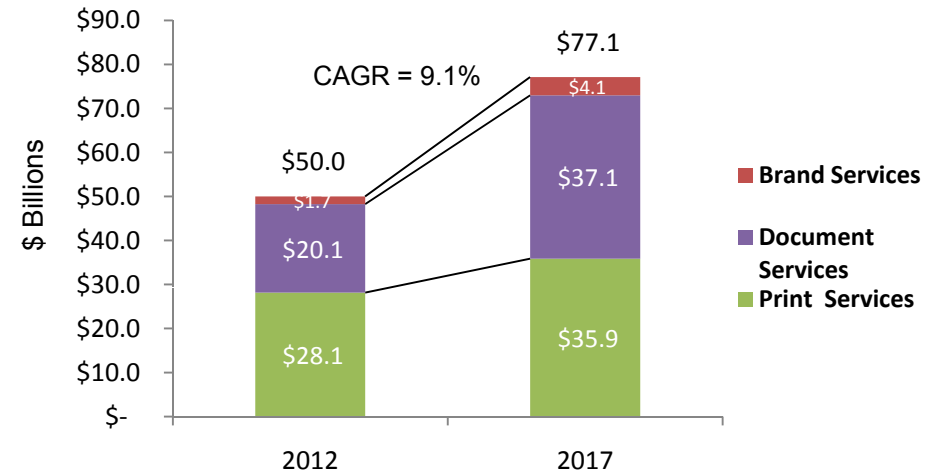


## Products Addressable Markets



WW Addressable Market (\$B)	2012	2017	CAGR 12-17
Brand Workflow SW (1)	\$ 0.6	\$ 1.4	18.9%
Capture SW (2)	\$ 1.2	\$ 2.1	11.8%
Distributed Scanners (3)	\$ 0.7	\$ 0.9	3.5%
Production Scanners (3)	\$ 0.3	\$ 0.3	-1.4%
Scanner Service (B/F)(4)	\$ 0.6	\$ 0.4	-6.0%
<b>Total</b>	<b>\$ 3.36</b>	<b>\$ 5.0</b>	<b>8.3%</b>

## Services Potential Markets



WW Potential Market Revenue (\$B)	2012	2017	CAGR 12-17
Brand Services (4)	\$ 1.7	\$ 4.1	18.9%
Print Services (5)	\$ 28.1	\$ 35.9	5.0%
Document Services (5)	\$ 20.1	\$ 37.1	13.0%
<b>Total</b>	<b>\$ 50.0</b>	<b>\$ 77.1</b>	<b>9.1%</b>

- Market definitions are inconsistent and evolving
- Services opportunity is large and growing
- Market is highly fragmented

Sources: (1) Forrester/Kodak (2) HSA (3) Infotrends, InfoSource, MTC (4) Kodak (5) IDC

The Kodak logo is displayed in red, bold, sans-serif font. It is positioned to the left of a vertical yellow line that runs from the top to the bottom of the slide. A horizontal yellow line intersects this vertical line, creating a crosshair effect. The text "Business Emergence Plan" and "Graphics & Commercial Films" are located to the right of the vertical line, with the former above the horizontal line and the latter below it.

**Kodak**

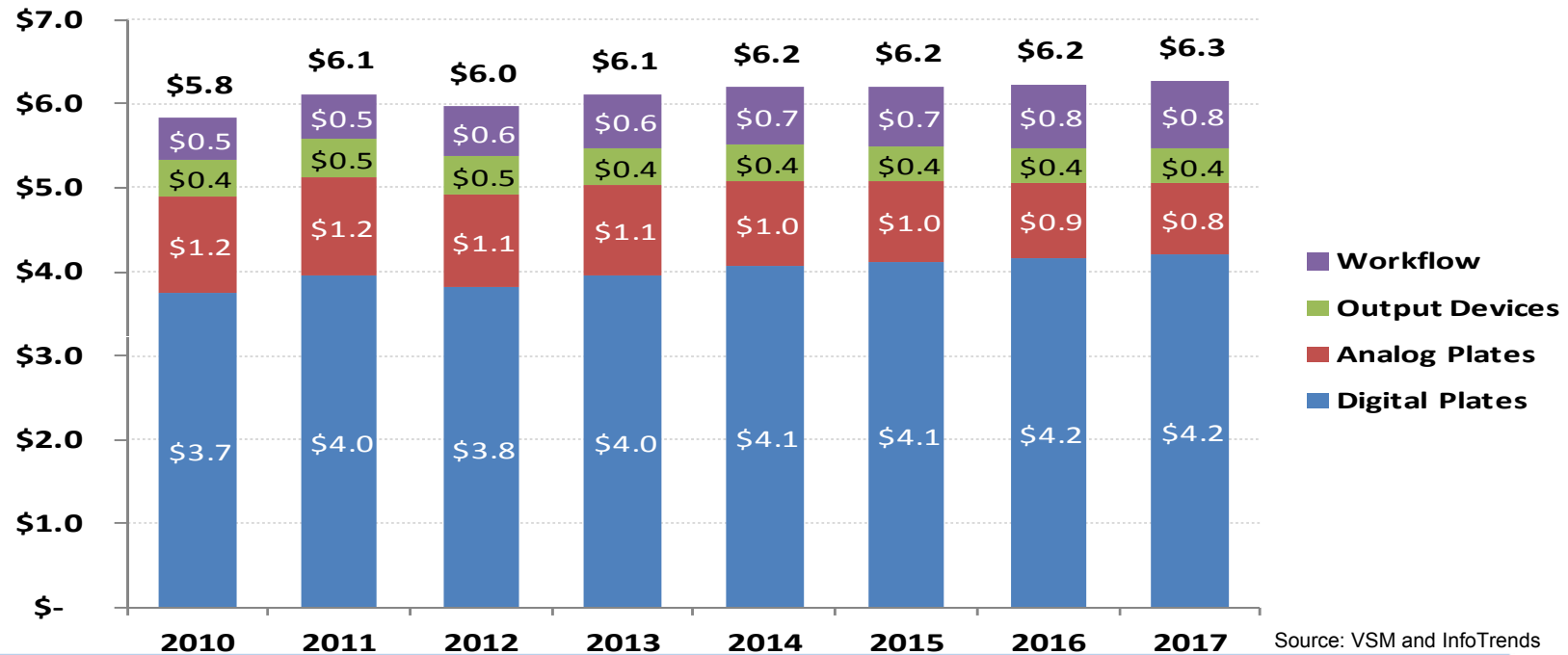
# Business Emergence Plan

**Graphics & Commercial Films**

# Graphics Products Market Opportunity

Kodak

WW Graphics Products Market Size (\$B)



## Graphics Will

Industry Objective: **Improve quality, cost & consistency of printed content**

Kodak Focus: **Optimize operational efficiencies and control cost**

Industry Trend: **Enable environmentally sustainable product practices**

Differentiator: **Only industry supplier to develop and manufacture full pre press solution and *process free leader***

# Kodak has a highly competitive Graphics portfolio

**Kodak**

	Digital Plates	Output Devices	Workflow Competitors
Kodak	✓	✓	✓
2 Competitors	X	✓	✓
1 Competitor	✓	X	✓
6 Competitors	✓	X	X
2 Competitors	X	✓	X
7 Competitors	X	X	✓

Key: ✓ = Presence X = None / Limited

- Main competitors include Agfa, Bitstream, Cron, Dalim Software, ECRM, EFI, Esko, Founder, Fujifilm, Heidelberg, HP, IBF, ipagsa, Lucky Huaguang Graphics, Presstek, Screen, Xeikon, Xingraphics



# Steps of the Offset Print Process

Kodak

## CREATIVE

Photography  
Photo Retouching  
Editorial  
Graphic Design  
Page Layout



## PREPRESS

Production Workflow  
Proofing / Collaboration  
Color Management  
Digital Asset Management  
Print Layout  
Computer to Plate  
Plates / Processing



## PRESS

Printing Plates  
Web Printing  
Sheet-fed Printing  
Ink  
Paper  
Fountain Solution  
Press Consumables



## POSTPRESS

In-line Web Finishing  
Sheet Cutting  
Die-Cutting  
Folding  
Binding  
Fulfillment



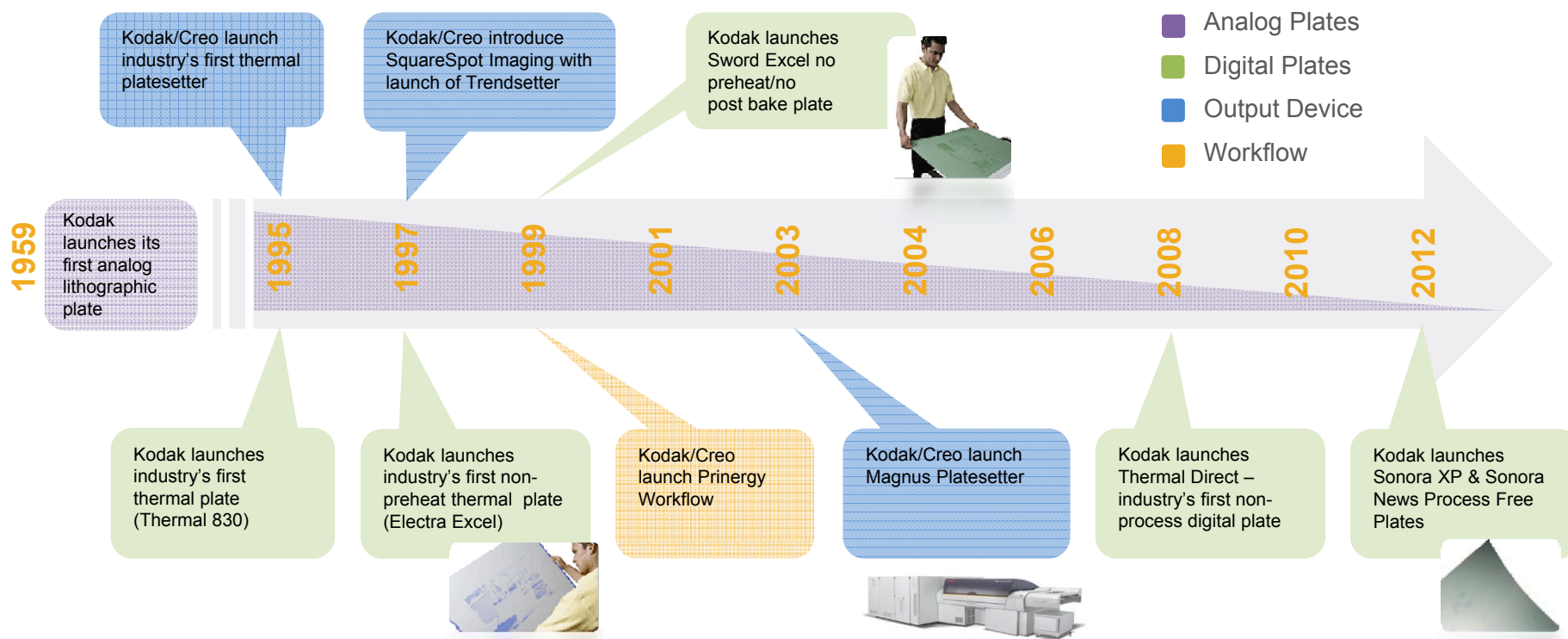
Kodak Graphics Participation

# Kodak's History of Innovation in Graphics

Kodak

## Industry Leader in Digital Innovation

- First thermal imager
- First thermal plate
- First no-preheat plate technology
- First process-free plate technology



# Entertainment & Commercial Films Marketplace Dynamics

---

Kodak

- Digital substitution continues for both origination and distribution segments
- 2011 conversion for distribution ahead of forecasted pace, driven by stronger international conversion
- 2012 box office strong through May, after weak 2011
- 3D titles up in 2011 by 66%, yet 3D Box office down by 9%
- Decline in DVD sales continues it's double-digit pace, putting economic pressure on studios
- Arri Alexa digital camera has had material impact on origination conversion rates

# Commercial Films Product Portfolio

Kodak

The Commercial Films portfolio consists of the following product families:

## Printed Circuit Board Films

- Red and Blue/Green Film & Chemicals for Photoplotters
- Kodak believes 90% of product demand lies in Asia

## Aerial and Surveillance Films

- B&W and Color Film, Chemicals
- Kodak leads in product superiority, application & processing

## Components

- Film Base – polyester & tri-acetate
- Specialty Chemicals & Inks



Commercial  
Silver halide films





**Kodak**

# Business Emergence Plan

**Consumer Businesses**

# Consumer Businesses Organization

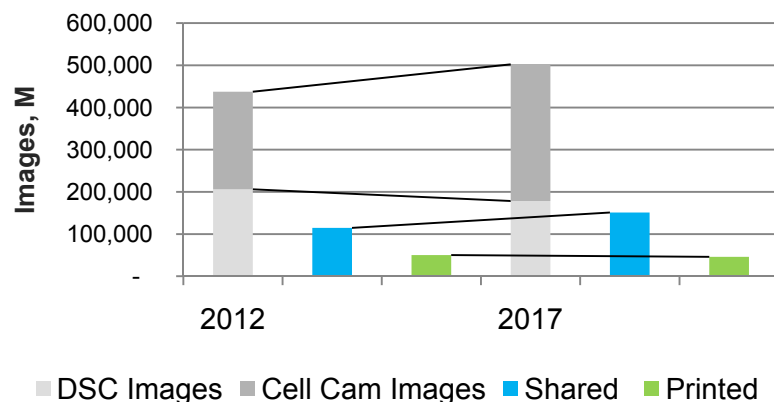
**Kodak**



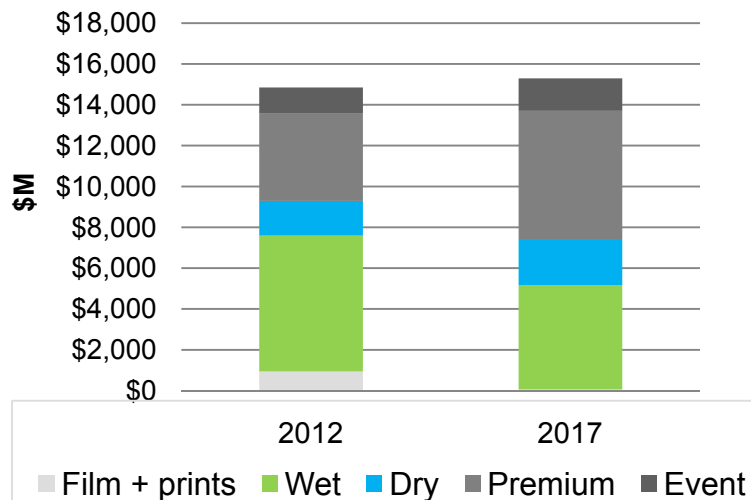
# Personalized Imaging Market Opportunity

Kodak

**WW Images Captured, Shared and Printed**



**WW Photo Market Size**



## Photo Market Opportunity ('12-'17 CAGR)

### Consumer Images

- Captured +3%
- Mobile Captured +7%
- Shared +6%

### Wet to Dry Conversion

- Dry Growth +6%

### Premium market growth

- Photobooks +7%
- Photo Merchandise +9%

### Pathway Shifts

- Online to Home + 3%
- Online to Retail + 7%

### Emerging market growth

- Emerging Asia + 9%
- LAR +4%
- Emerging EAMER +3%

### Growth in events photography

- Growth >6%

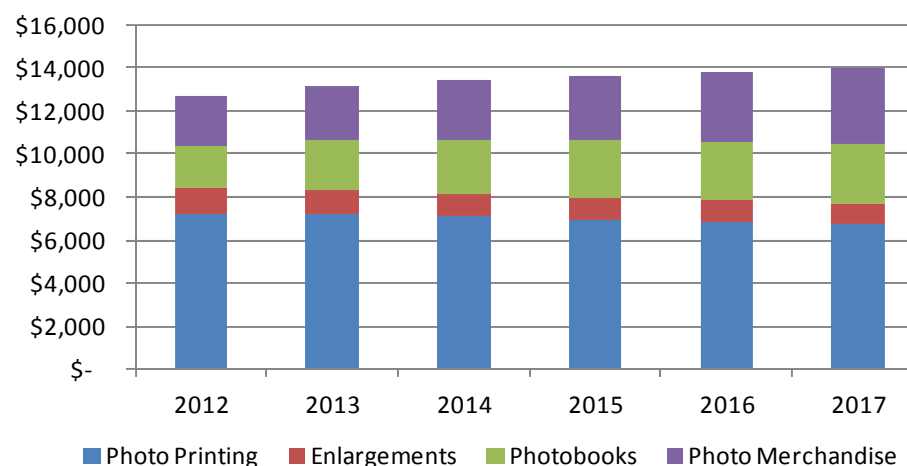
Source: Doug Robinson (Analyst), Infotrends, Kodak estimates

# Photo Market Size and Trends

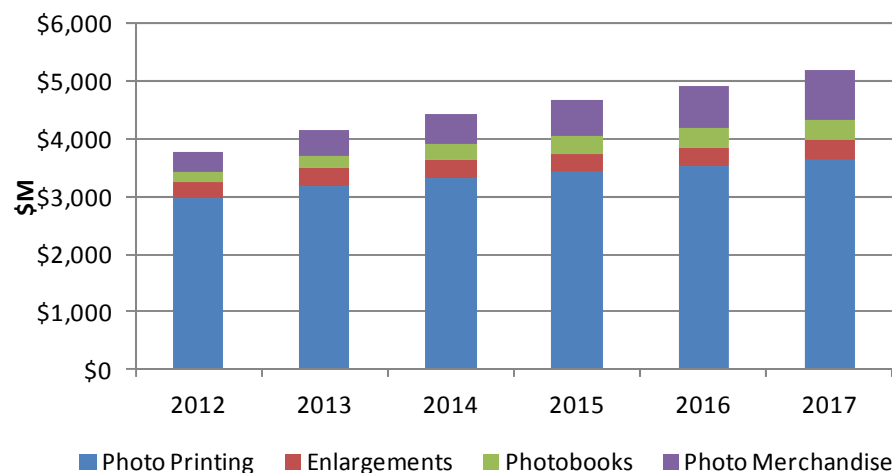
Kodak

- Retail production converting to dry technology
  - Sometimes driven by legislation
- Premium Growing
  - Photobooks and Photo Merch. offset declines in prints
- Online pathways growing
  - Consumer continuing shift to online ordering pathways
  - Online to retail projected to grow at 7% CAGR
- Growth in Emerging Markets
  - Remains more print centric than developed markets

**Product Revenue - Worldwide**



**Product Revenue - Emerging Markets**

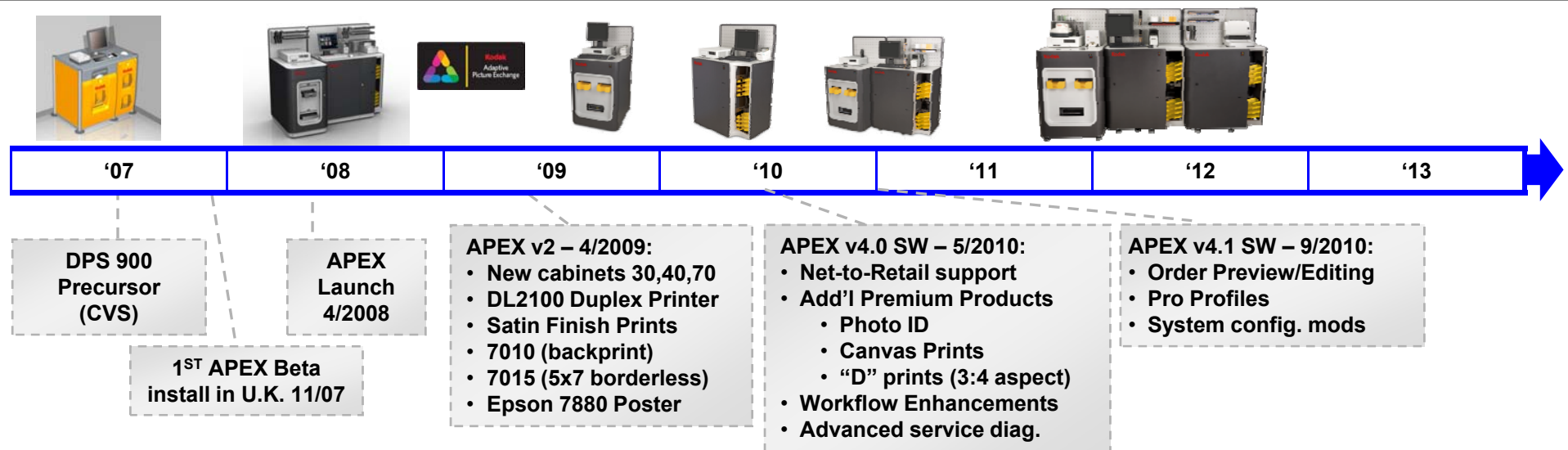
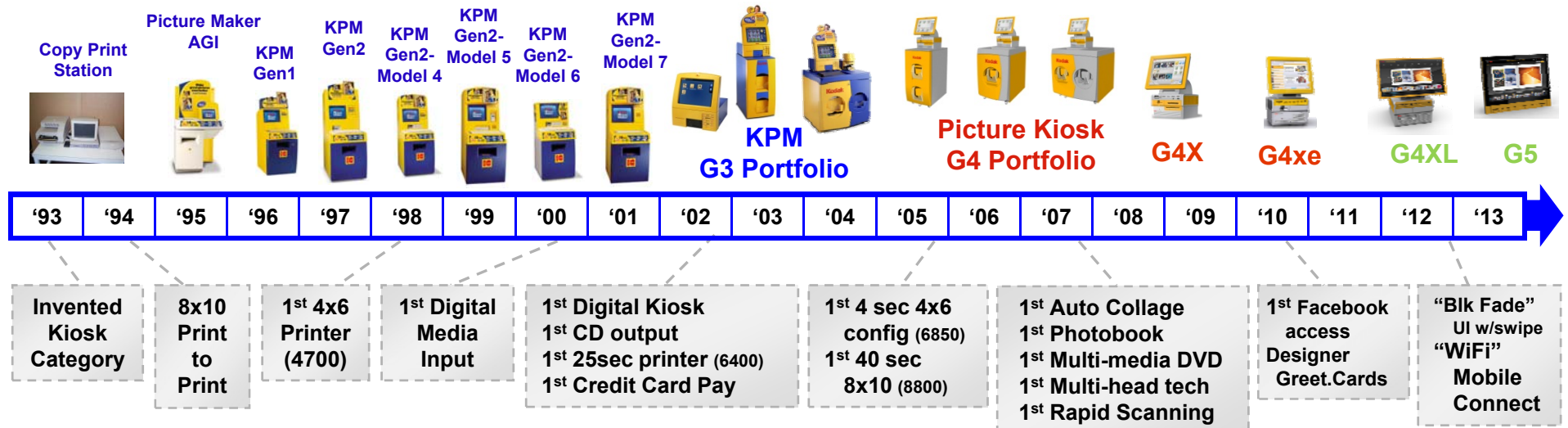


Source: EK Photo market forecast based on Robinson/Photographic Consultants, Future Source, InfoTrends, IDC, Lyra and EK data



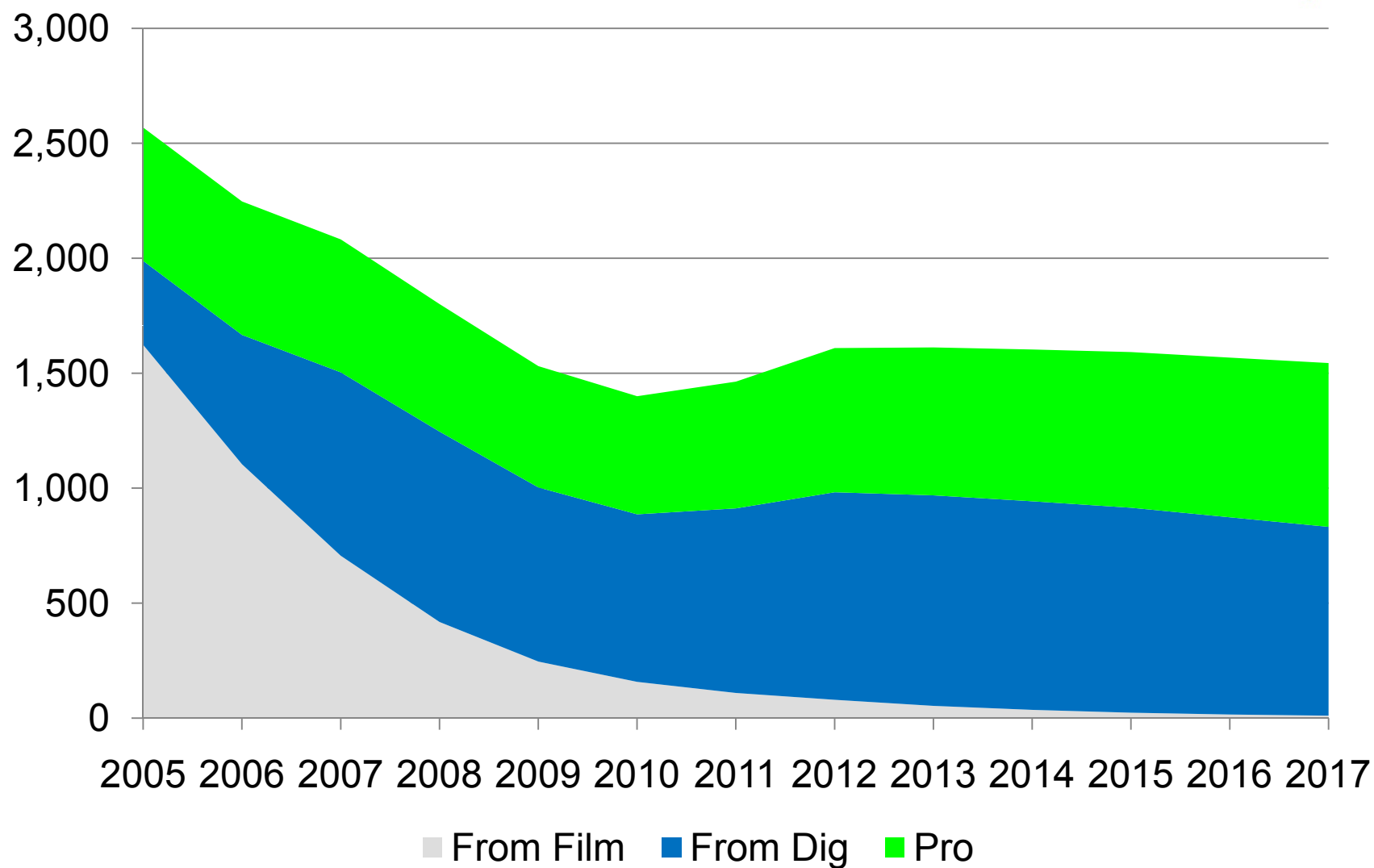
# Retail Systems Solutions - History

Kodak



## P&OS: Industry Revenue (Vendor M\$)

Kodak



Source: Doug Robinson Annual Color Negative Paper Reports and Kodak Internal Models

# Consumer Inkjet Market

Kodak

- Greater than a \$40B market
- Number of printers declining low single digits
  - Home WiFi penetration
  - SOHO market growing low single digits
- Two-thirds of the market comes from ink
  - Fewer pages printed at home
  - Print density increasing due to compounded documents and photo



Updated third party data will be published in early August.

# Consumer Inkjet Systems: Kodak's Competitive Advantage

Kodak

## CIJ Portfolio



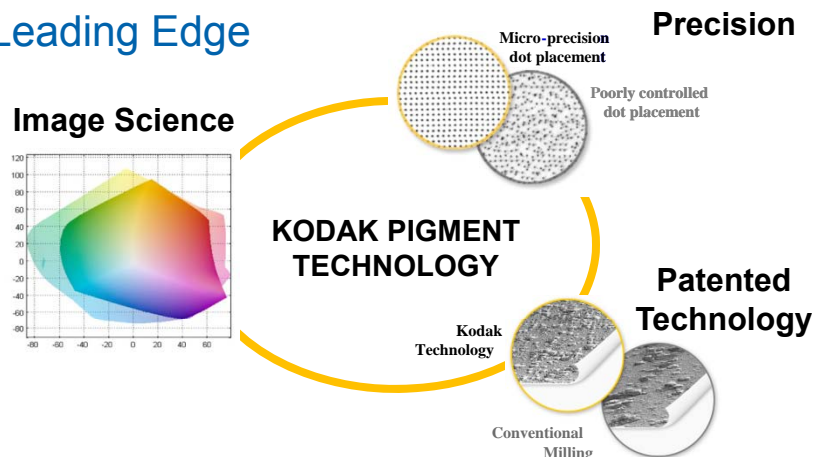
Cloud Printing

Leading Ease-of-Use  
WiFi setup

Smart Sensors

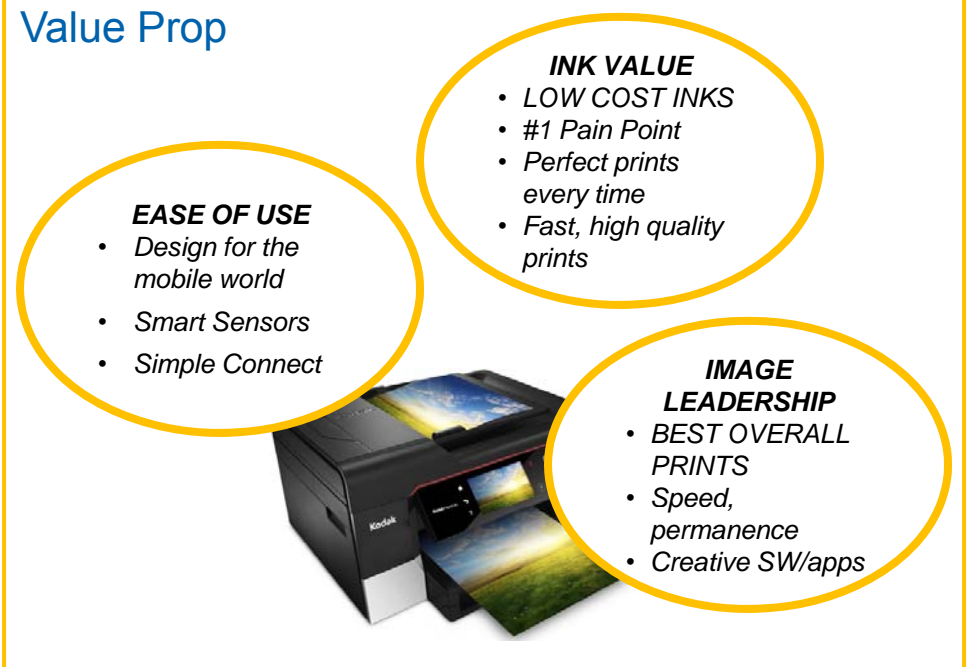
Innovative Office printers +  
Advanced Technology

## Leading Edge



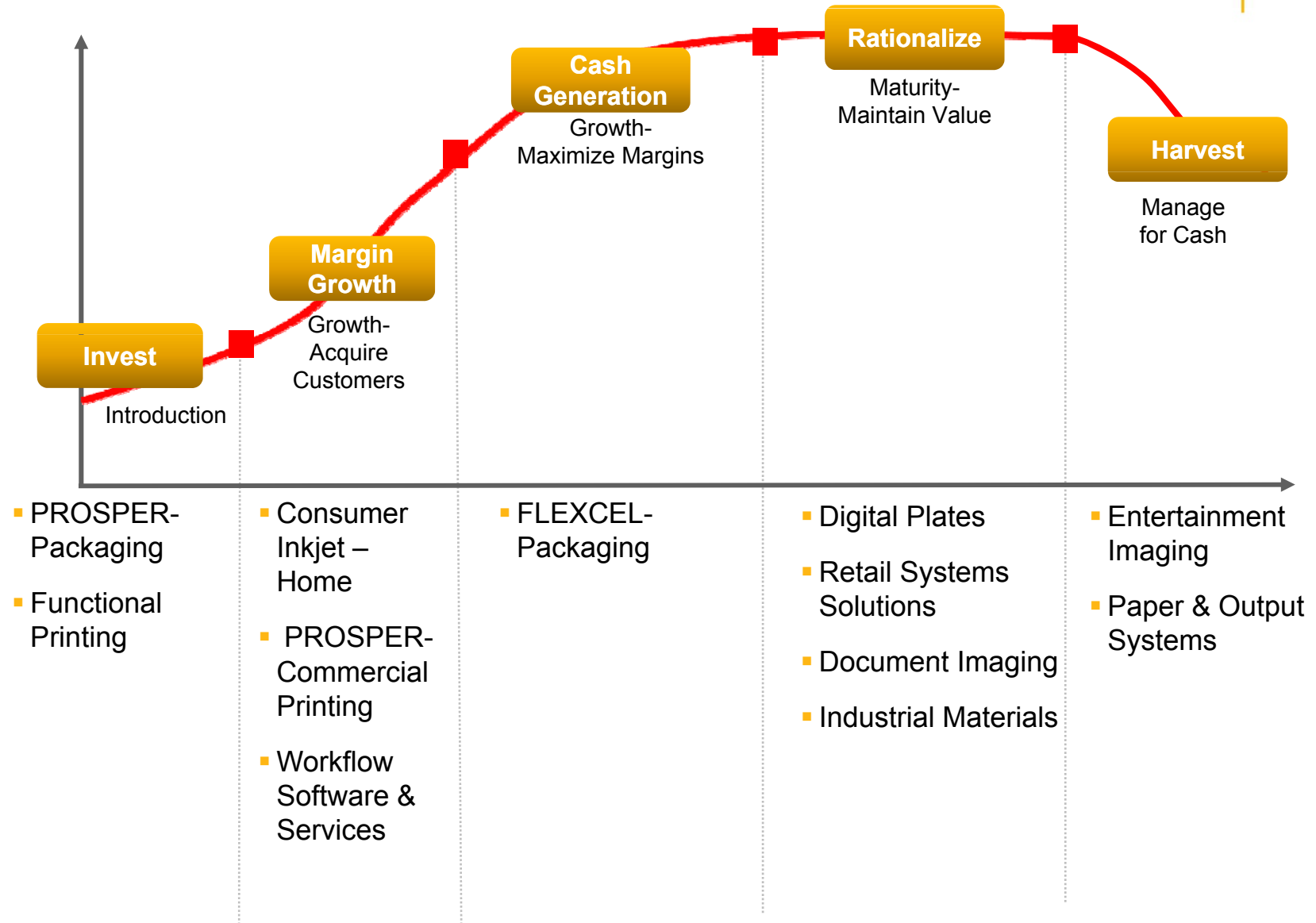
- Dual value proposition for branded and OEM business model
- Lowest cost of ink replacement in the industry
- Quality Leadership with pigment based inks

## Value Prop



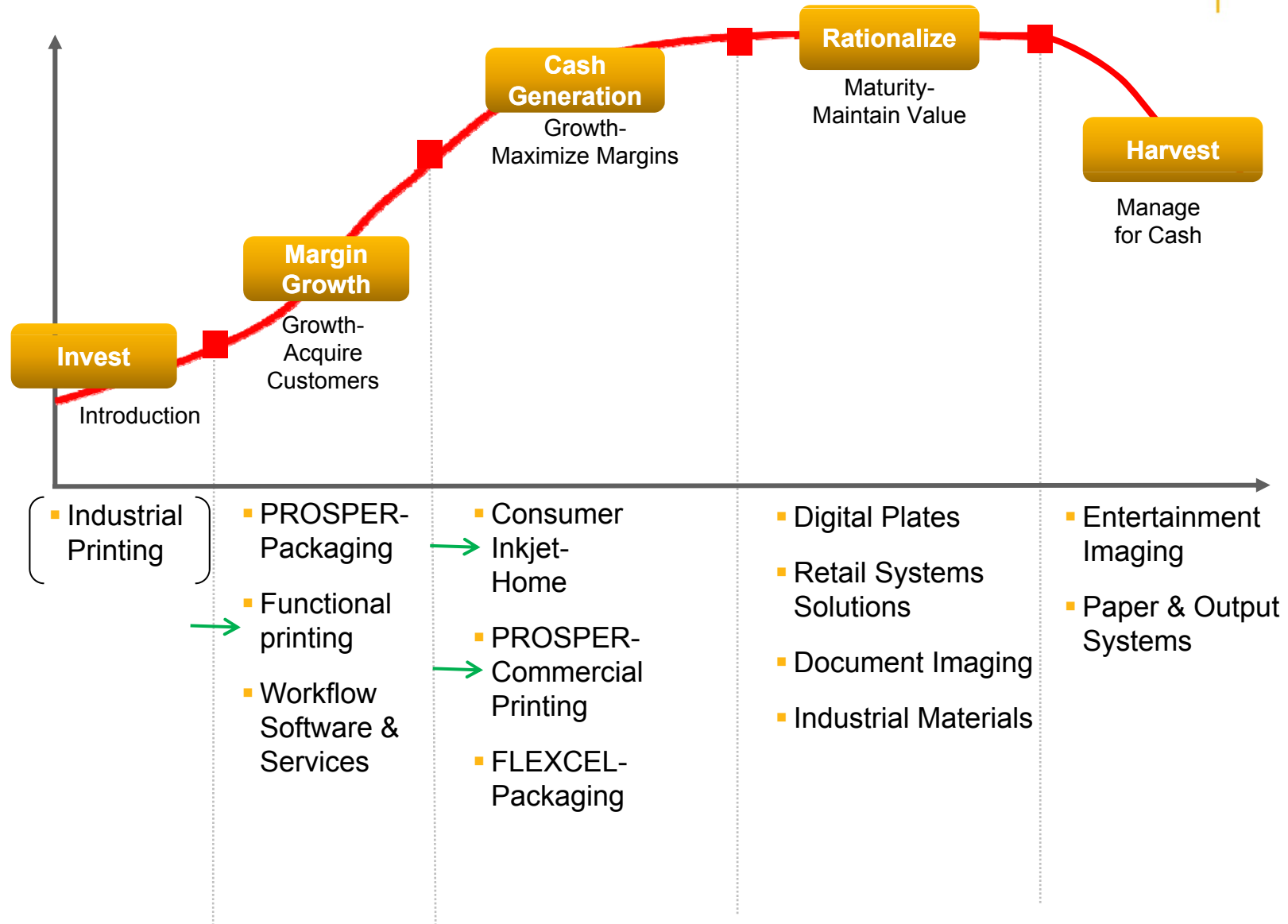
# A Value-Creating Portfolio – 2012

Kodak



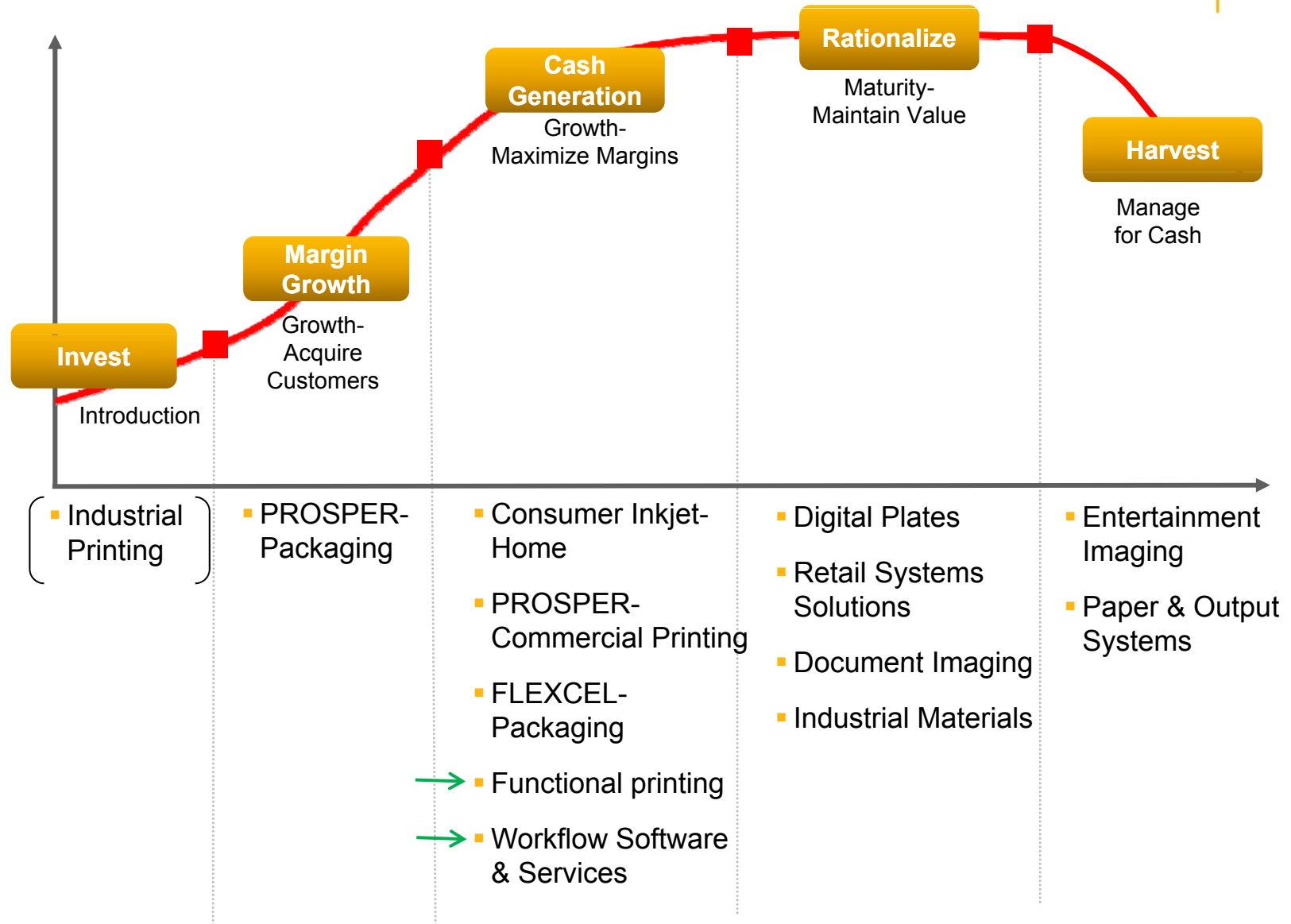
# A Value-Creating Portfolio – 2013

Kodak



# A Value-Creating Portfolio – 2014

Kodak



# Summary

Kodak

Kodak has groundbreaking technologies in large and worldwide growing markets

Digital Printing and Enterprise Segment has a broad portfolio where we lead and can transform large markets

Our Commercial Printing strategy has been endorsed enthusiastically at Drupa by partners and customers

Our Graphics and Commercial Film Segment is a strong cash generator

Personalized Imaging & Consumer Inkjet supported by our strong brand platform drive positive earnings and growth prospects

Our corporate cost, R&D and SGA will be significantly reduced in 2013/14

IP auction proceeding as planned in early August



A yellow crosshair graphic consisting of a vertical line and a horizontal line intersecting at the center.

**Kodak**

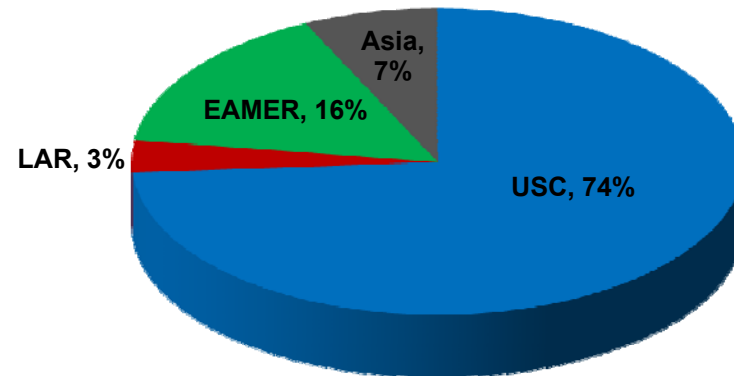
# Business Emergence Plan

**Corporate**

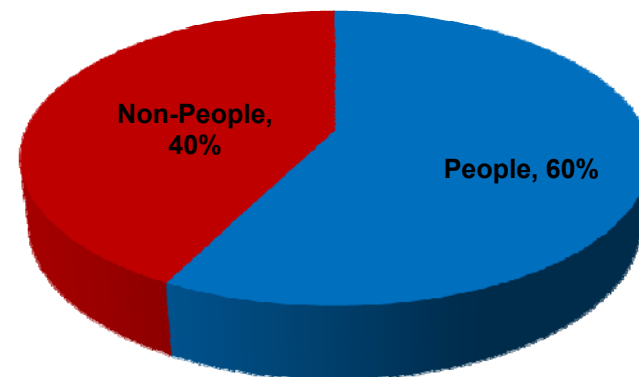
# Total Corporate Costs - 2012 Outlook

Kodak

Region



Category



Headcount (as of 6/8/12)

2,329

People Cost \$271M

Function

% of Spend

Corporate Finance Group	22%
Chief Administrative Officer	46%
Corporate Research	17%
Other (Bldg. Occupancy, Chief Marketing Office, CEO)	16%

2012E Total Spend - \$448M

COGS - \$77M, R&D - \$82M, SGA - \$289M

# Total Corporate Costs Emergence Plan

Kodak

(In Millions)	2011 Actuals	2012 Outlook	2013 Plan	2014 Plan
Total Corporate Costs	\$536	\$448	\$367	\$328
\$ Reduction YOY		-\$88	-\$81	-\$39
% Reduction YOY		-16%	-18%	-11%

## Cost Reduction Actions

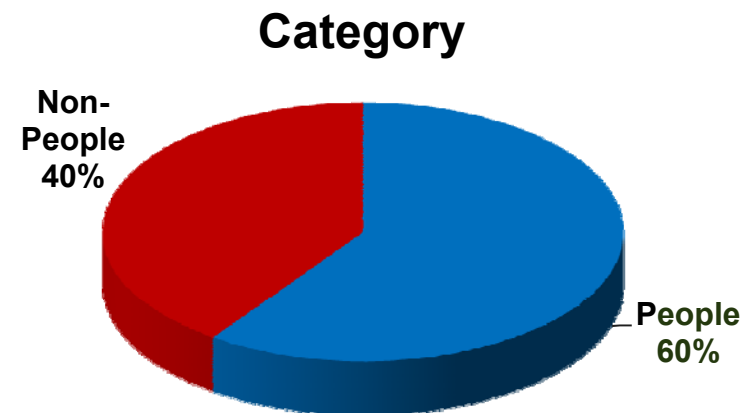
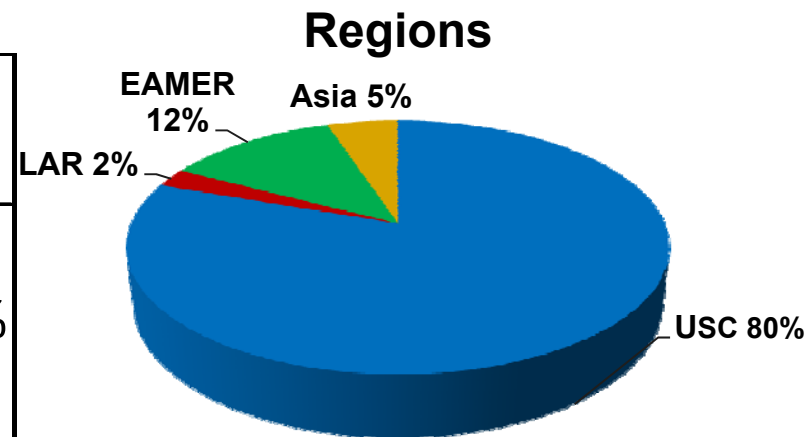
- |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>■ Align with simplification of                         <ul style="list-style-type: none"> <li>■ Product lines exits/changes</li> <li>■ Sites/Country participation</li> <li>■ Organization structure</li> </ul> </li> <li>■ Focus research projects on near-term road map</li> <li>■ Eliminate centralized corporate engineering</li> </ul> | <ul style="list-style-type: none"> <li>■ Increase span of controls</li> <li>■ Consolidate leadership</li> <li>■ Expand share services concept</li> <li>■ Reduce discretionary spend</li> <li>■ Eliminate aviation department</li> <li>■ Renegotiate contracts &amp; maintenance agreements</li> <li>■ Lower service levels</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# Chief Administrative Office – 2012 Outlook

Kodak

Functions	% of Spend
Information Systems	58%
Human Resources	15%
Legal & Comm. & Public Affairs	23%
Health, Safety & Environment	4%

2012E Projected Total Spend - \$216M

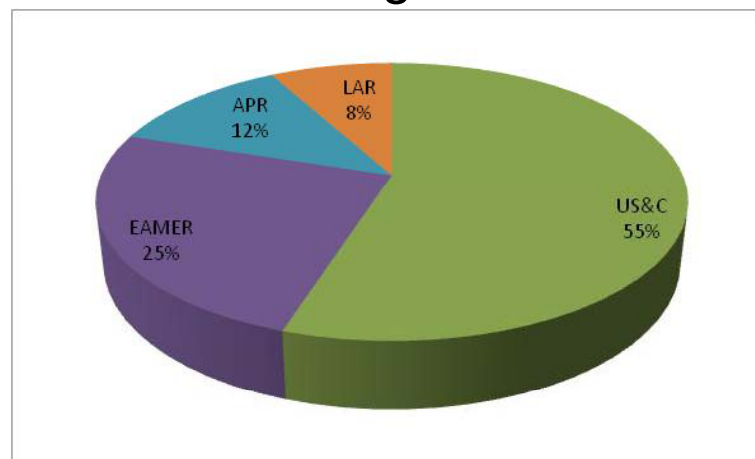


Headcount (as of 6/8/12) 1,040  
People Cost \$129M

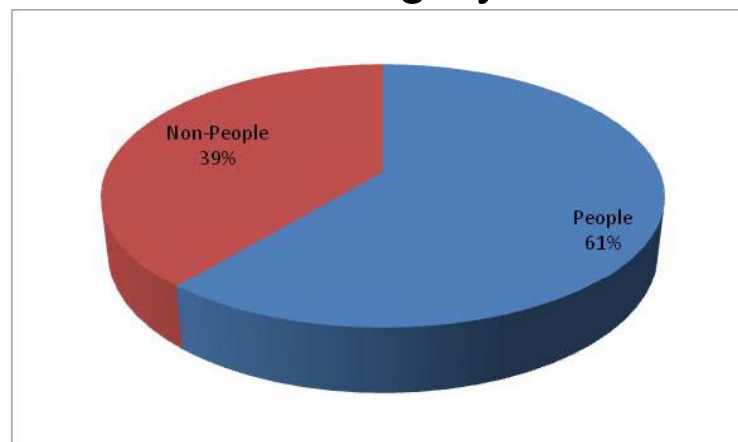
# Corporate Finance Group – 2012 Outlook

Kodak

## Regions



## Category



Headcount (as of 6/8/12) 626  
People Cost \$64M

Function	% of Spend
Auditing	3%
Business Unit Finance	19%
Financial Planning & Analysis	2%
Controllers	30%
Corporate Tax	10%
Treasury & Corporate Development	18%
Purchasing	18%

2012E Total Spend - \$104M

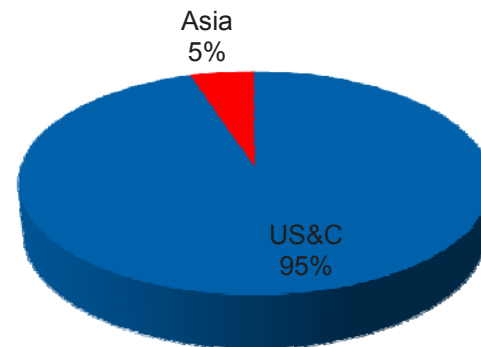
# Corporate Research – 2012 Outlook

Kodak

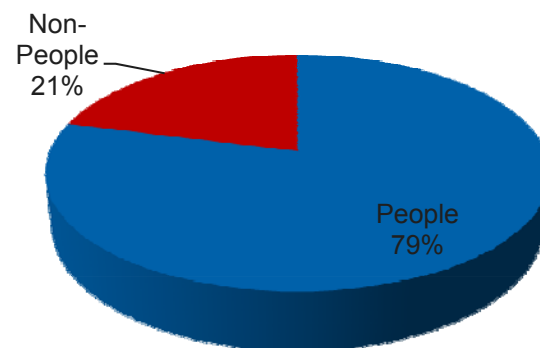
Segments	% of Spend
Digital Printing & Enterprise	46%
Graphics, Entertainment, Films	21%
Consumer	33%

2012E Projected Total Spend - \$82M

Regions



Category



Headcount (as of 6/8/12) 650  
People Cost \$65M



# Supplemental Financial Information

**August 2012**

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**Kodak**

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## 1. Financial Projections – 2012 – 2017 – Consolidated



### Consolidated Financial Projections

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E	2015E	2016E	2017E
<b>Revenue</b>	<b>\$ 6,022</b>	<b>\$ 2,042</b>	<b>\$ 2,356</b>	<b>\$ 4,398</b>	<b>\$ 4,517</b>	<b>\$ 4,801</b>	<b>\$ 5,061</b>	<b>\$ 5,411</b>	<b>\$ 5,839</b>
COGS	5,084	1,786	1,944	3,730	3,597	3,677	3,794	3,954	4,167
<b>Gross Profit*</b>	<b>\$ 938</b>	<b>\$ 257</b>	<b>\$ 411</b>	<b>\$ 668</b>	<b>\$ 920</b>	<b>\$ 1,124</b>	<b>\$ 1,267</b>	<b>\$ 1,456</b>	<b>\$ 1,672</b>
BU R&D	193	70	64	134	127	127	132	131	137
BU SG&A	797	281	278	559	477	481	517	543	574
<b>EBIT Before Corp. Allocation</b>	<b>\$ (52)</b>	<b>\$ (95)</b>	<b>\$ 69</b>	<b>\$ (26)</b>	<b>\$ 316</b>	<b>\$ 516</b>	<b>\$ 618</b>	<b>\$ 783</b>	<b>\$ 961</b>
Depreciation**	266	114	121	234	227	206	203	186	196
Amortization	43	18	9	27	20	17	15	15	14
<b>EBITDA Before Corp. Allocation</b>	<b>\$ 258</b>	<b>\$ 37</b>	<b>\$ 199</b>	<b>\$ 236</b>	<b>\$ 563</b>	<b>\$ 739</b>	<b>\$ 836</b>	<b>\$ 983</b>	<b>\$ 1,171</b>
Corporate SG&A	357	139	150	289	226	195	199	203	207
Corporate R&D	98	48	34	82	66	66	67	68	70
<b>EBITDA After Corp. Costs</b>	<b>\$ (197)</b>	<b>\$ (150)</b>	<b>\$ 14</b>	<b>\$ (135)</b>	<b>\$ 271</b>	<b>\$ 478</b>	<b>\$ 570</b>	<b>\$ 712</b>	<b>\$ 894</b>
Plus: Cash provided by/(used by) NWC	(70)	221	(71)	150	1	15	3	(16)	(10)
Less: CapEx	(128)	(26)	(73)	(99)	(126)	(144)	(134)	(138)	(171)
<b>Total Operating Cash Flow</b>	<b>\$ (394)</b>	<b>\$ 45</b>	<b>\$ (130)</b>	<b>\$ (84)</b>	<b>\$ 146</b>	<b>\$ 350</b>	<b>\$ 440</b>	<b>\$ 558</b>	<b>\$ 714</b>

\* Operational gross profit (i.e., not GAAP)

\*\* Includes amortization of certain RSS Commercial Capital assets

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Consumer Segment

Kodak

### Consumer Segment Financial Information

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 1,671</b>	<b>\$ 687</b>	<b>\$ 776</b>	<b>\$ 1,463</b>	<b>\$ 1,522</b>	<b>\$ 1,561</b>
COGS	1,579	586	660	1,246	1,280	1,292
<b>Gross Profit</b>	<b>\$ 92</b>	<b>\$ 101</b>	<b>\$ 116</b>	<b>\$ 217</b>	<b>\$ 242</b>	<b>\$ 270</b>
BU R&D	50					
BU SG&A	233					
<b>EBIT Before Corp. Allocation</b>	<b>\$ (191)</b>					
Depreciation**	90					
Amortization	1					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ (99)</b>	<b>\$ 54</b>	<b>\$ 62</b>	<b>\$ 116</b>	<b>\$ 143</b>	<b>\$ 177</b>
Corporate SG&A	61					
Corporate R&D	22					
<b>EBITDA After Corp. Costs</b>	<b>\$ (184)</b>					
Plus: Cash provided by/(used by) NWC	12					
Less: CapEx	(45)					
<b>Total Operating Cash Flow</b>	<b>\$ (216)</b>					

\*\* Includes amortization of certain RSS Commercial Capital assets

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Digital Printing & Enterprise Segment

Kodak

### Digital Printing & Enterprise Segment Financial Information

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 1,139</b>	<b>\$ 463</b>	<b>\$ 632</b>	<b>\$ 1,095</b>	<b>\$ 1,226</b>	<b>\$ 1,503</b>
COGS	927	370	483	853	884	1,021
<b>Gross Profit</b>	<b>\$ 212</b>	<b>\$ 93</b>	<b>\$ 149</b>	<b>\$ 242</b>	<b>\$ 342</b>	<b>\$ 483</b>
BU R&D	67					
BU SG&A	201					
<b>EBIT Before Corp. Allocation</b>	<b>\$ (57)</b>					
Depreciation	22					
Amortization	3					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ (31)</b>	<b>\$ (4)</b>	<b>\$ 49</b>	<b>\$ 45</b>	<b>\$ 121</b>	<b>\$ 244</b>
Corporate SG&A	96					
Corporate R&D	28					
<b>EBITDA After Corp. Costs</b>	<b>\$ (156)</b>					
Plus: Cash provided by/(used by) NWC	(30)					
Less: CapEx	(24)					
<b>Total Operating Cash Flow</b>	<b>\$ (210)</b>					

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Graphics & Commercial Films Segment

Kodak

### Graphics & Commercial Films Segment Financial Information

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 2,296</b>	<b>\$ 894</b>	<b>\$ 944</b>	<b>\$ 1,838</b>	<b>\$ 1,756</b>	<b>\$ 1,718</b>
COGS	1,887	765	798	1,563	1,466	1,405
<b>Gross Profit</b>	<b>\$ 409</b>	<b>\$ 129</b>	<b>\$ 146</b>	<b>\$ 275</b>	<b>\$ 291</b>	<b>\$ 313</b>
BU R&D	38					
BU SG&A	225					
<b>EBIT Before Corp. Allocation</b>	<b>\$ 145</b>					
Depreciation	103					
Amortization	39					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ 288</b>	<b>\$ 83</b>	<b>\$ 102</b>	<b>\$ 186</b>	<b>\$ 206</b>	<b>\$ 232</b>
Corporate SG&A	106					
Corporate R&D	22					
<b>EBITDA After Corp. Costs</b>	<b>\$ 159</b>					
Plus: Cash provided by/(used by) NWC	29					
Less: CapEx	(35)					
<b>Total Operating Cash Flow</b>	<b>\$ 155</b>					

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Exited and Other Business Units

Kodak

### Exited and Other Business Units\*

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 916</b>	<b>\$ (1)</b>	<b>\$ 3</b>	<b>\$ 2</b>	<b>\$ 13</b>	<b>\$ 17</b>
COGS	690	65	3	68	(33)	(41)
<b>Gross Profit</b>	<b>\$ 225</b>	<b>\$ (66)</b>	<b>\$ -</b>	<b>\$ (66)</b>	<b>\$ 46</b>	<b>\$ 58</b>
BU R&D	38					
BU SG&A	137					
<b>EBIT Before Corp. Allocation</b>	<b>\$ 49</b>					
Depreciation	51					
Amortization	-					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ 100</b>	<b>\$ (96)</b>	<b>\$ (15)</b>	<b>\$ (111)</b>	<b>\$ 93</b>	<b>\$ 87</b>
Corporate SG&A	92					
Corporate R&D	25					
<b>EBITDA After Corp. Costs</b>	<b>\$ (18)</b>					
Plus: Cash provided by/(used by) NWC	(81)					
Less: CapEx	(25)					
<b>Total Operating Cash Flow</b>	<b>\$ (122)</b>					

\* Includes Exited Businesses (DCD - Non-Essentials, CIS/Gallery and ISS), Consumer and Commercial OPEB, IP, Other Commercial (GCG-Other, Graphics Films), Other Non-Operating Business Units

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Personalized Imaging

Kodak

### Consumer Segment

#### Personalized Imaging Strategic Product Group Financial Information\*

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 1,309</b>	<b>\$ 540</b>	<b>\$ 592</b>	<b>\$ 1,133</b>	<b>\$ 1,082</b>	<b>\$ 1,089</b>
COGS	1,136	460	503	963	907	889
<b>Gross Profit</b>	<b>\$ 173</b>	<b>\$ 81</b>	<b>\$ 89</b>	<b>\$ 169</b>	<b>\$ 175</b>	<b>\$ 201</b>
BU R&D	23					
BU SG&A	123					
<b>EBIT Before Corp. Allocation</b>	<b>\$ 27</b>					
Depreciation**	66					
Amortization	1					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ 95</b>	<b>\$ 54</b>	<b>\$ 58</b>	<b>\$ 113</b>	<b>\$ 119</b>	<b>\$ 151</b>
Corporate SG&A	38					
Corporate R&D	10					
<b>EBITDA After Corp. Costs</b>	<b>\$ 46</b>					
Plus: Cash provided by/(used by) NWC	22					
Less: CapEx	(20)					
<b>Total Operating Cash Flow</b>	<b>\$ 49</b>					

\* Includes RSS, Film Capture, EIS, P&OS, DCD - Essentials business only, WW-Managed-CDG, WW Managed - FPEG

\*\* Includes amortization of certain RSS Commercial Capital assets

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Consumer Inkjet Systems

Kodak

### Consumer Segment

#### Consumer Inkjet Systems Strategic Product Group Financial Information

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 362</b>	<b>\$ 147</b>	<b>\$ 184</b>	<b>\$ 331</b>	<b>\$ 440</b>	<b>\$ 472</b>
COGS	443	126	157	283	373	403
<b>Gross Profit</b>	<b>\$ (81)</b>	<b>\$ 21</b>	<b>\$ 27</b>	<b>\$ 48</b>	<b>\$ 67</b>	<b>\$ 69</b>
BU R&D	27					
BU SG&A	110					
<b>EBIT Before Corp. Allocation</b>	<b>\$ (218)</b>					
Depreciation	24					
Amortization	-					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ (194)</b>	<b>\$ (1)</b>	<b>\$ 4</b>	<b>\$ 3</b>	<b>\$ 24</b>	<b>\$ 26</b>
Corporate SG&A	23					
Corporate R&D	12					
<b>EBITDA After Corp. Costs</b>	<b>\$ (230)</b>					
Plus: Cash provided by/(used by) NWC	(10)					
Less: CapEx	(25)					
<b>Total Operating Cash Flow</b>	<b>\$ (265)</b>					

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Digital & Functional Printing

Kodak

### Digital Printing and Enterprise Segment

#### Digital & Functional Printing Strategic Product Group Financial Information\*

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 673</b>	<b>\$ 267</b>	<b>\$ 382</b>	<b>\$ 649</b>	<b>\$ 750</b>	<b>\$ 985</b>
COGS	628	235	321	557	583	698
<b>Gross Profit</b>	<b>\$ 45</b>	<b>\$ 32</b>	<b>\$ 60</b>	<b>\$ 92</b>	<b>\$ 167</b>	<b>\$ 288</b>
BU R&D	43					
BU SG&A	138					
<b>EBIT Before Corp. Allocation</b>	<b>\$ (137)</b>					
Depreciation	17					
Amortization	2					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ (117)</b>	<b>\$ (30)</b>	<b>\$ 3</b>	<b>\$ (27)</b>	<b>\$ 42</b>	<b>\$ 154</b>
Corporate SG&A	67					
Corporate R&D	20					
<b>EBITDA After Corp. Costs</b>	<b>\$ (205)</b>					
Plus: Cash provided by/(used by) NWC	(36)					
Less: CapEx	(21)					
<b>Total Operating Cash Flow</b>	<b>\$ (262)</b>					

\* Includes IPS, Packaging, EPS, Functional Printing

Note: Immaterial rounding differences may exist



## 1. Financial Projections – 2012 – 2017 – Enterprise Services & Solutions

Kodak

### Digital Printing and Enterprise Segment

#### Enterprise Services & Solutions Strategic Product Group Financial Information\*

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 466</b>	<b>\$ 195</b>	<b>\$ 250</b>	<b>\$ 446</b>	<b>\$ 476</b>	<b>\$ 518</b>
COGS	299	134	162	296	301	323
<b>Gross Profit</b>	<b>\$ 167</b>	<b>\$ 61</b>	<b>\$ 89</b>	<b>\$ 150</b>	<b>\$ 175</b>	<b>\$ 195</b>
BU R&D	24					
BU SG&A	63					
<b>EBIT Before Corp. Allocation</b>	<b>\$ 80</b>					
Depreciation	5					
Amortization	1					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ 86</b>	<b>\$ 26</b>	<b>\$ 46</b>	<b>\$ 72</b>	<b>\$ 79</b>	<b>\$ 90</b>
Corporate SG&A	29					
Corporate R&D	8					
<b>EBITDA After Corp. Costs</b>	<b>\$ 49</b>					
Plus: Cash provided by/(used by) NWC	6					
Less: CapEx	(3)					
<b>Total Operating Cash Flow</b>	<b>\$ 52</b>					

\* Includes Scanner & Technical Service (DI) and Professional Services (KSB)

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 - 2017 - Graphics

Kodak

### Graphics & Commercial Films Segment

#### Graphics Strategic Product Group Financial Information\*

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 1,597</b>	<b>\$ 666</b>	<b>\$ 733</b>	<b>\$ 1,400</b>	<b>\$ 1,422</b>	<b>\$ 1,446</b>
COGS	1,305	554	605	1,159	1,167	1,165
<b>Gross Profit</b>	<b>\$ 292</b>	<b>\$ 113</b>	<b>\$ 129</b>	<b>\$ 241</b>	<b>\$ 256</b>	<b>\$ 281</b>
BU R&D	32					
BU SG&A	175					
<b>EBIT Before Corp. Allocation</b>	<b>\$ 84</b>					
Depreciation	50					
Amortization	39					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ 174</b>	<b>\$ 68</b>	<b>\$ 77</b>	<b>\$ 145</b>	<b>\$ 156</b>	<b>\$ 183</b>
Corporate SG&A	81					
Corporate R&D	19					
<b>EBITDA After Corp. Costs</b>	<b>\$ 74</b>					
Plus: Cash provided by/(used by) NWC	25					
Less: CapEx	(30)					
<b>Total Operating Cash Flow</b>	<b>\$ 70</b>					

\* Includes Prepress Plates, Prepress Output Devices, and Workflow/UWS

Note: Immaterial rounding differences may exist

## 1. Financial Projections – 2012 – 2017 – Commercial Films

Kodak

### Graphics & Commercial Films Segment

#### Commercial Films Strategic Product Group Financial Information\*

(\$ in millions)

	2011A	1H 2012	2H 2012E	2012E	2013E	2014E
<b>Revenue</b>	<b>\$ 699</b>	<b>\$ 227</b>	<b>\$ 211</b>	<b>\$ 438</b>	<b>\$ 334</b>	<b>\$ 272</b>
COGS	582	211	193	404	299	240
<b>Gross Profit</b>	<b>\$ 117</b>	<b>\$ 16</b>	<b>\$ 18</b>	<b>\$ 34</b>	<b>\$ 35</b>	<b>\$ 32</b>
BU R&D	6					
BU SG&A	50					
<b>EBIT Before Corp. Allocation</b>	<b>\$ 61</b>					
Depreciation	53					
Amortization	-					
<b>EBITDA Before Corp. Allocation</b>	<b>\$ 114</b>	<b>\$ 15</b>	<b>\$ 26</b>	<b>\$ 41</b>	<b>\$ 50</b>	<b>\$ 49</b>
Corporate SG&A	25					
Corporate R&D	3					
<b>EBITDA After Corp. Costs</b>	<b>\$ 85</b>					
Plus: Cash provided by/(used by) NWC	4					
Less: CapEx	(5)					
<b>Total Operating Cash Flow</b>	<b>\$ 85</b>					

\* Includes Entertainment Imaging, Aerial and Industrial Materials, Manufacturing Trade Sales

Note: Immaterial rounding differences may exist

## 2. (a) Reconciliation of EBITDA After Corp. Costs (per Financial Projections) to Form 10-K Net Loss (\$ in millions)

**Kodak**

2011 Operational Gross Profit	\$ 938
Less:	
Other COGS - Corporate Pension Costs <sup>(1)</sup>	39
Restructuring Costs - Acc. Depreciation & Inventory Writedowns	12
2011 GAAP Gross Profit	<u>\$ 887</u>
2011 EBITDA after corporate costs	\$ (197)
Less:	
Depreciation and amortization expense <sup>(2)</sup>	309
2011 Operational EBIT (Segment loss from continuing Operations before interest expense, other income (charges) net, and income taxes (Note 25 Segment Information))	<u>(506)</u>
Less:	
Restructuring costs, rationalization and other	133
Non-ops pension (income)/cost <sup>(1)</sup>	29
Other operating (income) expenses, net	<u>(69)</u>
2011 GAAP loss from continuing operations before interest expense, other income (charges), net and income taxes	<u>(600)</u>
Less:	
Interest expense	156
Other (income)/charges, net	<u>2</u>
2011 Loss from Continuing Operations before Income Taxes	<u>(758)</u>
Provision for income taxes	9
Extraordinary Items, net of tax	-
(Earnings)/loss from discontinued operations, net of income tax	<u>(3)</u>
2011 Net Income (Loss) Attributable to EKC per 10K filing	<u>\$ (764)</u>

### Notes:

- During the first quarter of 2011, the Company changed its segment measure of profit and loss to exclude certain components of pension and other postretirement obligations (OPEB). As a result of this change, the operating segment results exclude the interest cost, expected return on plan assets, amortization of actuarial gains and losses, and special termination benefit, curtailment and settlement components of pension and OPEB expense. The service cost and amortization of prior service cost components will continue to be reported as part of operating segment results.
- Includes amortization of certain RSS Commercial Capital assets

Note: Immaterial rounding differences may exist

## 2. (b) Reconciliation of Form 10-Q Net Loss to EBITDA to EBITDA After Corp. Costs (per Financial Projections)

**Kodak**

### Reconciliation of Form 10-Q Net Loss to EBITDA to EBITDA After Corp. Costs per Financial Projections

(\$ in millions)

	June 2012 YTD
<b>Net loss, as reported in the June 30, 2012 Form 10-Q</b>	<b>\$ (665)</b>
Interest expense	77
(Benefit) for income taxes	(111)
Depreciation	106
Amortization	18
<b>EBITDA</b>	<b>\$ (575)</b>
Restructuring costs and other	116
Corporate Components of Pension and OPEB Expense	65
(Gains) on asset sales	(20)
Loss on early extinguishment of debt	7
Other (income) charges, net	2
Reorganization items, net	248
<b>EBITDA After Corp. Costs</b>	<b>\$ (157)</b>
Amortization of RSS Commercial Capital Assets	7
<b>EBITDA After Corp. Costs per Financial Exhibits</b>	<b>\$ (150)</b>

Note: Immaterial rounding differences may exist

### 3. Reconciliation of Consolidated EBITDA After Corp Costs (per Financial Projections) to Adjusted EBITDA (FY 2012 Estimate)

Kodak

#### Reconciliation of EBITDA After Corp. Costs to Adjusted EBITDA: FY 2012 Estimate (\$millions)

EBITDA After Corp. Costs	\$ (135)
Gains on asset sales	20
Other Non-Cash charges that will not result in cash payment (Except non-cash Restructuring Chgs) plus IP SG&A	82
Non-Recurring IP Revenue	61
Pension & OPEB Income - (Ops)	(12)
Other non-cash income that will not result in cash receipts	(9)
Adjusted EBITDA	<u>6</u>

Note: Immaterial rounding differences may exist

#### 4. Definition of Cash Generation before Restructuring, Reorganization Costs, Pension/OPEB and Non-Recurring IP

Kodak

##### **Cash Generation before Restructuring, Reorganization Costs, Pension/OPEB and Non-Recurring IP:**

Net cash flow provided by (used in) operating activities from continuing operations as determined under US GAAP, excluding:

- Restructuring/rationalization payments;
- Payments of reorganization costs related to the Chapter 11 filing;
- Net cash flow from the operating results of acquisitions or new strategic alliances having an annualized revenue of greater than \$100M;
- Share issuance, share repurchases, including associated costs, expenses and fees;
- Debt actions, including costs, expenses and fees associated with amendments, revisions or other actions related to the company's debt portfolio, including revolving credit agreements;
- Cash consideration paid for acquisitions or new strategic alliances along with the associated deal and integration costs;
- Investments in unconsolidated entities;
- Movements or transfers of cash to marketable securities or other interest-bearing investments or accounts;
- Dividend payments;
- Pension/OPEB cash contributions and benefit payments;
- IP asset sale proceeds and licensing transactions;

Including:

- Net cash flow generated by any business divested in the year, through the date of divestiture, including business divestitures categorized as continuing operations or discontinued operations;
- Proceeds from asset sales, agreements, settlements and divestitures;
- Capital expenditures.

**5. Reconciliation of Net Cash Used in Operating Activities to Cash Generation before Restructuring and Reorganization Payments, Pension/OPEB Contributions and Benefit Payments and Non-Recurring IP for the Six Months Ended June 30, 2012**

**Kodak**

**Reconciliation of Net Cash Used in Operating Activities to Cash Generation Before Restructuring and Reorganization Payments, Pension/OPEB Contributions and Benefit Payments, and Non-Recurring IP**

(\$ in millions)

	June 2012 YTD
<b>Net Cash Used in Operating Activities, as reported</b>	<b>\$ (152)</b>
Capital Expenditures	(26)
Proceeds from sales of businesses/assets	26
Proceeds from sale and leaseback transaction	41
Restructuring payments	50
Reorganization payments	43
Pension contributions/OPEB benefit payments	78
<b>Cash Generation Before Restructuring and Reorganization Payments, Pension/OPEB Contributions and Benefit Payments, and Non-Recurring IP</b>	<b>\$ 60</b>

Note: Immaterial rounding differences may exist



## 6. EKC EXCEL Targets (\$ in millions)

Kodak

<u>EKC EXCEL Targets</u>		
	<b>EXCEL Metrics Thresholds (\$)</b>	<b>Per 6+6 Outlook (\$)</b>
Adjusted EBITDA	Min \$(55.0) Target \$(38.0) Max \$150.0	\$ 6
Cash Generation before restructuring, reorganization costs, pension/OPEB payments and non-recurring IP	Min \$(120.0) Target \$(96.0) Max \$230.0	\$ (189)

\*\* Potential payouts range from 0% - 300%

## 7. Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Measures

Kodak

In its August 13, 2012 Form 8-K filing, Eastman Kodak Company (“The Company”) referenced certain non-GAAP financial measures including “operational gross profit” and “operating cash flow”.

The Company believes that these non-GAAP measures represent important internal measures of performance. Accordingly, where they are provided, it is to give investors the same financial data management uses with the belief that this information will assist the investment community in properly assessing the underlying performance of the Company, its financial condition, results of operations and cash flow on a year-over-year and quarter-sequential basis.

The following reconciliations are provided with respect to terms used in the August 13, 2012 Form 8-K filing.

The following table reconciles operational gross profit to the most directly comparable GAAP measures of consolidated gross profit (amounts in millions):

	<b>Six Months Ended June 30, 2012</b>
Operational gross profit, as presented	\$ 257
Corporate pension costs	(40)
Restructuring costs and other	(3)
Other items	(1)
Consolidated gross profit (GAAP basis)	<u><u>\$ 213</u></u>

Note: Immaterial rounding differences may exist

## 7. Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Measures

**Kodak**

The following table reconciles operating cash flow to the most directly comparable GAAP measure of net cash used in operating activities (amounts in millions):

		<b>Six Months Ended</b>
	<b>2011</b>	<b>June 30, 2012</b>
Operating cash flow, as presented	\$ (394)	\$ 45
Cash (provided by) used by net working capital	70	(221)
Capital expenditures	128	26
Interest expense	(156)	(77)
(Provision) benefit for income taxes	(9)	111
Restructuring costs and other	(133)	(116)
Corporate components of pension and OPEB expense	(28)	(65)
Other operating income (expenses), net	67	20
Other (income) charges, net	2	1
Reorganization items, net	-	(248)
Amortization of RSS commercial capital assets	(15)	(7)
Loss from discontinued operations, net of income taxes	(3)	-
Gains on sales of businesses/assets	(80)	(20)
Non-cash restructuring costs, asset impairments and other charges	17	5
Non-cash and financing related reorganization items, net	-	205
Provision for deferred income taxes	12	16
Decrease in receivables	96	269
Decrease (increase) in inventories	131	(38)
Decrease in liabilities excluding borrowings	(729)	(92)
Other items, net	36	34
Net cash used in discontinued operations	(10)	-
Net cash used in operating activities (GAAP basis)	<u>\$ (998)</u>	<u>\$ (152)</u>

Note: Immaterial rounding differences may exist