SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 1997

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 1-87

EASTMAN KODAK COMPANY
(Exact name of registrant as specified in its charter)

NEW JERSEY (State of incorporation)	16-0417150 (IRS Employer Identification No.)
343 STATE STREET, ROCHESTER, NEW YORK (Address of principal executive offices)	14650 (Zip Code)

Registrant's telephone number, including area code: 716-724-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding at September 30, 1997
Common Stock, $2.50 par value	324,901,439

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

Eastman Kodak Company and Subsidiary Companies
CONSOLIDATED STATEMENT OF EARNINGS

(in millions)

	Third Quarter 1997	Third Quarter 1996	Three Quarters 1997	Three Quarters 1996
REVENUES				
Sales	$3,773	$4,149	$10,759	$11,654
Earnings from equity interests and other revenues	14	30	120	173
TOTAL REVENUES	3,787	4,179	10,879	11,827
COSTS				
Cost of goods sold	2,045	2,152	5,703	6,028
Selling, general and administrative expenses	1,035	1,119	2,905	3,227
Research and development costs	259	252	782	740
Purchased research and development	-	-	186	-
Interest expense	26	20	69	59
Other costs	70	14	99	70
TOTAL COSTS	3,435	3,557	9,744	10,124
Earnings before income taxes	352	622	1,135	1,703
Provision for income taxes	120	212	386	579
NET EARNINGS	$ 232	$ 410	$ 749	$ 1,124
Earnings per share	$ .71	$ 1.22	$ 2.28	$ 3.32

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Third Quarter 1997	Third Quarter 1996	Three Quarters 1997	Three Quarters 1996
Retained earnings at beginning of period	$6,153	$5,633	$5,931	$ 5,184
Net earnings	232	410	749	1,124
Cash dividends declared	(143)	(134)	(434)	(406)
Other changes	5	(2)	1	5
RETAINED EARNINGS at end of period	$6,247	$5,907	$6,247	$ 5,907

See Notes to Financial Statements

Eastman Kodak Company and Subsidiary Companies
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions)

	Sept. 30, 1997	Dec. 31, 1996
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 310	$ 1,777
Marketable securities	28	19
Receivables	2,703	2,738
Inventories	1,679	1,575
Deferred income tax charges	662	644
Other	242	212
Total current assets	5,624	6,965
PROPERTIES		
Land, buildings and equipment at cost	12,954	12,585
Less: Accumulated depreciation	7,218	7,163
Net properties	5,736	5,422
OTHER ASSETS		
Goodwill (net of accumulated amortization of $410 and $366)	620	581
Long-term receivables and other noncurrent assets	1,337	1,238
Deferred income tax charges	267	232
TOTAL ASSETS	$13,584	$14,438

	Sept. 30, 1997	Dec. 31, 1996
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Payables	$ 3,286	$ 4,116
Short-term borrowings	689	541
Taxes - income and other	640	603
Dividends payable	143	133
Deferred income tax credits	34	24
Total current liabilities	4,792	5,417
OTHER LIABILITIES		
Long-term borrowings	627	559
Postemployment liabilities	2,992	2,967
Other long-term liabilities	840	659
Deferred income tax credits	66	102
Total liabilities	9,317	9,704
SHAREHOLDERS' EQUITY		
Common stock at par*	978	978
Additional capital paid in or transferred from retained earnings	913	910
Retained earnings	6,247	5,931
Accumulated translation adjustment	(106)	75
	8,032	7,894
Less: Treasury stock at cost*	3,765	3,160
Total shareholders' equity	4,267	4,734
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$13,584	$14,438

* Common stock: $2.50 par value, 950 million shares authorized, 391 million shares issued as of September 30, 1997 and December 31, 1996. Treasury stock at cost consists of approximately 66 million shares at September 30, 1997 and 59 million shares at December 31, 1996.

See Notes to Financial Statements

Eastman Kodak Company and Subsidiary Companies
CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

	Three Quarters 1997	Three Quarters 1996
Cash flows from operating activities:		
Net earnings	$ 749	$1,124
Adjustments to reconcile above earnings to net cash provided by operating activities, excluding the effect of initial consolidation of acquired companies:		
Depreciation and amortization	600	661
Purchased research and development	186	-
Benefit for deferred taxes	(76)	(26)
Loss on sale and retirement of properties	1	34
Increase in receivables	(57)	(61)
Increase in inventories	(156)	(307)
(Decrease) increase in liabilities excluding borrowings	(285)	39
Other items, net	(97)	(15)
Total adjustments	116	325
Net cash provided by operating activities	865	1,449
Cash flows from investing activities:		
Additions to properties	(1,024)	(831)
Proceeds from sale of properties	64	66
Acquisitions, net of cash acquired	(318)	-
Marketable securities - sales	11	40
Marketable securities - purchases	-	(20)
Cash flows related to sales of non-imaging health businesses	(65)	(8)
Cash flows related to sale of Office Imaging business	(129)	-
Net cash used in investing activities	(1,461)	(753)
Cash flows from financing activities:		
Net increase (decrease) in borrowings with original maturity of 90 days or less	384	(219)
Proceeds from other borrowings	1,038	1,224
Repayment of other borrowings	(1,200)	(1,091)
Dividends to shareholders	(424)	(409)
Exercise of employee stock options	89	84
Stock repurchases	(732)	(1,131)
Net cash used in financing activities	(845)	(1,542)
Effect of exchange rate changes on cash	(26)	(2)
Net decrease in cash and cash equivalents	(1,467)	(848)
Cash and cash equivalents, beginning of year	1,777	1,764
Cash and cash equivalents, end of quarter	$ 310	$ 916

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1: BASIS OF PRESENTATION

The financial statements have been prepared by the Company in accordance with the accounting policies stated in the 1996 Annual Report and should be read in conjunction with the Notes to Financial Statements appearing therein. In the opinion of the Company, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation have been included in the financial statements. The statements are based in part on estimates and have not been audited by independent accountants. The annual statements will be audited by Price Waterhouse LLP.

NOTE 2: COMMITMENTS AND CONTINGENCIES

The Company and its subsidiary companies are involved in lawsuits, claims, investigations and proceedings, including product liability, commercial, environmental, and health and safety matters, which are being handled and defended in the ordinary course of business. There are no such matters pending that the Company and its General Counsel expect to be material in relation to the Company's business, financial position or results of operations. Refer to Item 1, Legal Proceedings, on page 14.

NOTE 3: ACQUISITIONS AND JOINT VENTURES

On March 17, 1997, the Company acquired Wang Laboratories' software business unit for approximately $260 million in cash. The unit is engaged in the development of workflow, imaging, document management and network storage management software. The transaction was accounted for by the purchase method and, accordingly, the operating results of the business have been included in the accompanying consolidated financial statements from the date of acquisition.

In connection with the acquisition, the Company recorded a pre-tax charge of $186 million in purchased research and development expense in the first quarter. The amount attributed to purchased research and development was determined by a nationally recognized independent valuation firm through established valuation techniques in the high technology document imaging industry. The amount was expensed upon acquisition as the technology has not reached technological feasiblity and has no alternative future use.

On September 2, 1997, the Company announced the completion of a program to increase its stake in Chinon Industries, Inc. from 12% to 50.1%. The Company's consolidated financial statements include the accounts of Chinon beginning September 2. Kodak and Chinon closely collaborate on the development and production of digital cameras; Chinon also produces Kodak's IL-500 scanner. Kodak and Chinon will continue to collaborate on engineering and development of digital cameras and scanners.

NOTE 4: SUBSEQUENT EVENTS

On October 2, 1997, the Company purchased CPI's 49% minority stake in the Fox Photo, Inc. joint venture, thereby increasing Kodak's equity interest in Fox to 100%. The Company paid $10 million cash at closing and gave a $43.9 million note due on January 4, 1999.

On October 15, 1997, the Company and Sun Chemical Corporation announced an agreement in principle to form a new joint venture company, Kodak Polychrome Graphics, that will supply film, paper, conventional and computer-to-plate solutions, processing chemistry and digital color proofing products to the global graphic arts market. The transaction will combine Kodak's Graphics Systems Markets business, currently part of the Kodak Professional Division, with Sun Chemical's Polychrome Division to form Kodak Polychrome Graphics.

The parties plan to complete the transaction by year end, subject to regulatory approval as required, and the satisfaction of other customary closing conditions. Approximately 800 employees from Kodak's Graphics Systems Markets unit will join approximately 1,800 employees from Polychrome to form Kodak Polychrome Graphics. Several sites are being considered for the location of the new headquarters and details will be announced once a decision
has been reached.

On November 11, 1997, the Company disclosed a variety of actions to bring about cost reductions. The Company reported the following:

Actions are under way which are expected to result in a reduction of at least $1 billion from the Company's total cost structure over the next two years, with half of the reduction realized by year-end 1998 and the balance by year-end 1999;

Management will recommend to the Board of Directors a restructuring charge of at least $1 billion pre-tax (about $2.00 per share after tax) during the fourth quarter of 1997, in connection with this cost reduction program;

Current analysis indicates that about one-half of the charge is related to employment reductions and one-half is related to write-downs of assets;

Current analysis indicates that about 10,000 positions will be eliminated across all areas of the Company worldwide;

The Company will cut its sales, general and administrative expense; re-focus its research and development portfolio; and reduce its cost of goods sold through manufacturing productivity gains and quality improvements.

David J. FitzPatrick,
Controller and Vice President
November 14, 1997

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

SUMMARY

(in millions, except earnings per share)

	Third Quarter 1997	Third Quarter 1996	Change	Three Quarters 1997	Three Quarters 1996	Change
Sales	$3,773	$4,149	- 9%	$10,759	$11,654	- 8%
Net earnings	232	410	-43	749	1,124	-33
Earnings per share	.71	1.22	-42	2.28	3.32	-31

1997

Net earnings for the first three quarters include a pre-tax charge of $186 million ($.37 per share after tax) for in-process research and development (R&D) associated with the acquisition of Wang Laboratories' software unit on March 17, 1997. They also include a pre-tax charge of $46 million ($.09 per share after tax) taken in the third quarter as a reserve for payments that may be required in connection with the Image Technical Service, Inc. litigation relating to the sale of micrographics and copier parts (the "ITS charge"). Excluding these charges, net earnings per share for the first three quarters would have been $2.74.

1996

During the 1996 second quarter, the Company initiated a $2 billion share repurchase program. Completion of the program will depend on available cash.

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Sales by Industry Segment
(in millions)

	Third Quarter 1997	Third Quarter 1996	Change	Three Quarters 1997	Three Quarters 1996	Change
Consumer Imaging						
Inside the U.S.	$ 945	$ 898	+ 5%	$ 2,556	$ 2,359	+ 8%
Outside the U.S.	1,130	1,184	- 5	3,142	3,205	- 2
Total Consumer Imaging	2,075	2,082	0	5,698	5,564	+ 2
Commercial Imaging						
Inside the U.S.	870	1,030	-16	2,462	2,994	-18
Outside the U.S.	837	1,046	-20	2,622	3,120	-16
Total Commercial Imaging	1,707	2,076	-18	5,084	6,114	-17
Deduct Intersegment Sales	(9)	(9)		(23)	(24)	
Total Sales	$3,773	$4,149	- 9%	$10,759	$11,654	- 8%

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Earnings from Operations by Industry Segment

(in millions)

	Third Quarter 1997	Third Quarter 1996	Third Quarter Change	Three Quarters 1997	Three Quarters 1996	Three Quarters Change
Consumer Imaging	$325	$411	-21%	$ 823	$ 994	-17%
Percent of Sales	15.7%	19.7%		14.4%	17.9%	
Commercial Imaging	$109	$216	-50%	$ 361	$ 664	-46%
Percent of Sales	6.4%	10.4%		7.1%	10.9%	
Total Earnings from Operations	$434	$627	-31%	$1,184	$1,658	-29%

COSTS AND EXPENSES

(in millions)

	Third Quarter 1997	Third Quarter 1996	Third Quarter Change	Three Quarters 1997	Three Quarters 1996	Three Quarters Change
Gross profit	$1,728	$1,997	-13%	$5,056	$5,626	-10%
Percent of Sales	45.8%	48.1%		47.0%	48.3%	
Selling, general and administrative expenses	$1,035	$1,119	- 8%	$2,905	$3,227	-10%
Percent of Sales	27.4%	27.0%		27.0%	27.7%	
Research and development costs	$ 259	$ 252	+ 3%	$ 782*	$ 740	+ 6%
Percent of Sales	6.9%	6.1%		7.3%	6.3%	

* Excludes $186 million R&D charge associated with the purchase of Wang Laboratories' software unit.

1997 COMPARED WITH 1996

Third quarter

For the third quarter of 1997, sales decreased 9% compared with the third quarter of 1996, largely due to the sale of the Office Imaging business on December 31, 1996. With Office Imaging sales excluded from both years, sales were down 2% on a year-over-year basis, or up 3% excluding the effects of the stronger dollar.

Sales in the Consumer Imaging segment were level, as higher unit volumes were offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices. Excluding the impact of the stronger dollar, sales would have increased 5%. Sales inside the U.S. increased 5%, or $47 million, of which $42 million are a result of the Company's acquisition of Fox Photo, Inc. in October, 1996. Sales outside the U.S. decreased 5%, due to higher unit volumes offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices.

Worldwide film sales decreased 1%, as a 5% volume increase was more than offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices. U.S. film sales decreased 3%, due to lower effective selling prices and lower unit volumes. Outside the U.S., film sales were level, with 11% volume growth offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices.

Worldwide color paper sales decreased 4%, as 8% volume gains were more than offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices. U.S. sales decreased 15%, driven by a 9% decline in unit volumes and lower effective selling prices caused by recent consolidation of the U.S. photofinishing industry. The Company expects the unfavorable year-over-year comparisons to continue at a diminishing rate through the first half of 1998. Paper sales outside the U.S. increased 2%, driven by an 18% volume increase partially offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices. Sales increases reflect the impact of continuing growth in emerging markets and new customers gained in Europe.

Sales in the Commercial Imaging segment decreased 18%, largely due to the sale of the Office Imaging business. Excluding the sales of Office Imaging from both years, sales decreased 4% (or were level excluding the effects of the stronger dollar), as higher unit volumes were more than offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices.

Earnings from operations for the Company decreased 31%, as the benefits of higher unit volumes and manufacturing productivity were more than offset by lower effective selling prices, the unfavorable effects of foreign currency rate changes, higher advertising and selling expenses and write-offs of some digital products. Losses on the Company's digital products portfolio (in both the Commercial and Consumer segments) were approximately $150 million for the quarter and greater than in the comparable 1996 period.

Earnings from operations in the Consumer Imaging segment decreased 21%, as the benefits of higher unit volumes and manufacturing productivity were more than offset by lower effective selling prices, the unfavorable effects of foreign currency rate changes and higher advertising expenses, primarily for the Advantix program.

Earnings from operations in the Commercial Imaging segment decreased 50% as the benefits of higher unit volumes and manufacturing productivity were more than offset by lower effective selling prices, the unfavorable effects of foreign currency rate changes, write-offs of some digital products and increased research and development expenses (primarily due to the acquisition of Wang Laboratories' software unit). Improvements in Entertainment Imaging were insufficient to offset reduced earnings in Digital & Applied Imaging, Business Imaging Systems, Health Imaging and Kodak Professional.

For the third quarter of 1997, earnings from equity interests and other revenues decreased $16 million primarily due to a reduction in interest income attributable to lower average cash balances. Other costs increased $56 million due primarily to the ITS charge of $46 million pre-tax and higher reportable foreign exchange costs.

Year to date

For the first three quarters of 1997, sales decreased 8% compared with the first three quarters of 1996, due to the sale of the Office Imaging business on December 31, 1996. With Office Imaging sales excluded from both years, sales were level on a year-over-year basis, or up 4% excluding the effects of the stronger dollar.

Sales in the Consumer Imaging segment increased 2%, as higher unit volumes were partially offset by lower effective selling prices and the unfavorable effects of foreign currency rate changes. Excluding the impact of the stronger dollar, sales increased 6%. Sales inside the U.S. increased 8%, or $197 million, of which $115 million are a result of the Company's acquisition of Fox Photo, Inc. in October, 1996. Sales outside the U.S. decreased 2%, as higher unit volumes were more than offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices.

Worldwide film sales increased 1%, as a 9% volume increase was largely offset by lower effective selling prices and the unfavorable effects of foreign currency rate changes. U.S. film sales increased 3%, with 6% volume growth partially offset by lower effective selling prices. Outside the U.S., film sales decreased 1%, with 11% volume growth more than offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices.

Worldwide color paper sales decreased 3%, as 8% volume gains were more than offset by lower effective selling prices and the unfavorable effects of foreign currency rate changes. U.S. sales decreased 15%, due to an 8% decline in unit volumes caused by recent consolidation of the U.S. photofinishing industry, as well as lower effective selling prices. Paper sales outside the U.S. increased 3%, driven by a 17% volume increase partially offset by lower effective selling prices and the unfavorable effects of foreign currency rate changes. Sales increases reflect the impact of continuing growth in emerging markets and new customers gained in Europe.

Sales in the Commercial Imaging segment decreased 17%, largely due to the sale of the Office Imaging business. Excluding the sales of Office Imaging from both years, sales decreased 2% (or increased 2% excluding the effects of the stronger dollar), as higher unit volumes were more than offset by the unfavorable effects of foreign currency rate changes and lower effective selling prices.

Earnings from operations for the Company decreased 29%, as the benefits of higher unit volumes and manufacturing productivity were more than offset by lower effective selling prices, the R&D charge associated with the purchase of Wang Laboratories' software unit in the first quarter 1997, the unfavorable effects of foreign currency rate changes, higher selling and distribution expenses, write-offs of first generation Advantix camera tooling and parts and some digital products, higher research and development expenses (including R&D due to the acquisition of Wang Laboratories' software unit) and higher start-up costs for digital products. Excluding the R&D charge associated with the purchase of Wang Laboratories' software unit, earnings from operations decreased 17%. Losses on the Company's digital products portfolio (in both the Commercial and Consumer segments) were approximately $300 million for the first nine months and greater than in the comparable 1996 period.

Earnings from operations in the Consumer Imaging segment decreased 17%, as the benefits of higher unit volumes and manufacturing productivity were more than offset by lower effective selling prices, the unfavorable effects of foreign currency rate changes, higher selling and distribution expenses and write-offs of tooling and parts for some first generation Advantix cameras. Losses attributable to Advantix exceeded those of 1996.

Earnings from operations in the Commercial Imaging segment decreased 46%, as the benefits of higher unit volumes and manufacturing productivity were more than offset by the R&D charge associated with the purchase of Wang Laboratories' software unit in the first quarter 1997, lower effective selling prices, the unfavorable effects of foreign currency rate changes, higher research and development expenses (including R&D due to the acquisition of Wang Laboratories' software unit), write-offs of some digital products and higher start-up costs for some digital products. Excluding the R&D charge associated with the purchase of Wang Laboratories' software unit, earnings from operations decreased 18%. Improvements in Entertainment Imaging and Kodak Professional were insufficient to offset reduced earnings in Business Imaging Systems, Digital & Applied Imaging and Health Imaging.

For the first three quarters of 1997, earnings from equity interests and other revenues decreased $53 million primarily due to a reduction in interest income attributable to lower average cash balances. Other costs increased $29 million due primarily to the ITS charge of $46 million pre-tax and higher reportable foreign exchange costs.

With the Company facing continuing pressure from the effect of the stronger dollar compared with 1996, encountering price pressures, making investments to support the Advantix system and experiencing widening losses as well as increasing investments in digital products, the Company reported on September 15, 1997, that full-year 1997 operating earnings per share could be as much as 25% below $4.50 (the 1996 earnings per share, adjusted to exclude: $358 million ($256 million after tax) of restructuring costs, a $387 million loss ($252 million after tax) related to the sale of the Office Imaging business, and a gain on the sale of discontinued operations of $277 million).

The Company recently accelerated actions to reduce costs. These actions include the reduction of the number of middle and senior managers by 20% and the reduction of employment in the general and administrative area by at least 10%. Refer to Note 4, Subsequent Events, on page 6 for more details about planned actions to reduce costs.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities for the first three quarters of 1997 was $865 million, as net earnings of $749 million, which included non-cash expenses for depreciation and amortization of $600 million and a $186 million R&D charge associated with the purchase of Wang Laboratories' software unit, were offset by decreases in liabilities (excluding borrowings) of $285 million, a $156 million increase in inventories and a $57 million increase in receivables. Net cash used in investing activities of $1,461 million for the first three quarters of 1997 was due primarily to additions to properties of $1,024 million and acquisitions, net of cash acquired, of $318 million. Net cash used in financing activities of $845 million for the first three quarters of 1997 was primarily due to $732 million of stock repurchases and $424 million of dividend payments.

During the third quarter of 1997, a cash dividend of $143 million (44 cents per share) was declared on the Company's common stock, versus $134 million (40 cents per share) a year ago. Total cash dividends declared for the year-to-date periods of 1997 and 1996 amounted to $434 million ($1.32 per share) and $406 million ($1.20 per share), respectively.

Cash, cash equivalents and marketable securities were $338 million at the end of the third quarter, compared with $1,796 million at year-end 1996. Net working capital at the end of the quarter was $832 million, compared with $1,548 million at year-end 1996. Both decreases are primarily attributable to the stock repurchase program and the acquisition of Wang Laboratories' software unit.

Completion of the $2 billion stock repurchase program will be funded by available cash reserves and cash from operations.

Capital additions for the third quarter of 1997 were $346 million compared with $299 million for the third quarter of 1996. For the first three quarters of 1997, capital additions were $1,024 million versus $831 million a year ago.

OTHER

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share." This standard replaces primary earnings per share with basic earnings per share and requires presentation of diluted EPS as well as a reconciliation of basic earnings per share to diluted earnings per share. The Company plans to adopt SFAS No. 128 in the fourth quarter of 1997 and at that time all historical earnings per share data presented will be restated to conform to the provisions of SFAS No. 128. The Company does not expect this statement to have a material impact on its earnings per share.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income." Comprehensive income includes net income and several other items that current accounting standards require to be recognized outside of net income. This standard requires enterprises to display comprehensive income and its components in financial statements, to classify items of comprehensive income by their nature in financial statements, and to display the accumulated balances of other comprehensive income in stockholders' equity separately from retained earnings and additional paid-in capital. SFAS No. 130 is effective for fiscal years beginning after December 15, 1997, and Kodak intends to adopt the standard for its fiscal year beginning January 1, 1998. The Company has not yet determined the manner in which it will display comprehensive income.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," replacing SFAS No. 14 and its amendments. This standard requires enterprises to report certain information about their operating segments in a complete set of financial statements to shareholders; to report certain enterprise-wide information about products and services, activities in different geographic areas, and reliance on major customers; and to disclose certain segment information in their interim financial statements. The basis for determining an enterprise's operating segments is the manner in which financial information is used internally by the enterprise's chief operating decision maker. SFAS No. 131 is effective for fiscal years beginning after December 15, 1997, and Kodak intends to adopt the standard for its fiscal year beginning January 1, 1998. The Company has not yet determined how the "management approach" will impact existing segment disclosures.

CAUTIONARY STATEMENT PURSUANT TO SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements in this report may be forward looking in nature, or "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified by such words and phrases as "expects" and "could be." For example, the sentence in this report that reads, in part, "...full-year 1997 operating earnings per share could be as much as 25% below $4.50 ..." is a forward-looking statement. Also, references to the Company's $1 billion cost-reduction initiative and to expected savings resulting from quality improvements are forward-looking statements.

Actual results may differ from those expressed or implied in forward-looking statements. With respect to any forward-looking statements contained in this report, the Company believes that it is subject to a number of risk factors, including: the Company's ability to implement its product strategies (including strategies for digital products and Advantix products), to develop its business in emerging markets, and to identify and successfully implement cost-reduction opportunities; competitive actions including, but not limited to, pricing; the nature and pace of technological development; fluctuations in foreign currency; and general economic and business conditions.

Any forward-looking statements in this report should be evaluated in light of these important risk factors.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

In April 1987, the Company was sued in federal district court in San Francisco by a number of independent service organizations who alleged violations of Sections 1 and 2 of the Sherman Act and of various state statutes in the sale by the Company of repair parts for its copier and micrographics equipment (Image Technical Service, Inc. et al v. Eastman Kodak Company, "ITS"). The complaint sought unspecified compensatory and punitive damages. Trial began on June 19, 1995 and concluded on September 18, 1995 with a jury verdict for plaintiffs of $23,948,300 ($71,844,900 after trebling). The Company appealed the jury's verdict, and on August 26, 1997 the 9th Circuit Court of Appeals rendered its decision affirming in part and reversing in part. The court affirmed the jury's liability rulings, but reduced damages (after trebling) from $71,844,900 to $35,818,200, and narrowed the scope of the injunction under which the Company is required to make parts available. Although the Company intends to continue its vigorous defense of ITS, and in this connection will petition for Supreme Court review, the Company took a third quarter pre-tax charge of $46,000,000 in recognition of the fact that further appellate review is discretionary and not a matter of right.

Three cases that raise essentially the same antitrust issues as ITS are pending (Nationwide, et al v. Eastman Kodak Company, filed March 10, 1995, A-1 Copy Center, et al v. Eastman Kodak Company, filed December 13, 1993, and Broward Microfilm, Inc. v. Eastman Kodak Company, filed February 27, 1996). The Nationwide and A-1 cases are pending in federal district court in San Francisco, while Broward Microfilm is pending in federal district court in Miami. A-1 is a consolidated class action, while Broward Microfilm purports to be a national class action. The complaints in all three cases seek unspecified compensatory and punitive damages. The Company is defending these matters vigorously.

The Company has been designated as a potentially responsible party (PRP) under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (the Superfund law), or under similar state laws, for environmental assessment and cleanup costs as the result of the Company's alleged arrangements for disposal of hazardous substances at approximately twenty Superfund sites. With respect to each of these sites, the Company's actual or potential allocated share of responsibility is small. Furthermore, numerous other PRPs have similarly been designated at these sites and, although the law imposes joint and several liability on PRPs, as a practical matter, costs are shared with other PRPs. Settlements and costs paid by the Company in Superfund matters to date have not been material. Future costs are not expected to be material to the Company's financial position or results of operations.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits and financial statement schedules required as part of this report are listed in the index appearing on page 16.

(b) Reports on Form 8-K.
No reports on Form 8-K were filed or required to be filed for the quarter ended September 30, 1997.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EASTMAN KODAK COMPANY
(Registrant)

Date November 14, 1997

David J. FitzPatrick
Controller and Vice President

Eastman Kodak Company and Subsidiary Companies
Index to Exhibits and Financial Statement Schedules

Eastman Kodak Company and Subsidiary Companies
Exhibit (11)
Computation of Earnings Per Common Share

(in millions, except per share amounts)

	Third Quarter 1997	Third Quarter 1996	Three Quarters 1997	Three Quarters 1996
Earnings before income taxes	$ 352	$ 622	$1,135	$1,703
Provision for income taxes	120	212	386	579
Net earnings	$ 232	$ 410	$ 749	$1,124
Average number of common shares outstanding	325.2	335.4	328.3	339.0
Earnings per share	$ .71	$ 1.22	$ 2.28	$ 3.32

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This schedule contains summary financial information extracted from the third quarter 1997 form 10-Q of Eastman Kodak Company, and is qualified in its entirety by reference to such financial statements.

0000031235
EASTMAN KODAK COMPANY
1,000,000
U.S. DOLLARS

9-MOS
DEC-31-1997
JAN-01-1997
SEP-30-1997
1.0
310
28
2703
91
1679
5624
12954
7218
13584
4792
627
0
0
978
3289
13584
10759
10879
5703
5703
3972
0
69
1135
386
749
0
0
0
749
2.28
0