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

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

For the year ended December 31, 2008 or

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

For the transition period fromto

Commission File Number 1-87

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

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

Registrant's telephone number, including area code:585-724-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
Common Stock, $2.50 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.
Large accelerated filer [X] Accelerated filer [ ] Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2008, was approximately $4.2 billion. The registrant has no non-voting common stock.

The number of shares outstanding of the registrant's common stock as of February 20, 2009 was 268,196,483 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

PART III OF FORM 10-K

The following items in Part III of this Form 10-K incorporate by reference information from the Notice of 2009 Annual Meeting and Proxy Statement:

Item 10 - -DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Item 11 - -EXECUTIVE COMPENSATION

Item 12 - -SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Item 13 - -CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Item 14 - -PRINCIPAL ACCOUNTING FEES AND SERVICES

Eastman Kodak Company
Form 10-K
December 31, 2008

Table of Contents

PART I

ITEM 1. BUSINESS

Eastman Kodak Company (the “Company” or “Kodak”) is the world’s foremost imaging innovator, providing imaging technology products and services to the photographic and graphic communications markets. When used in this report, unless otherwise indicated, “we,” “our,” “us,” the “Company” and “Kodak” refer to Eastman Kodak Company. The Company’s products span:

- Digital cameras and accessories
- Consumer inkjet printers and media
- Digital picture frames
- Retail printing kiosks, APEX drylab systems and related media
- KODAK Gallery online imaging services
- Prepress equipment and consumables
- Workflow software for commercial printing
- Electrophotographic equipment and consumables
- Commercial inkjet printing systems
- Document scanners
- Origination and print films for the entertainment industry
- Consumer and professional photographic film
- Photographic paper and processing chemicals
- Wholesale photofinishing services

Kodak was founded by George Eastman in 1880 and incorporated in 1901 in the State of New Jersey. The Company is headquartered in Rochester, New York.

Through mid-2008, Kodak had created significant momentum in its digital portfolio, following the completion of its four-year corporate restructuring program in 2007. Revenues from digital businesses grew by double-digits for four consecutive quarters from the third quarter of 2007 through the second quarter of 2008. The revenue decline in the traditional businesses was in line with the Company’s expectations. The Company had a successful showing of its stream technology at the drupa tradeshow in Düsseldorf, Germany in May, and received positive customer responses for its newly introduced Adaptive Picture Exchange (APEX) dry labs and next generation of consumer inkjet printers.

As the Company entered the second half of 2008, the global recession broadened dramatically and began to negatively impact all of its businesses. As a result, the Company formulated the actions necessary to align the business with the external realities. The Company has decided to focus its investments on businesses at the core of its strategy, which are Consumer Inkjet, Commercial Inkjet (including stream technology) and Enterprise workflow. The Company has to make pragmatic decisions, rationalize its product portfolio, and focus its resources on those core opportunities. The Company will continue to build upon the stable, cash generating businesses, and reposition other digital businesses, including Kodak Gallery, OLED, Imaging Sensors and Electrophotographic Printing to generate maximum value.

The Company’s key priorities for 2009 are:

- Align the Company’s cost structure with external economic realities
- Fund core investments
- Transform portions of its product portfolio
- Drive positive cash flow before dividends and restructuring

The Company expects the weak economic climate will continue well into the year, which will lead to reductions in revenue during 2009 as compared with 2008. However, the Company has maintained or improved its market position in key product categories. These improved product market positions, its people, and the strength of the Company’s brand and financial position will allow the Company to emerge from this challenging period as a leaner, stronger competitor.

REPORTABLE SEGMENTS

As of and for the year ended December 31, 2008, the Company reported financial information for three reportable segments: Consumer Digital Imaging Group (“CDG”), Film, Photofinishing and Entertainment Group (“FPEG”), and Graphic Communications Group (“GCG”). The balance of the Company's operations, which individually and in the aggregate do not meet the criteria of a reportable segment, are reported in All Other.

The following business discussion is based on the three reportable segments and All Other as they were structured as of and for the year ended December 31, 2008. The Company's sales, earnings and assets by reportable segment for these three reportable segments and All Other for each of the past three years are shown in Note 23, “Segment Information.”

CONSUMER DIGITAL IMAGING GROUP (“CDG”) SEGMENT

Sales from continuing operations of the CDG segment for 2008, 2007 and 2006 were (in millions) $3,088, $3,247, and $3,013, respectively.

The Company is a global leader in providing digital photography and printing products and services for consumer markets. Kodak holds top three market shares in many major categories in which it participates, such as digital still cameras, retail systems solutions, online imaging, and digital picture frames.

CDG's mission is to enhance people’s lives and social interactions through the capabilities of digital imaging technology, combined with Kodak’s unique consumer knowledge, brand and intellectual property. This focus has led to a full range of product and service offerings to the consumer. CDG’s strategy is to extend picture taking, picture search/organizing, creativity, sharing and printing to bring innovative new experiences to consumers – in ways that extend Kodak’s legendary heritage in ease of use.

Digital Capture and Devices: Consumer digital capture and devices include digital still and video cameras, digital picture frames, imaging accessory products, and snapshot printers and printer media. These product lines fuel Kodak’s participation in the growing imaging device and accessory markets. Products are sold directly to retailers or distributors, and are also available to customers through the Internet at the KODAK Store (www.kodak.com) and other online providers. Kodak’s full line of camera products and accessories enable the consumer to personalize their digital camera and their photographic experience. In the third quarter of 2008 Kodak introduced the KODAK Zi6 Pocket Video Camera – allowing stunning HD videos, which can be easily uploaded to YouTube via a built-in USB connector. The Company also introduced a variety of stylish and compact digital still cameras as well as high performance long zoom cameras with image stabilization like the Z1015 IS.

Kodak is a leader in the growing digital picture frame category. The Company’s wireless digital picture frames enable consumers to easily share and view images and videos with family and friends via photo-sharing sites including KODAK Gallery, and also enjoy Internet content including news, weather, and sports via FrameChannel. In the third quarter of 2008, Kodak introduced the world’s first OLED wireless picture frame, featuring a spectacularly vivid display based on organic light emitting diode technology that Kodak invented.

Retail Systems Solutions: In January 2008, the Retail Printing Group was redefined and renamed Retail Systems Solutions, in order to manage Kodak’s digital printing hardware, media and infrastructure offerings to retailers. The Retail Systems Solutions group’s product and service offerings to retailers include retail kiosks and consumables, consumer and retailer software workflows, remote business monitoring, retail store merchandising and identity programs, and after sale service and support. In the first quarter of 2008, the Company introduced its Adaptive Picture Exchange (“APEX”) drylab system that provides a lower total cost of ownership alternative to traditional photofinishing processing at retailer locations. This system utilizes dry thermal technology that removes the need for chemical processing of photos and photo products, and as a result uses up to 90% less electricity with almost no labor required. This introduction, when combined with kiosks, increases Kodak’s fleet to approximately 100,000 systems worldwide and represents the world’s largest fleet of installed devices in retail locations.

Launched mid-year in 2008, the DL2100 printer, which retailers can connect directly to a kiosk or APEX, enables customers to make double-sided photobooks, calendars and greeting cards, almost instantly in-store. This high-quality printer enables consumers to personalize their products with sentiments and captions and then take home a finished, personalized product. Other popular Kodak premium products available quickly and easily in many of the world's largest retailers include the KODAK Picture-Movie DVD, which combines original artist music with the consumer's own pictures and creates a powerful multimedia show playable on any DVD player, posters, collages and more.

Online Imaging Services: KODAK Gallery, which has more than 70 million members, is a leading online merchandise and sharing service. The Kodakgallery.com site provides consumers with a secure and easy way to view, store and share their images with friends and family, and to receive Kodak prints and other creative products from their pictures, such as photo books, frames, calendars, and a host of other personalized merchandise. Personalized photo cards are also available with original designs by popular designers. Products are distributed directly to consumers' homes, or through major retailers. The site is a chosen partner for leading companies such as Adobe, Apple, Microsoft, and Amazon. In addition to Kodakgallery.com in the U.S., we operate seven sites across Europe.

Kodak also distributes Kodak EasyShare desktop software at no charge to consumers, which provides easy organization and editing tools, and unifies the experience between digital cameras, home printers, and the Kodak Gallery services.

Imaging Sensors: Kodak's line of CCD and CMOS sensors provides an attractive market opportunity, including mobile, automotive, industrial and professional imaging sectors. Kodak has leading sensor architecture intellectual property positions, and operates with an "asset light" manufacturing strategy that includes relationships with key industry players.

All-in-One Inkjet Printers*:* In February 2007, Kodak introduced the KODAK All-in-One Inkjet printers as a major initiative to drive future revenue growth and earnings. Four key components enable this breakthrough market entry: 1) a proprietary high-speed inkjet printing system; 2) nanoparticle pigment-based inks; 3) instant-dry, porous papers; and 4) Kodak's unique Image Science technologies. Additionally, the system is designed with a permanent print head. This unique offering targets the high-volume document and photo printer market with a breakthrough value proposition delivering dramatically lower cost per printed page as compared with competitive products. The inkjet operating model leverages Kodak technology and the efficiency of the current industry infrastructure to achieve an "asset light" approach to deliver this unmatched value proposition to the marketplace.

Today, the EASYSHARE All-in-One line of consumer inkjet printers has expanded into more markets. Sell-through of inkjet printers for the full year more than doubled compared with the prior year, resulting in an estimated installed base of more than 1 million printers as of December 31, 2008.

Marketing and Competition: The Company faces competition from other online service companies, consumer electronics and printer companies in the markets in which it competes, generally competing on price and technological advances. Rapid price declines shortly after product introduction are common in this environment, as producers are continually introducing new models with enhanced capabilities, such as improved resolution and/or optical systems in cameras.

The key elements of CDG's marketing strategy emphasize ease of use, quality and the complete solution offered by KODAK Products and Services. This is communicated through a combination of in-store presentation, online marketing, advertising, including direct television advertising, and public relations. The Company's advertising programs actively promote the segment's products and services in its various markets, and its principal trademarks, trade dress, and corporate symbol are widely used and recognized. Kodak is frequently noted by trade and business publications as one of the most recognized and respected brands in the world.

FILM, PHOTOFINISHING AND ENTERTAINMENT GROUP ("FPEG") SEGMENT

Sales from continuing operations of the FPEG segment for 2008, 2007 and 2006 were (in millions) $2,987, $3,632, and $4,254, respectively.

This segment is composed of traditional photographic products and services including paper, film and chemistry used for consumer, professional and industrial imaging applications and those products and services used in the creation of motion pictures. The Company manufactures and markets films (motion picture, consumer, professional, industrial and aerial), and one-time-use cameras.

The market for consumer and professional films, traditional photofinishing and certain industrial and aerial films are in decline and are expected to continue to decline due to digital substitution.

The market for motion picture films, however, has remained relatively stable, with any significant impact from digital substitution still expected to evolve sometime into the future. The future impact of digital substitution on the motion picture film market is difficult to predict due to a number of factors, including the pace of digital technology adoption in major world markets, the underlying economic strength or weakness in these markets, the timing of digital infrastructure installation, and the ability to finance the installation of digital systems. However, during 2008, the Company noted a decline in the rate of digital adoption primarily due to instability in the financial markets.

Marketing and Competition: The fundamental elements of the Company's strategy with respect to the photographic products in this segment are to maintain a profitable business model, serving customers for traditional products while aggressively managing our cost structure for those businesses that are in decline.

The Company's strategy for the Entertainment Imaging business is to sustain motion picture film's position as the pre-eminent capture medium for the creation of feature films, television dramas, and commercials. Selective investments to improve film's superior image capture and quality characteristics are part of this strategy. Kodak has the leading share of the origination film market by a significant margin, led by the widely acclaimed and OSCAR-award-winning VISION2 series of motion picture films, and the positively received VISION3 series of motion picture films initially launched in late 2007.

The distribution of motion pictures to theaters on print film is another important element of the business, one in which the Company continues to be widely recognized as the market leader. Price competition is a bigger factor in this segment of the motion picture market, but the Company continues to maintain the leading share position, with several multi-year agreements with major studios.

Throughout the world, most Entertainment Imaging products are sold directly to studios, laboratories, independent filmmakers or production companies. Quality and availability are important factors for these products, which are sold in a price competitive environment. As the industry moves to digital formats, the Company anticipates that it will face new competitors, including some of its current customers and other electronics manufacturers.

Film products and services for the consumer and professional markets and traditional photofinishing are sold throughout the world, both directly to retailers and, increasingly, through distributors. Price competition continues to exist in all marketplaces. To be more cost competitive with its traditional photofinishing and film offerings and to shift towards a variable cost model, the Company has rationalized capacity and restructured its go-to-market model. The Company will continue to manage this business to focus on cash flow and earnings performance in this period of continuing revenue decline.

GRAPHIC COMMUNICATIONS GROUP ("GCG") SEGMENT

Sales from continuing operations of the Graphic Communications Group segment for 2008, 2007 and 2006 were (in millions) $3,334, $3,413, and $3,287, respectively.

The Graphic Communications Group segment serves a variety of customers in the creative, in-plant, data center, commercial printing, packaging, newspaper, and digital service bureau market segments with a range of software, media, and hardware products that provide customers with a variety of solutions for prepress equipment, workflow software, digital and traditional printing, document scanning, and multi-vendor services. Products include digital and traditional prepress equipment and consumables, including plates, chemistry, and media; workflow software and digital controller development; color and black-and-white electrophotographic equipment and consumables; high-speed, high-volume commercial inkjet printing systems; wide-format inkjet inks and media; high-speed production and workgroup document scanners; and micrographic peripherals and media (including micrographic films). GCG also provides maintenance and professional services for Kodak and other manufacturers' products, as well as providing imaging services to customers.

On January 13, 2009, the Company announced its agreement to acquire the scanner division of BOWE BELL + HOWELL, which markets a portfolio of production document scanners that complements the products currently offered within the GCG segment. Through this acquisition, Kodak expects to expand customer value by providing a wider choice of production scanners. Since Kodak has provided field service to BOWE BELL + HOWELL Scanners since 2001, this acquisition is also expected to enhance global access to service and support for channel partners and end-user customers worldwide.

Marketing and Competition: Throughout the world, graphic communications products are sold through a variety of direct and indirect channels. The end users of these products include businesses in the commercial printing, data center, in-plant and digital service provider market segments. While there is price competition, the Company has generally been able to maintain price by adding more attractive features to its products through technological advances. The Company has developed a wide-ranging portfolio of digital products - workflow, equipment, media, and services - that combine to create a value-added complete solution to customers. Maintenance and professional services for the Company's products are sold either through product distribution channels or directly to the end users. In addition, a range of inkjet products for digital printing and proofing are sold through direct and indirect means. Document scanners are sold primarily through a two-tiered distribution channel to a number of different industries.

ALL OTHER

Sales from continuing operations comprising All Other for 2008, 2007 and 2006 were (in millions) $7, $9, and $14, respectively.

All Other is composed of the Company's display business and other small, miscellaneous businesses.

DISCONTINUED OPERATIONS

HEALTH GROUP

On April 30, 2007 the Company closed on the sale of its Health Group to Onex Healthcare Holdings, Inc., a subsidiary of Onex Corporation. Approximately 8,100 employees of the Company associated with the Health Group transitioned to Carestream Health Inc. as part of the transaction. Also included in the sale were manufacturing operations focused on the production of health imaging products, as well as an office building in Rochester, NY.

HPA

On October 17, 2007, the shareholders of Hermes Precisa Pty. Ltd. (“HPA”), a majority owned subsidiary of Kodak (Australasia) Pty. Ltd., a wholly owned subsidiary of the Company, approved an agreement to sell all of the shares of HPA to Salmat Limited. The sale was approved by the Federal Court of Australia on October 18, 2007, and closed on November 2, 2007. HPA, a publicly traded Australian company, is a provider of outsourced services in business communication and data processes and was formerly reported within the Company’s Graphic Communications Group segment.

The results of the sales and operations for the Health Group and HPA are presented as discontinued operations in the Consolidated Statement of Operations. All prior periods have been revised for comparison purposes. See Note 22, “Discontinued Operations” in the Notes to Financial Statements for further discussion.

FINANCIAL INFORMATION BY GEOGRAPHIC AREA

Financial information by geographic area for the past three years is shown in Note 23, “Segment Information.”

RAW MATERIALS

The raw materials used by the Company are many and varied, and are generally readily available. Lithographic aluminum is the primary material used in the manufacture of offset printing plates. The Company procures raw aluminum coils from several suppliers on a spot basis or under contracts generally in place over the next one to three years. Silver is one of the essential materials used in the manufacture of films and papers. The Company purchases silver from numerous suppliers under annual agreements or on a spot basis. Paper base is an essential material in the manufacture of photographic papers. The Company has a contract to acquire paper base from a certified photographic paper supplier over the next several years.

SEASONALITY OF BUSINESS

Sales and earnings of the CDG segment are linked to the timing of holidays, vacations and other leisure or gifting seasons. Sales of digital products are typically highest in the last four months of the year. Digital capture and consumer inkjet printing products have experienced peak sales in this period as a result of the December holidays. However, the economic downturn experienced in the fourth quarter of 2008 resulted in a significant decline in consumer discretionary spending that negatively impacted the Company’s digital camera and digital picture frame businesses in the CDG segment. CDG net sales in the fourth quarter declined from 42% of CDG’s full-year revenue for 2007 to only 31% of full-year revenue for 2008. Sales are normally lowest in the first quarter due to the absence of holidays and fewer picture-taking opportunities during that time.

Sales and earnings of the FPEG segment are linked to the timing of holidays, vacations and other leisure activities. Sales and earnings of traditional film and photofinishing products are normally strongest in the second and third quarters as demand is high due to heavy vacation activity and events such as weddings and graduations. Sales of entertainment imaging film are typically strongest in the second quarter reflecting demand due to the summer motion picture season.

Sales and earnings of the GCG segment generally exhibit modestly higher levels in the fourth quarter. This is driven primarily by the sales of commercial inkjet, electrophotographic printing, and document scanner products due to seasonal customer demand linked to commercial year-end advertising processes. However, in the second half of 2008, tightening credit availability, combined with the weak economy, resulted in a reduction of capital spending, negatively impacting equipment sales within GCG. The reduction of global print demand during that timeframe had a negative impact on GCG consumables sales.

RESEARCH AND DEVELOPMENT

Through the years, the Company has engaged in extensive and productive efforts in research and development.

Research and development expenditures for the Company’s three reportable segments and All Other were as follows:

(in millions)	For the Year Ended December 31,		
	2008	**2007**	**2006**
Consumer Digital Imaging Group	$ 215	$ 250	$ 290
Film, Photofinishing and Entertainment Group	52	60	76
Graphic Communications Group	231	214	209
All Other	3	25	21
Total	$ 501	$ 549	$ 596

Research and development is headquartered in Rochester, New York. Other U.S. groups are located in Boston, Massachusetts; New Haven, Connecticut; Dayton, Ohio; and San Jose, Emeryville, and San Diego, California. Outside the U.S., groups are located in Canada, England, Israel, Germany, Japan, China, and Singapore. These groups work in close cooperation with manufacturing units and marketing organizations to develop new products and applications to serve both existing and new markets.

It has been the Company's general practice to protect its investment in research and development and its freedom to use its inventions by obtaining patents. The ownership of these patents contributes to the Company's ability to provide leadership products and to generate revenue from licensing. The Company holds portfolios of patents in several areas important to its business, including digital cameras and image sensors; network photo sharing and fulfillment; flexographic and lithographic printing plates and systems; digital printing workflow and color management proofing systems; color and black-and-white electrophotographic printing systems; wide-format, commercial, and consumer inkjet printers; inkjet inks and media; thermal dye transfer and dye sublimation printing systems; digital cinema; color negative films, processing and papers; and organic light-emitting diodes. Each of these areas is important to existing and emerging business opportunities that bear directly on the Company's overall business performance.

The Company's major products are not dependent upon one single, material patent. Rather, the technologies that underlie the Company's products are supported by an aggregation of patents having various remaining lives and expiration dates. There is no individual patent expiration or group of patents expirations which are expected to have a material impact on the Company's results of operations.

ENVIRONMENTAL PROTECTION

The Company is subject to various laws and governmental regulations concerning environmental matters. The U.S. federal environmental legislation and state regulatory programs having an impact on the Company include the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the NY State Chemical Bulk Storage Regulations and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (the “Superfund Law”).

It is the Company’s policy to carry out its business activities in a manner consistent with sound health, safety and environmental management practices, and to comply with applicable health, safety and environmental laws and regulations. The Company continues to engage in programs for environmental, health and safety protection and control.

Based upon information presently available, future costs associated with environmental compliance are not expected to have a material effect on the Company's capital expenditures, results of operations or competitive position. However, such costs could be material to results of operations in a particular future quarter or year.

Environmental protection is further discussed in Note 10, "Commitments and Contingencies," in the Notes to Financial Statements.

EMPLOYMENT

At the end of 2008, the Company employed the full time equivalent of approximately 24,400 people, of whom approximately 12,800 were employed in the U.S. The actual number of employees may be greater because some individuals work part time.

AVAILABLE INFORMATION

The Company files many reports with the Securities and Exchange Commission (“SEC”), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. These reports, and amendments to these reports, are made available free of charge as soon as reasonably practicable after being electronically filed with or furnished to the SEC. They are available through the Company's website at www.Kodak.com. To reach the SEC filings, follow the links to Investor Center, and then SEC Filings. The Company also makes available its annual report to shareholders and proxy statement free of charge through its website.

We have included the CEO and CFO certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to this report. We have also included these certifications with the Form 10-K for the year ended December 31, 2007 filed on February 27, 2008. Additionally, we filed with the New York Stock Exchange (“NYSE”) the CEO certification, dated June 12, 2008, regarding our compliance with the NYSE's corporate governance listing standards pursuant to Section 303A.12(a) of the listing standards, and indicated that the CEO was not aware of any violations of the listing standards by the Company.

ITEM 1A. RISK FACTORS

Recent economic trends could continue to adversely affect our financial performance.

The global economic recession and declines in consumption in the Company's end markets have adversely affected sales of both commercial and consumer products and profitability for such products. Further, the global financial markets have been experiencing extreme disruption in recent months. Slower sales of consumer digital products due to the deteriorating economic environment could lead to reduced sales and earnings while increasing inventory. Economic conditions could also accelerate the continuing decline in demand for traditional products, which could also place pressure on Kodak's results of operations and liquidity. The recent tightening of credit in the global financial markets could adversely affect the ability of our commercial customers to obtain financing for significant equipment purchases, which could result in a decrease in, or cancellation of, orders for our products and services. In addition, accounts receivable and past due accounts could increase due to a decline in our customers' ability to pay as a result of the recent economic downturn. In response to these circumstances, the Company may have to take other actions to conserve or generate cash, which may impact our ability to return cash to shareholders.

Our future pension and other postretirement plan costs and required level of contributions could be unfavorably impacted by changes in actuarial assumptions and future market performance of plan assets which could adversely affect our financial position, results of operations, and cash flow.

We have significant defined benefit pension and other postretirement benefit obligations. The funded status of the Company's U.S. and non-U.S. defined benefit pension plans and other postretirement benefit plans, and the related cost reflected in our financial statements, are affected by various factors that are subject to an inherent degree of uncertainty, particularly in the current economic environment. Key assumptions used to value these benefit obligations, funded status and expense recognition include the discount rate for future payment obligations, the long-term expected rate of return on plan assets, salary growth, healthcare cost trend rate, and other economic and demographic factors. Significant differences in actual experience or significant changes in future assumptions could lead to a potential future need to contribute cash or assets to our plans in excess of currently estimated contributions and benefit payments and could have an adverse effect on the Company's consolidated results of operations, financial position or liquidity.

If we are unsuccessful with the strategic investment decisions we have made, our financial performance could be adversely affected.

The Company has selected certain of its businesses as "core investments" because of their large, sustainable growth potential. Introduction of successful innovative products and the achievement of scale in those businesses are necessary for the Company to achieve its future financial success. In addition, the Company has identified certain of its businesses that require business model transformations to improve margins or maximize cash. Such business model changes could include repositioning through strategic partnerships. If the Company is unsuccessful in growing the core investment businesses as planned or in executing the transformations that are necessary in certain of its businesses, the Company's financial performance could be adversely affected.

If we fail to comply with the financial covenants contained in our Secured Credit Agreement, our ability to meet our financial obligations or access external financing could be impaired under certain circumstances.

There are affirmative, negative and financial covenants contained in the Company's Secured Credit Agreement. These covenants are typical for a secured credit agreement of this nature. The Company's failure to comply with the financial covenants would result in a default under the Secured Credit Agreement. If an event of default were to occur and not be waived by the lenders, then all outstanding debt, interest and other payments under the Secured Credit Agreement could become immediately due and payable, any unused borrowing availability under the revolving credit facility of the Secured Credit Agreement could be terminated by the lenders, and cash collateralization or a similar remedy could be required for all letters of credit. The failure of the Company to repay any accelerated debt for borrowed money under the Secured Credit Agreement could result in acceleration of the majority of the Company's unsecured outstanding debt obligations under certain circumstances. The Company was in full compliance with the financial covenants as of December 31, 2008. Based on the Company's current financial forecast, it is reasonably likely that the Company could breach its financial covenants in the first quarter of 2009 unless an appropriate amendment or waiver is obtained. The Company is currently negotiating with its lenders to ensure continued access to a Secured Credit Agreement, with the goal to have an amended credit facility in place by the end of the first quarter. At December 31, 2008, there was no debt outstanding and there were $131 million of letters of credit issued, which are not considered debt for borrowed money under the agreement, but do reduce the Company's borrowing capacity under the Secured Credit Agreement. Notwithstanding the Company's view that it can operate for the foreseeable future without additional external financing, the Company's liquidity could be impaired if it is not able to access a credit facility.

If we cannot effectively anticipate technology trends and develop new products to respond to changing customer preferences, this could adversely affect our revenues.

Due to changes in technology and customer preferences, the market for traditional photography products and services is in decline. In its Film, Photofinishing and Entertainment Group, the Company continues to experience declines in customer demand for film products, consistent with industry trends. Management has developed initiatives to address the anticipated impact of these trends on the Company's performance. In addition, the Company's product development efforts are focused on digital capture devices (digital cameras and scanners) designed to improve the image acquisition or digitalization process, software products designed to enhance and simplify the digital workflow, output devices (thermal and inkjet printers and commercial printing systems and solutions) and consumables designed to produce high quality documents and images, and media (thermal and silver halide) optimized for digital workflows. Kodak's success depends in part on its ability to develop and introduce new products and services in a timely manner that keep pace with technological developments and that are accepted in the market. The Company continues to introduce new consumer and commercial digital product offerings. However, there can be no assurance that the Company will be successful in anticipating and developing new products, product enhancements or new solutions and services to adequately address changing technologies and customer requirements. In addition, if the Company is unable to anticipate and develop improvements to its current technology, to adapt its products to changing customer preferences or requirements or to continue to produce high quality products in a timely and cost-effective manner in order to compete with products offered by its competitors, this could adversely affect the revenues of the Company.

If we cannot continue to license or enforce the intellectual property rights on which our business depends or if third parties assert that we violate their intellectual property rights our revenue, earnings and expenses may be adversely impacted.

Kodak relies upon patent, copyright, trademark and trade secret laws in the United States and similar laws in other countries, and agreements with its employees, customers, suppliers and other parties, to establish, maintain and enforce its intellectual property rights. Any of the Company's direct or indirect intellectual property rights could, however, be challenged, invalidated or circumvented, or such intellectual property rights may not be sufficient to permit the Company to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly product redesign efforts, discontinuance of certain product offerings or other competitive harm. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions, Kodak may be unable to protect its proprietary technology adequately against unauthorized third party copying or use, which could adversely affect its competitive position. Also, because of the rapid pace of technological change in the information technology industry, much of our business and many of our products rely on key technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

Kodak has made substantial investments in new, proprietary technologies and has filed patent applications and obtained patents to protect its intellectual property rights in these technologies as well as the interests of the Company's licensees. The execution and enforcement of licensing agreements protects the Company's intellectual property rights and provides a revenue stream in the form of royalties that enables Kodak to further innovate and provide the marketplace with new products and services. There is no assurance that such measures alone will be adequate to protect the Company's intellectual property. The Company's ability to execute its intellectual property licensing strategies could also affect the Company's revenue and earnings. Kodak's failure to develop and properly manage new intellectual property could adversely affect the Company's market positions and business opportunities. Furthermore, the Company's failure to identify and implement licensing programs, including identifying appropriate licensees, could adversely affect the profitability of Kodak's operations.

Finally, third parties may claim that the Company or customers indemnified by Kodak are infringing upon their intellectual property rights. Such claims may be made by competitors seeking to block or limit Kodak's access to digital markets. Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from large companies like Kodak. Even if Kodak believes that the claims are without merit, the claims can be time-consuming and costly to defend and distract management's attention and resources. Claims of intellectual property infringement also might require the Company to redesign affected products, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting Kodak from marketing or selling certain of its products. Even if the Company has an agreement to indemnify it against such costs, the indemnifying party may be unable to uphold its contractual agreement to Kodak. If we cannot or do not license the infringed technology at all, license the technology on reasonable terms or substitute similar technology from another source, our revenue and earnings could be adversely impacted.

If we cannot attract, retain and motivate key employees, our business could be harmed.

In order for the Company to be successful, we must continue to attract, retain and motivate executives and other key employees, including technical, managerial, marketing, sales, research and support positions. Hiring and retaining qualified executives, research professionals, and qualified sales representatives are critical to the Company's future. Competition for experienced employees in the industries in which we compete can be intense. The market for employees with digital skills is highly competitive and, therefore, the Company's ability to attract such talent will depend on a number of factors, including compensation and benefits, work location and persuading potential employees that the Company is well-positioned for success in the digital markets Kodak is entering. Given the Company's compensation plans are highly performance-based and given the impact of the global economy on the Company's performance, it may become more challenging to retain key employees. The risk may be mitigated by the fact that many companies recently are taking actions to limit or reduce compensation and benefits in light of the difficult economy. The Company also must keep employees focused on the strategic initiatives and goals in order to be successful. If we cannot attract properly qualified individuals, retain key executives and employees or motivate our employees, our business could be harmed.

System integration issues could adversely affect our revenue and earnings.

Portions of our IT infrastructure may experience interruptions, delays or cessations of service in connection with systems integration or migration work that takes place from time to time; in particular, installation of SAP within our Graphic Communications Group. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time consuming, disruptive and resource-intensive. Such disruption could adversely affect our ability to fulfill orders and interrupt other processes. Delayed sales, higher costs or lost customers resulting from these disruptions could adversely affect our financial results and reputation.

Our inability to effectively complete, integrate and manage acquisitions, divestitures and other significant transactions could adversely impact our business performance including our financial results.

As part of our business strategy, we frequently engage in discussions with third parties regarding possible investments, acquisitions, strategic alliances, joint ventures, divestitures and outsourcing transactions ("transactions") and enter into agreements relating to such transactions in order to further our business objectives. In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete transactions, some of which may be large and complex, and manage post-closing issues such as the integration of acquired companies or employees. Integration and other risks of transactions can be more pronounced for larger and more complicated transactions, or if multiple transactions are pursued simultaneously. If we fail to identify and complete successfully transactions that further our strategic objectives, we may be required to expend resources to develop products and technology internally, we may be at a competitive disadvantage or we may be adversely affected by negative market perceptions, any of which may have a material adverse effect on our revenue, gross margin and profitability.

Delays in our plans to reduce the cost structure of the Company through execution of restructuring and other actions could affect the consolidated results of operations, financial position and liquidity.

If the Company were to fail to successfully execute the plans within or the timing of its current restructuring program to align the cost structure to the current economic realities, the Company's financial performance could be adversely affected.

We have outsourced a significant portion of our overall worldwide manufacturing and back-office operations and face the risks associated with relying on third party manufacturers and external suppliers.

We have outsourced a significant portion of our overall worldwide manufacturing, customer support and administrative operations (such as credit and collections, and general ledger accounting functions) to third parties and various service providers. To the extent that we rely on third party manufacturing relationships, we face the risk that those manufacturers may not be able to (1) develop manufacturing methods appropriate for our products, (2) maintain an adequate control environment, (3) quickly respond to changes in customer demand for our products, (4) obtain supplies and materials necessary for the manufacturing process, or (5) mitigate the impact of labor shortages and/or disruptions. As a result of such risks, Kodak's manufacturing costs could be higher than planned and the reliability of our products could decline. Other supplier problems that Kodak could face include component shortages, excess supply, risks related to terms of its contracts with suppliers and risks related to dependency on single source suppliers. If any of these risks were to be realized, and assuming alternative third-party manufacturing relationships could not be established, we could experience interruptions in supply or increases in costs that might result in our being unable to meet customer demand for our products, damage to our relationships with our customers, and reduced market share, all of which could adversely affect our results of operations and financial condition.

The competitive pressures we face could harm our revenue, gross margins and market share.

The markets in which we do business are highly competitive, and we encounter aggressive price competition for all our products and services from numerous companies globally. Over the past several years, price competition in the market for digital products, film and services has been particularly intense as competitors have aggressively cut prices and lowered their profit margins for these products. In the Graphic Communications Group segment, aggressive pricing tactics by our competitors have intensified the contract negotiation process. Our results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures. If the Company is unable to obtain pricing or programs sufficiently competitive with current and future competitors, Kodak could also lose market share, adversely affecting its revenue and gross margins.

If we fail to manage distribution of our products and services properly, our revenue, gross margins and earnings could be adversely impacted.

The Company uses a variety of different distribution methods to sell our products and services, including third-party resellers and distributors and both direct and indirect sales to both enterprise accounts and customers. Successfully managing the interaction of direct and indirect channels to various potential customer segments for our products and services is a complex process. Moreover, since each distribution method has distinct risks and costs, our failure to implement the most advantageous balance in the delivery model for our products and services could adversely affect our revenue, gross margins and earnings. Due to changes in the Company's go-to-market models, the Company is more reliant on fewer distributors. This has concentrated the Company's credit risk, which, if not appropriately managed, could result in an adverse impact on the Company's financial performance.

We may provide financing and financial guarantees to our customers, some of which may be for significant amounts.

The competitive environment in which we operate may require us to provide financing to our customers in order to win a contract. Customer financing arrangements may include all or a portion of the purchase price for our products and services. We may also assist customers in obtaining financing from banks and other sources and may provide financial guarantees on behalf of our customers. Our success may be dependent, in part, upon our ability to provide customer financing on competitive terms and on our customers' creditworthiness. As noted previously, the recent tightening of credit in the global financial markets could adversely affect the ability of our customers to obtain financing for significant purchases, which could result in a decrease in, or cancellation of, orders for our products and services. If we are unable to provide competitive financing arrangements to our customers or if we extend credit to customers whose creditworthiness deteriorates, this could adversely impact our revenues, profitability and financial position.

Due to the nature of the products we sell and our worldwide distribution, we are subject to changes in currency exchange rates, interest rates and commodities costs that may adversely impact our results of operations and financial position.

Kodak, as a result of its global operating and financing activities, is exposed to changes in currency exchange rates and interest rates, which may adversely affect its results of operations and financial position. Exchange rates and interest rates in certain markets in which the Company does business tend to be volatile. In addition, Kodak's products contain silver, aluminum, petroleum-based or other commodity-based raw materials, the costs of which can be volatile. There can be no guarantees that the global economic situation will not worsen creating further volatility in currency exchange rates, interest rates and commodity prices, which could have future negative effects on revenue and earnings.

If we cannot protect our reputation due to product quality and liability issues, our business could be harmed.

Kodak products are becoming increasingly sophisticated and complicated to design and build as rapid advancements in technologies occur. Although Kodak has established internal procedures to minimize risks that may arise from product quality and liability issues, there can be no assurance that Kodak will be able to eliminate or mitigate occurrences of these issues and associated damages. Kodak may incur expenses in connection with, for example, product recalls, service and lawsuits, and Kodak's brand image and reputation as a producer of high-quality products could suffer.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our worldwide operations could be subject to earthquakes, power shortages, telecommunications failures, water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or manmade disasters or business interruptions, for which we are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm our revenue and financial condition and increase our costs and expenses. In addition, some areas, including parts of the east and west coasts of the United States, have previously experienced, and may experience in the future, major power shortages and blackouts. These blackouts could cause disruptions to our operations or the operations of our suppliers, distributors and resellers, or customers. These events could seriously harm our revenue and financial condition, and increase our costs and expenses.

The implementation of new legislation or regulations or changes in existing laws or regulations could increase the Company's cost to comply and consequently reduce our profitability.

New business legislation or regulations or changes to existing laws or regulation, including interpretations of existing regulations by courts or regulators, could adversely affect Kodak's results of operations by increasing the Company's cost to comply. For example, tax, labor, environmental and securities laws and regulations may be enacted in the future that require the Company to adopt new policies, internal controls and other compliance practices or modify existing production facilities and operations. Each of these compliance initiatives could lead to internal and external cost increases.

The Company may be required to recognize additional impairments in the value of its goodwill, which would increase expenses and reduce profitability.

Goodwill represents the excess of the amount we paid to acquire businesses over the fair value of their net assets at the date of the acquisition. The Company tests goodwill for impairment annually or whenever events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This may occur for various reasons including changes in actual or expected income or cash flows of a reporting unit. In the fourth quarter 2008, we recorded a pre-tax non-cash charge of $785 million to write-off a significant portion of the goodwill balance within the GCG segment. We will continue to evaluate current market conditions that may affect the fair value of our reporting units to assess whether any further goodwill impairment exists in the future. Continued adverse or worsening market conditions for certain businesses may have a significant impact on the fair value of the reporting units and could result in additional future impairments of goodwill.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company's worldwide headquarters is located in Rochester, New York.

The CDG segment of Kodak's business in the United States is headquartered in Rochester, New York. Kodak Gallery operations are managed from Emeryville, California. Kodak Consumer Inkjet Systems operations are located in San Diego, California; Xiamen, China; and Rochester, New York. Many of CDG's businesses rely on manufacturing assets, company-owned or through relationships with design and manufacturing partners, which are located close to end markets and/or supplier networks.

The FPEG segment of Kodak's business is centered in Rochester, New York, where film and photographic chemicals and related materials are manufactured. A manufacturing facility in Harrow, England produces photographic paper. Additional manufacturing facilities supporting the business are located in Windsor, Colorado; China; Mexico; India; Brazil; and Russia. Entertainment Imaging has business operations in Hollywood, California and Rochester, New York.

Products in the GCG segment are manufactured in the United States, primarily in Rochester, New York; Dayton, Ohio; Columbus, Georgia; Weatherford, Oklahoma; and Windsor, Colorado. Manufacturing facilities outside the United States are located in the United Kingdom, Germany, Israel, Bulgaria, China, Japan, and Canada.

Properties within a country may be shared by all segments operating within that country.

Regional distribution centers are located in various places within and outside of the United States. The Company owns or leases administrative, manufacturing, marketing, and processing facilities in various parts of the world. The leases are for various periods and are generally renewable.

ITEM 3. LEGAL PROCEEDINGS

During March 2005, the Company was contacted by members of the Division of Enforcement of the SEC concerning the announced restatement of the Company's financial statements for the full year and quarters of 2003 and the first three unaudited quarters of 2004. An informal inquiry by the staff of the SEC into the substance of that restatement is continuing. The Company continues to fully cooperate with this inquiry, and the staff has indicated that the inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred.

On July 9, 2008, the Company received a proposed Consent Order from the New York State Department of Environmental Conservation ("DEC") resolving alleged violations of the environmental quality programs at the Company's primary manufacturing facility in Rochester, New York ("Kodak Park") which have occurred between February 28, 2005 and June 30, 2008. These alleged violations include violations of the solid and hazardous waste management regulations, the facility-wide air permit and the waste water discharge permit; most were discovered by Kodak and self-reported to the DEC. An agreement was reached on September 23, 2008, concluding this matter, with Kodak paying $125,000 to the DEC.

The Company has been named as third-party defendant (along with approximately 200 other entities) in an action initially brought by the New Jersey Department of Environmental Protection (NJDEP) against Occidental Chemical Corporation and several other companies that are successors in interest to Diamond Shamrock Corporation. The NJDEP seeks recovery of all costs associated with the investigation, removal, cleanup and damage to natural resources occasioned by Diamond Shamrock's disposal of various forms of chemicals in the Passaic River. The damages are alleged to potentially range "from hundreds of millions to several billions of dollars". Pursuant to New Jersey's Court Rules, the defendants were required to identify all other parties which could be subject to permissive joinder in the litigation based on common questions of law or fact. Third-party complaints seeking contribution from more than 200 entities, who have been identified as potentially contributing to the contamination in the Passaic, were filed on February 5, 2009. The potential monetary exposure is likely to be in excess of $100,000 but is not expected to be material.

On November 17, 2008, the Company filed a complaint with the U.S. International Trade Commission ("ITC") against Samsung Electronics Company Ltd., Samsung Electronics America Inc., Samsung Telecommunications America, LLC, LG Electronics Inc., LG Electronics USA Inc., and LG Electronics MobileComm USA, Inc. for infringement of patents related to digital camera technology. Discovery has commenced before the ITC. The Company is seeking a limited exclusion order preventing importation of infringing devices, including certain mobile telephones and wireless communication devices featuring digital cameras.

On February 17, 2009 Samsung Electronics Company Ltd. and Samsung Electronics America Inc. filed a complaint with the ITC against the Company for infringement of certain of their patents alleged to be related to digital camera technology. Samsung is seeking a limited exclusion order preventing importation of devices found to infringe the asserted patents. The Company intends to vigorously defend itself in this matter.

On February 20, 2009 LG Electronics Inc. (Seoul, Korea) filed a complaint with the ITC against the Company for infringement of certain of their patents alleged to be related to digital camera technology. LGE is seeking a limited exclusion order preventing importation of devices found to infringe the asserted patents. The Company intends to vigorously defend itself in this matter.

On November 17, 2008, the Company filed a complaint against Samsung Electronics Company Ltd., Samsung Electronics America Inc., and Samsung Telecommunications America, LLC in Federal District Court in Rochester, New York, for infringement of patents related to digital camera technology. The Company is seeking unspecified damages and other relief.

On November 17, 2008 the Company filed a complaint against LG Electronics Inc., LG Electronics USA Inc., and LG Electronics MobileComm USA, Inc. in Federal District Court in Rochester, New York, for infringement of patents related to digital camera technology. The Company is seeking unspecified damages and other relief.

On February 20, 2009 LG Electronics Inc. (Seoul, Korea) commenced two actions against the Company in Federal District court in the Southern District of California for infringement of certain of their patents alleged to be related to digital camera technology. LGE is seeking unspecified damages and other relief. The Company intends to vigorously defend itself in this matter.

On November 17, 2008, the Company commenced a lawsuit in Landgericht Düsseldorf, Germany against Samsung Electronics GmbH for infringement of a patent related to digital camera technology. The Company is seeking unspecified damages and other relief.

On November 20, 2008, Research in Motion Ltd. and Research in Motion Corp. (collectively "RIM") filed a declaratory judgment action against the Company in Federal District Court in Dallas, Texas. The suit seeks to invalidate certain Company patents related to digital camera technology and software object linking, and seeks a determination that RIM handheld devices do not infringe such patents. On February 17, 2009, the Company filed its answer and counterclaims for infringement of each of these same patents.

The Company and its subsidiaries are involved in various lawsuits, claims, investigations and proceedings, including commercial, customs, employment, environmental, and health and safety matters, which are being handled and defended in the ordinary course of business. In addition, the Company is subject to various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that are incorporated in a broad spectrum of the Company's products. These matters are in various stages of investigation and litigation, and are being vigorously defended. Although the Company does not expect that the outcome in any of these matters, individually or collectively, will have a material adverse effect on its financial condition or results of operations, litigation is inherently unpredictable. Therefore, judgments could be rendered or settlements entered, that could adversely affect the Company's operating results or cash flows in a particular period. The Company routinely assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability, and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instructions G (3) of Form 10-K, the following list is included as an unnumbered item in Part I of this report in lieu of being included in the Proxy Statement for the Annual Meeting of Shareholders.

			Date First Elected	
Name	**Age**	**Positions Held**	**an Executive Officer**	**to Present Office**
Robert L. Berman	51	Senior Vice President	2002	2005
Philip J. Faraci	53	President and Chief Operating Officer	2005	2007
Joyce P. Haag	58	General Counsel and Senior Vice President	2005	2005
Mary Jane Hellyar	55	Executive Vice President	2005	2007
James T. Langley	57	Senior Vice President	2003	2003
William J. Lloyd	69	Senior Vice President	2005	2005
Antonio M. Perez	63	Chairman of the Board, Chief Executive Officer	2003	2005
Frank S. Sklarsky	52	Chief Financial Officer and Executive Vice President	2006	2006
Terry R. Taber	54	Vice President	2008	2008
Diane E. Wilfong	47	Chief Accounting Officer and Corporate Controller	2006	2006

Executive officers are elected annually in February.

All of the executive officers have been employed by Kodak in various executive and managerial positions for at least five years, except: Mr. Langley, who joined the Company on August 18, 2003; Mr. Faraci, who joined the Company on December 6, 2004; and Mr. Sklarsky who joined the Company on October 30, 2006.

The executive officers' biographies follow:

Robert L. Berman

Mr. Berman was appointed to his current position in January 2002 and was elected a Vice President of the Company in February 2002. In March 2005, he was elected a Senior Vice President by the Board of Directors. In this capacity, he is responsible for the design and implementation of all human resources strategies, policies and processes throughout the corporation. He is a member of the Eastman Kodak Company Executive Council, and serves on the Company's Senior Executive Diversity and Inclusion Council and Ethics Committee. He works closely with Kodak's CEO, Board of Directors and Executive Compensation and Development Committee on all executive compensation and development processes for the corporation. Prior to this position, Mr. Berman was the Associate Director of Human Resources and the Director and divisional vice president of Human Resources for Global Operations, leading the delivery of strategic and operational human resources services to Kodak's global manufacturing, supply chain and regional operations around the world. He has held a variety of other key human resources positions for Kodak over his 25 year career, including the Director and divisional vice president of Human Resources for the global Consumer Imaging business and the Human Resources Director for Kodak Colorado Division.

Philip J. Faraci

Philip Faraci was named President and Chief Operating Officer, Eastman Kodak Company, in September 2007. As President and COO, Mr. Faraci is responsible for the day-to-day management of Kodak's two major digital businesses: the Consumer Digital Imaging Group ("CDG") and the Graphic Communications Group ("GCG").

Mr. Faraci had been President of CDG and a Senior Vice President of the Company. He joined Kodak as Director, Inkjet Systems Program in December 2004. In February 2005, he was elected a Senior Vice President of the Company. In June 2005, he was also named Director, Corporate Strategy & Business Development.

Prior to Kodak, Mr. Faraci served as Chief Operating Officer of Phogenix Imaging and President and General Manager of Gemplus Corporation's Telecom Business Unit. Prior to these roles, he spent 22 years at Hewlett-Packard, where he served as Vice President and General Manager of the Consumer Business Organization and Senior Vice President and General Manager for the Inkjet Imaging Solutions Group.

Joyce P. Haag

Ms. Haag began her Kodak career in 1981, as a lawyer on the Legal Staff. She was elected Assistant Secretary in December 1991 and elected Corporate Secretary in February 1995. In January 2001, she was appointed to the additional position of Assistant General Counsel. In August 2003, she became Director, Marketing, Antitrust, Trademark and Litigation, Legal Staff and in March 2004, she became General Counsel, Europe, Africa and Middle East Region ("EAMER"). In July 2005, she was promoted to Senior Vice President and General Counsel.

Prior to joining the Kodak Legal Staff, Ms. Haag was an associate with Boylan, Brown, Code, Fowler, Vigdor & Wilson LLP in Rochester, New York.

Mary Jane Hellyar

Mary Jane Hellyar joined Eastman Kodak Company in 1982 as a research scientist in the Kodak Research Laboratories and over the next ten years held a variety of positions within R&D, Film Manufacturing, and chemical process development. Following a one-year program at the Sloan School, she joined Consumer Imaging in the Strategic Planning function in 1994.

In 1995, Ms. Hellyar became director of the Color Product Platform, responsible for development and commercialization of all color films, papers and chemicals.

Effective May 1999, Ms. Hellyar was named general manager, Consumer Film Business, Consumer Imaging and was elected a Corporate Vice President. Subsequently, her responsibilities were expanded to include professional films, photographic paper and chemicals.

In November 2004, Ms. Hellyar was named President, Display and Components Group. In January 2005, the Board of Directors elected her a Senior Vice President.

In September 2005, the Company moved to four vertical businesses. Ms. Hellyar became President, Film & Photofinishing Systems Group, while also continuing responsibility for Kodak's Display business.

In January 2007, Ms. Hellyar's business was renamed the Film Products Group reflecting its three core businesses: Entertainment Imaging, Film Capture, and Aerial and Industrial Markets. In October 2007, the Board of Directors elected Ms. Hellyar an Executive Vice President. In January 2008, the business was renamed Film, Photofinishing and Entertainment Group.

James T. Langley

Mr. Langley, who retired from the Company effective March 15, 2008, was a Senior Vice President of the Company. He joined Kodak as President, Commercial Printing, in August 2003. In September 2003, he was elected a Senior Vice President of the Company. The Commercial Printing Group was renamed Graphic Communications Group in May 2004. In September 2007, the Company created the new position of President, Chief Operating Officer, and, as a result, eliminated the position of President for GCG. Mr. Langley remained a Senior Vice President while completing several special projects until his retirement.

He was vice president of commercial printing at HP from March 2000 to August 2002. Prior to that assignment, Mr. Langley served for three years as vice president of inkjet worldwide office printers, responsible for expanding the presence of HP's inkjet products in new, higher-end markets. From August 1993 to June 1997, Mr. Langley served as the general manager of HP's Vancouver Printer Division.

William J. Lloyd

Mr. Lloyd, who retired from the Company effective December 31, 2008, joined Kodak in June 2003 as director, Portfolio Planning and Analysis. In October 2003, he was named director, Inkjet Systems Program, and was elected Vice President of the Company. In February 2005, he was elected a Senior Vice President. He assumed his most recent position as Chief Technical Officer in March 2005.

Prior to Kodak, Mr. Lloyd was president of the consulting firm, Inwit, Inc. focused on imaging technology. From November 2000 until March 2002, he served as executive vice president and chief technology officer of Gemplus International, the leading provider of Smart Card-based secure solutions for the wireless and financial markets.

In 2000, Mr. Lloyd served as the Co-CEO during the startup phase of Phogenix Imaging, a joint venture between Eastman Kodak and Hewlett-Packard.

Mr. Lloyd has extensive expertise in imaging and printing technologies, stemming from his 31-year career at Hewlett-Packard Company where he was group vice president and CTO for consumer imaging and printing. In his career at HP, Mr. Lloyd held a variety of positions in product development and research both in the U.S. and Japan. During his tenure in Japan (from 1990 until 1993) he directed the establishment of a branch of HP Laboratories.

Prior to joining Hewlett-Packard, he spent 7 years in the aerospace industry, where, among other things, he served as the project manager for the communications antenna on the Apollo Command and Service Module used in the lunar landing program.

Antonio M. Perez

Since joining the Company in April 2003, Kodak’s Chairman and Chief Executive Officer, Antonio M. Perez, has led the worldwide transformation of Kodak from a business based on film to one based primarily on digital technologies. In the past four years, Kodak introduced an array of disruptive new digital technologies and products for consumer and commercial applications that generated $6.4B in revenues in 2008. Those include consumer inkjet printers, CMOS sensors for digital cameras and mobile phones, dry labs and kiosks for printing at retail, as well as high-volume digital production presses and digital plates for commercial printing. The result is a new Kodak -- a company with 70 percent of revenue coming from digital products, higher gross margin commercial businesses accounting for 60 percent of sales, and a sustainable traditional business model.

Mr. Perez brings to the task his experience from a 25-year career at Hewlett-Packard Company, where he was a corporate vice president and a member of the company’s Executive Council. As President of H-P’s Consumer Business, Mr. Perez spearheaded the company’s efforts to build a business in digital imaging and electronic publishing, generating worldwide revenue of more than $16 billion.

Prior to that assignment, Mr. Perez served as President and CEO of H-P’s inkjet imaging business for five years. During that time, the installed base of H-P's inkjet printers grew from 17 million to 100 million worldwide, with revenue totaling more than $10 billion.

After H-P, Mr. Perez was President and CEO of Gemplus International, where he led the effort to take the company public. While at Gemplus, he transformed the company into the leading Smart Card-based solution provider in the fast-growing wireless and financial markets. In the first fiscal year, revenue at Gemplus grew 70 percent, from $700 million to $1.2 billion.

Frank S. Sklarsky

Mr. Sklarsky joined Kodak in October 2006 as Executive Vice President, and became the Chief Financial Officer in November 2006.

Mr. Sklarsky is responsible for worldwide financial operations, including Financial Planning and Analysis, Treasury, Audit, Controllership, Tax, Investor Relations, Aviation, Corporate Mergers and Acquisitions, Worldwide Information Systems and Corporate Purchasing.

Prior to joining Kodak, Mr. Sklarsky was Executive Vice President and Chief Financial Officer of ConAgra Foods Inc., one of North America's leading packaged food companies. At ConAgra, he implemented a new financial organization, significantly strengthened the balance sheet, and played a major role in building credibility with the investment community. He also helped expand profit margins at the $14 billion company.

Prior to joining ConAgra in 2004, Mr. Sklarsky was Vice President, Product Finance, at DaimlerChrysler, a position he held between 2001 and 2004. He returned to DaimlerChrysler to assist with the company's turnaround efforts after spending more than one year as Vice President, Corporate Finance, and Vice President, Finance, of Dell’s $5 billion consumer business. He first joined DaimlerChrysler in 1983 and held a series of increasingly responsible finance positions before leaving for Dell in 2000. At the time of his departure for Dell, he was DaimlerChrysler’s Vice President, Corporate Financial Activities, and also led the finance functions serving procurement, product quality, cost management and worldwide manufacturing during his tenure. Prior to DaimlerChrysler, Mr. Sklarsky, a certified public accountant, served as a Senior Accountant at Ernst & Young International from 1978 to 1981.

Terry R. Taber

Terry R. Taber joined Kodak in 1980. In January 2009, he became Chief Technical Officer reporting to Kodak Chairman and CEO Antonio M. Perez. The Board of Directors elected him a Corporate Vice President in December 2008.

Mr. Taber was previously the Chief Operating Officer of Kodak’s Image Sensor Solutions (“ISS”) business, a leading developer of advanced CCD and CMOS sensors serving imaging and industrial markets. Prior to joining ISS in 2007, Mr. Taber held a series of senior positions in Kodak’s research and development and product organizations. During his 28 years at Kodak, Mr. Taber has been involved in new materials research, product development and commercialization, manufacturing, and executive positions in R&D and business management.

Mr. Taber’s early responsibilities included research on new synthetic materials, an area in which he holds several patents. He then became a program manager for several film products before completing the Sloan Fellows program at the Massachusetts Institute of Technology. He returned from MIT to become the worldwide consumer film business product manager from 1999 to 2002, and then became an Associate Director of R&D from 2002 to 2005, followed by a position as the director of Materials & Media R&D from 2005 to 2007.

Diane E. Wilfong

Ms. Wilfong was elected Corporate Controller and Chief Accounting Officer, Eastman Kodak Company in September 2006. She began her Kodak career in July 1999, as Director – Finance and Vice President, Kodak Professional Division. In late 2000, she was named Assistant to the Chairman and President and Chief Executive Officer, where she served the Chairman’s office in an executive capacity until early 2003. At that time, she took an operating line position as General Manager, Graphics and Printing Systems SPG, in the Commercial Imaging Group (now Graphic Communications Group). In mid-2005, Ms. Wilfong was appointed Director, Corporate Audit.

Prior to joining Kodak, Ms. Wilfong was Chief Financial Officer of Corning Asahi Video Products of Corning Incorporated, in Corning, New York. Ms. Wilfong joined Corning in 1990 and held a variety of management positions in its finance organization. She is a certified public accountant and began her career at PricewaterhouseCoopers, where she was an audit manager in the Charlotte, North Carolina office of the firm.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Eastman Kodak Company common stock is traded on the New York Stock Exchange under the symbol "EK." There were 55,759 shareholders of record of common stock as of January 31, 2009.

MARKET PRICE DATA

	2008		2007	
Price per share:	High	Low	High	Low
1st Quarter	$ 22.03	$ 16.31	$ 27.08	$ 22.41
2nd Quarter	$ 19.60	$ 12.20	$ 30.20	$ 22.54
3rd Quarter	$ 17.71	$ 12.80	$ 29.29	$ 24.71
4th Quarter	$ 15.68	$ 5.83	$ 29.60	$ 21.42

DIVIDEND INFORMATION

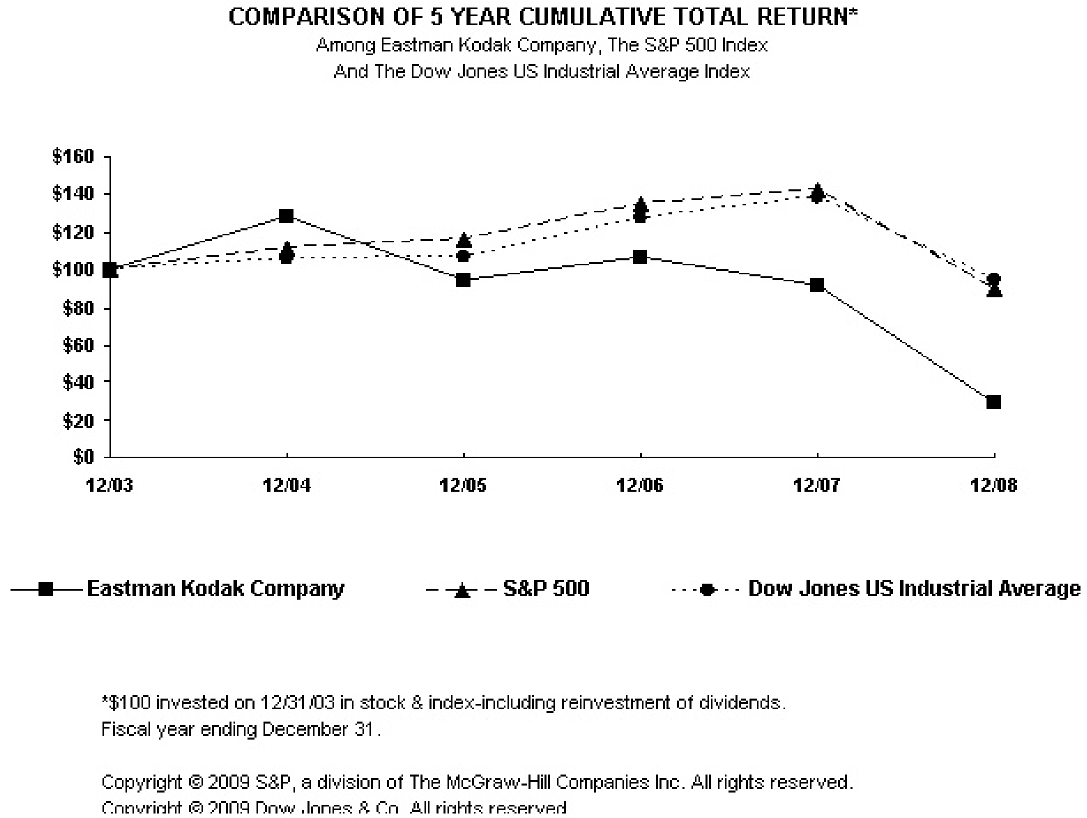
It is the Company's practice to make semi-annual dividend payments which, when declared by its Board of Directors, will be paid on the Company's 10th business day each July and December to shareholders of record on the close of the first business day of the preceding month.

On May 14, and October 14, 2008, the Board of Directors declared semi-annual cash dividends of $.25 per share payable to shareholders of record at the close of business on June 1, and November 3, 2008, respectively. These dividends were paid on July 16 and December 12, 2008. Total dividends paid for the year ended December 31, 2008 were $139 million.

On May 9, and October 16, 2007, the Board of Directors declared semi-annual cash dividends of $.25 per share payable to shareholders of record at the close of business on June 1, and November 1, 2007. These dividends were paid on July 16, and December 14, 2007. Total dividends paid for the year ended December 31, 2007 were $144 million.

PERFORMANCE GRAPH - SHAREHOLDER RETURN

The following graph compares the performance of the Company's common stock with the performance of the Standard & Poor's 500 Composite Stock Price Index and the Dow Jones Industrial Index by measuring the changes in common stock prices from December 31, 2003, plus reinvested dividends.



	12/03	12/04	12/05	12/06	12/07	12/08
Eastman Kodak Company	100.00	127.90	94.77	106.69	92.13	28.86
S&P 500	100.00	110.88	116.33	134.70	142.10	89.53
Dow Jones US Industrial Average	100.00	105.31	107.13	127.53	138.86	94.52

Share Repurchase Program

On June 24, 2008, the Company announced that its Board of Directors authorized a share repurchase program allowing the Company, at management's discretion, to purchase up to $1.0 billion of its common stock. The program will expire at the earlier of December 31, 2009 or when the Company has used all authorized funds for repurchase. For the three months ended December 31, 2008, the Company purchased 5,933,396 shares in open market purchases. Through December 31, 2008, the Company repurchased approximately 20 million shares at an average price of $15.01 per share, for a total cost of $301 million under this program. While the share repurchase authorization remains in effect through the end of 2009, Kodak is not currently repurchasing any of its shares.

The following table shows the share repurchase activity for each of the three months in the quarter ended December 31, 2008:

(in millions, except average price paid per share)

Period	Total Number of Shares Purchased	Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be Purchased under the Program	
October 1, 2008 to October 31, 2008	5.6	$	14.00	5.6	$	702
November 1, 2008 to November 30, 2008	0.3	$	9.61	0.3	$	699
December 1, 2008 to December 31, 2008	-			-	$	699
Total	5.9	$	13.77	5.9		

ITEM 6. SELECTED FINANCIAL DATA

Refer to Summary of Operating Data on page 114.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the results of operations and financial condition of Kodak for the three years ended December 31, 2008. All references to Notes relate to Notes to the Financial Statements in Item 8. "Financial Statements and Supplementary Data."

OVERVIEW

Kodak is the world's foremost imaging innovator and generates revenue and profits from the sale of products, technology, solutions and services to consumers, businesses and creative professionals. The Company's portfolio is broad, including image capture and output devices, consumables and systems and solutions for consumer, business, and commercial printing applications. Kodak has three reportable business segments, which are more fully described later in this discussion in "Kodak Operating Model and Reporting Structure." The three business segments are: Consumer Digital Imaging Group ("CDG"), Film, Photofinishing and Entertainment Group ("FPEG") and Graphic Communications Group ("GCG").

During 2008, the Company established the following strategic objectives for the year:
- Cash generation before dividends
- Growth in revenue from the Consumer Digital Imaging Group and the Graphic Communications Group
- Growth in earnings from operations

All of the Company's key operating metrics noted above were negatively impacted in 2008 by a dramatic decline in demand as a result of the global economic slowdown, which accelerated late in the year. The demand for the Company's consumer products is largely discretionary in nature, and sales and earnings of the Company's consumer businesses are linked to the timing of holidays, vacations, and other leisure or gifting seasons. The fourth quarter of 2008 was marked by weak consumer holiday spending, the impacts of which were significant in the Company's digital camera and devices businesses in the CDG segment. In the GCG segment, tightening credit availability, combined with the weak economy, resulted in a reduction of capital spending, negatively impacting equipment sales as well. In addition, the reduction of global print demand had a negative impact on GCG consumables sales, and increased costs for aluminum impacted gross margins. FPEG was also impacted by the weak economy, which accelerated the decline of *Film Capture* and *Traditional Photofinishing* in the fourth quarter, and increased silver and petroleum-based raw material costs impacted gross margins.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The accompanying consolidated financial statements and notes to consolidated financial statements contain information that is pertinent to management’s discussion and analysis of the financial condition and results of operations. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities.

The Company believes that the critical accounting policies and estimates discussed below involve the most complex management judgments due to the sensitivity of the methods and assumptions necessary in determining the related asset, liability, revenue and expense amounts. Specific risks associated with these critical accounting policies are discussed throughout this MD&A, where such policies affect our reported and expected financial results. For a detailed discussion of the application of these and other accounting policies, refer to the Notes to Financial Statements.

REVENUE RECOGNITION

The Company's revenue transactions include sales of the following: products; equipment; software; services; equipment bundled with products and/or services and/or software; integrated solutions, and intellectual property licensing. The Company recognizes revenue when it is realized or realizable and earned. For the sale of multiple-element arrangements whereby equipment is combined with services, including maintenance and training, and other elements, including software and products, the Company allocates to, and recognizes revenue from, the various elements based on their fair value.

At the time revenue is recognized, the Company also records reductions to revenue for customer incentive programs in accordance with the provisions of Emerging Issues Task Force (“EITF”) Issue No. 01-09, "Accounting for Consideration Given from a Vendor to a Customer (Including a Reseller of the Vendor's Products)." Such incentive programs include cash and volume discounts, price protection, promotional, cooperative and other advertising allowances and coupons. For those incentives that require the estimation of sales volumes or redemption rates, such as for volume rebates or coupons, the Company uses historical experience and internal and customer data to estimate the sales incentive at the time revenue is recognized. In the event that the actual results of these items differ from the estimates, adjustments to the sales incentive accruals would be recorded.

Incremental direct costs of a customer contract in a transaction that results in the deferral of revenue are deferred and netted against revenue in proportion to the related revenue recognized in each period if: (1) an enforceable contract for the remaining deliverable items exists; and (2) delivery of the remaining items in the arrangement is expected to generate positive margins allowing realization of the deferred costs. Incremental direct costs are defined as costs that vary with and are directly related to the acquisition of a contract, which would not have been incurred but for the acquisition of the contract.

VALUATION OF LONG-LIVED ASSETS, INCLUDING GOODWILL AND PURCHASED INTANGIBLE ASSETS

The Company reviews the carrying value of its long-lived assets, including goodwill and purchased intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The Company tests goodwill for impairment annually (on September 30), or whenever events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount, by initially comparing the fair value of each of the Company’s reporting units to their related carrying values (step one). If the fair value of the reporting unit is less than its carrying value, the Company must determine the implied fair value of goodwill associated with that reporting unit (step two). The implied fair value of goodwill is determined by first allocating the fair value of the reporting unit to all of its assets and liabilities and then computing the excess of the reporting unit's fair value over the amounts assigned to the assets and liabilities. If the carrying value of goodwill exceeds the implied fair value of goodwill, such excess represents the amount of goodwill impairment charge that must be recognized. The Company's goodwill impairment analysis also includes a comparison of the aggregate estimated fair value of all reporting units to its total market capitalization.

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. The Company estimates the fair value of its reporting units utilizing income and market approaches through the application of discounted cash flow and market comparable methods. Key assumptions used to determine the fair value of each reporting unit as of the Company's fiscal annual testing date (September 30, 2008) were: (a) expected cash flow for the period from 2009 to 2013; and (b) discount rates of 14% to 17.5%, which were based on the Company's best estimates of the after-tax weighted-average cost of capital of each reporting unit. Based upon the results of its September 30, 2008 analysis, no impairment of goodwill was indicated.

As of December 31, 2008, due to the continuing challenging business conditions and the significant decline in its market capitalization during the fourth quarter of 2008, the Company concluded there was an indication of possible impairment. Certain key assumptions used to determine the fair value of each reporting unit as of December 31, 2008 were revised to reflect: (a) significant reductions in future expected cash flows for the period from 2009 to 2013 due to the actual results for the fourth quarter of 2008 and revised forecasts for 2009 and later years; and (b) discount rates of 18.5% to 23.0%, which were based on the Company's best estimates of the after-tax weighted-average cost of capital of each reporting unit, adjusted from September 30, 2008 for our latest assessment of financial risk and the increased risk associated with the Company's future operations. Based on its updated analysis, the Company concluded that there was an impairment of goodwill related to the Graphic Communications Group segment and, thus, recognized a pre-tax non-cash charge of $785 million in the fourth quarter of 2008.

The fair values of reporting units within the Company's CDG and FPEG segments, and one of the two GCG reporting units were greater than their respective carrying values as of December 31, 2008, so no goodwill impairment was recorded for these reporting units. Reasonable changes in the assumptions used to determine these fair values would not have resulted in goodwill impairments in any of these reporting units.

The Company's long-lived assets, other than goodwill and indefinite-lived intangible assets, are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. When evaluating long-lived assets for impairment, the Company compares the carrying value of an asset group to its estimated undiscounted future cash flows. An impairment is indicated if the estimated future cash flows are less than the carrying value of the asset group. The impairment is the excess of the carrying value over the fair value of the long-lived asset group.

Due to continued operating losses and increased uncertainty of future cash flows because of the economic environment in the fourth quarter of 2008, the Company evaluated the long-lived assets of FPEG's Paper and Output Systems business and GCG's Electrophotographic Solutions business for impairment. No impairment loss was recorded related to either business as a result of this evaluation.

INCOME TAXES

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes" and Financial Accounting Standards Board ("FASB") Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). The asset and liability approach underlying SFAS No. 109 requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of the Company's assets and liabilities. FIN 48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on various related matters such as derecognition, interest and penalties, and disclosure.

The Company records a valuation allowance to reduce its net deferred tax assets to the amount that is more likely than not to be realized. The Company has considered forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which the

Company operates and prudent and feasible tax planning strategies in determining the need for these valuation allowances. If Kodak were to determine that it would not be able to realize a portion of its net deferred tax assets in the future, for which there is currently no valuation allowance, an adjustment to the net deferred tax assets would be charged to earnings in the period such determination was made. Conversely, if the Company were to make a determination that it is more likely than not that the deferred tax assets, for which there is currently a valuation allowance, would be realized, the related valuation allowance would be reduced and a benefit to earnings would be recorded.

The Company’s effective tax rate considers the impact of undistributed earnings of subsidiary companies outside of the U.S. Deferred taxes have not been provided for the potential remittance of such undistributed earnings, as it is the Company’s policy to indefinitely reinvest its retained earnings. However, from time to time and to the extent that the Company can repatriate overseas earnings on essentially a tax-free basis, the Company's foreign subsidiaries will pay dividends to the U.S. Material changes in the Company’s working capital and long-term investment requirements could impact the decisions made by management with respect to the level and source of future remittances and, as a result, the Company’s effective tax rate.

The Company operates within multiple taxing jurisdictions worldwide and is subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time for resolution. Although management believes that adequate provisions have been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on the earnings of the Company. Conversely, if these issues are resolved favorably in the future, the related provisions would be reduced, thus having a positive impact on earnings.

PENSION AND OTHER POSTRETIREMENT BENEFITS

Kodak’s defined benefit pension and other postretirement benefit costs and obligations are dependent on the Company's key assumptions. These assumptions, which are reviewed at least annually by the Company, include the discount rate, long-term expected rate of return on plan assets (“EROA”), salary growth, healthcare cost trend rate and other economic and demographic factors. Actual results that differ from our assumptions are recorded as unrecognized gains and losses and are amortized to earnings over the estimated future service period of the active participants in the plan or, if almost all of a plan’s participants are inactive, the average remaining lifetime expectancy of inactive participants, to the extent such total net unrecognized gains and losses exceed 10% of the greater of the plan's projected benefit obligation or the calculated value of plan assets. Significant differences in actual experience or significant changes in future assumptions would affect the Company’s pension and other postretirement benefit costs and obligations.

The EROA assumption is based on a combination of formal asset and liability studies that include forward-looking return expectations, given the current asset allocation. The EROA, once set, is applied to the calculated value of plan assets in the determination of the expected return component of the Company’s pension income or expense.

SFAS No. 87, “Employers’ Accounting for Pensions” (“FAS 87”) requires that expected return be calculated using either fair value of plan assets or a calculated value of plan assets. Kodak uses a calculated value that recognizes changes in the fair value of assets over a four-year period. At December 31, 2008, the calculated value of the assets of the major U.S. defined benefit pension plan (the Kodak Retirement Income Plan “KRIP”) was approximately $6 billion and the fair value was approximately $5 billion. Asset gains and losses that are not yet reflected in the calculated value of plan assets are not included in amortization of unrecognized gains and losses until they are recognized as a part of the calculated value of plan assets.

The Company reviews its EROA assumption annually. To facilitate this review, every three years, or when market conditions change materially, the Company’s larger plans will undertake asset allocation or asset and liability modeling studies. In early 2008, an asset and liability modeling study for the KRIP was completed and resulted in a 9.0% EROA assumption, which is the same rate outcome as concluded by the prior study in 2005. During the fourth quarter of 2008, the Kodak Retirement Income Plan Committee (“KRIPCO,” the committee that oversees KRIP) reevaluated certain portfolio positions relative to current market conditions and accordingly approved a change to the portfolio to reduce risk associated with the volatility in the financial markets. The Company has assumed an 8.0% EROA for 2009 for the KRIP based on these changes and the resulting asset allocation at December 31, 2008. It is KRIPCO's intention to reassess the current asset allocation and complete a new asset and liability study in early 2009. Certain of the Company's other pension plans also adjusted asset positions during the fourth quarter of 2008. EROA assumptions for 2009 for those plans were similarly based on these changes and the resulting asset allocations as of the end of the year.

Generally, the Company bases the discount rate assumption for its significant plans on high quality corporate bond yields in the respective countries as of the measurement date. Specifically, for its U.S. and Canada plans, the Company determines a discount rate using a cash flow model to incorporate the expected timing of benefit payments and a AA-rated corporate bond yield curve. For the Company's U.S. plans, the Citigroup Above Median Pension Discount Curve is used. For the Company's other non-U.S. plans, the discount rates are determined by comparison to published local high quality bond yields or indices considering estimated plan duration and removing any outlying bonds, as warranted.

The salary growth assumptions are determined based on the Company's long-term actual experience and future and near-term outlook. The healthcare cost trend rate assumptions are based on historical cost and payment data, the near-term outlook and an assessment of the likely long-term trends.

The following table illustrates the sensitivity to a change to certain key assumptions used in the calculation of expense for the year ending December 31, 2009 and the projected benefit obligation ("PBO") at December 31, 2008 for the Company's major U.S. and non-U.S. defined benefit pension plans:

(in millions)	**Impact on 2009 Pre-Tax Pension Expense Increase (Decrease)**		**Impact on PBO December 31, 2008 Increase (Decrease)**	
	U.S.	**Non-U.S.**	**U.S.**	**Non-U.S.**
Change in assumption:				
25 basis point decrease in discount rate	$ (2)	$ 4	$ 102	$ 96
25 basis point increase in discount rate	2	(4)	(97)	(91)
25 basis point decrease in EROA	15	7	N/A	N/A
25 basis point increase in EROA	(15)	(7)	N/A	N/A

Total pension income from continuing operations before special termination benefits, curtailments, and settlements for the major funded and unfunded defined benefit pension plans in the U.S. is expected to decrease from $179 million in 2008 to $108 million in 2009, due primarily to lower expected returns on plan assets for 2009. Pension expense from continuing operations before special termination benefits, curtailments and settlements for the major funded and unfunded non-U.S. defined benefit pension plans is projected to decrease from $27 million in 2008 to $5 million in 2009, which is primarily attributable to lower amortization of actuarial losses.

Additionally, due to changes in plan design, the Company expects the expense, before curtailment and settlement gains and losses of its major other postretirement benefit plans to approximate $48 million in 2009 as compared with $104 million for 2008.

ENVIRONMENTAL COMMITMENTS

Environmental liabilities are accrued based on estimates of known environmental remediation responsibilities. The liabilities include accruals for sites owned or leased by Kodak, sites formerly owned or leased by Kodak, and other third party sites where Kodak was designated as a potentially responsible party ("PRP"). The amounts accrued for such sites are based on these estimates, which are determined using the ASTM Standard E 2137-06, "Standard Guide for Estimating Monetary Costs and Liabilities for Environmental Matters." The overall method includes the use of a probabilistic model that forecasts a range of cost estimates for the remediation required at individual sites. The Company's estimate includes equipment and operating costs for investigations, remediation and long-term monitoring of the sites. Such estimates may be affected by changing determinations of what constitutes an environmental liability or an acceptable level of remediation. Kodak's estimate of its environmental liabilities may also change if the proposals to regulatory agencies for desired methods and outcomes of remediation are viewed as not acceptable, or additional exposures are identified. The Company has an ongoing monitoring and identification process to assess how activities, with respect to the known exposures, are progressing against the accrued cost estimates, as well as to identify other potential remediation issues that are presently unknown.

Additionally, in many of the countries in which the Company operates, environmental regulations exist that require the Company to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. The Company records a liability equal to the estimated fair value of its obligation to perform asset retirement activities related to the asbestos, computed using an expected present value technique, when sufficient information exists to calculate the fair value.

RECENTLY ISSUED ACCOUNTING STANDARDS

For discussion of the adoption and potential impacts of recently issued accounting standards, refer to the “Recently Issued Accounting Standards” section of Note 1, “Significant Accounting Policies,” in the Notes to Financial Statements.

KODAK OPERATING MODEL AND REPORTING STRUCTURE

For 2008, the Company had three reportable segments: Consumer Digital Imaging Group (“CDG”), Film, Photofinishing and Entertainment Group (“FPEG”), and Graphic Communications Group (“GCG”). Within each of the Company’s reportable segments are various components, or Strategic Product Groups (“SPGs”). Throughout the remainder of this document, references to the segments’ SPGs are indicated in italics. The balance of the Company's continuing operations, which individually and in the aggregate do not meet the criteria of a reportable segment, are reported in All Other. A description of the segments is as follows:

Consumer Digital Imaging Group Segment (“CDG”): CDG encompasses digital still and video cameras, digital devices such as picture frames, snapshot printers and related media, kiosks and related media, APEX drylab systems which were introduced in the first quarter of 2008, consumer inkjet printing, Kodak Gallery, and imaging sensors. The APEX drylab system provides an alternative to traditional photofinishing processing at retail locations. CDG also includes the licensing activities related to the Company's intellectual property in digital imaging products.

Film, Photofinishing and Entertainment Group Segment (“FPEG”): FPEG encompasses consumer and professional film, one-time-use cameras, graphic arts film, aerial and industrial film, and entertainment imaging products and services. In addition, this segment also includes paper and output systems, and photofinishing services. This segment provides consumers, professionals, cinematographers, and other entertainment imaging customers with film-related products and services and also provides graphic arts film to the graphics industry.

Graphic Communications Group Segment (“GCG”): GCG serves a variety of customers in the creative, in-plant, data center, commercial printing, packaging, newspaper and digital service bureau market segments with a range of software, media and hardware products that provide customers with a variety of solutions for prepress equipment, workflow software, analog and digital printing, and document scanning. Products and related services include workflow software and digital controllers; digital printing, which includes commercial inkjet and electrophotographic products, including equipment, consumables and service; prepress consumables; output devices; and document scanners.

All Other: All Other is composed of Kodak's display business and other small, miscellaneous businesses.

Prior period segment results have been revised to conform to the current period segment reporting structure.

CHANGE IN COST ALLOCATION METHODOLOGY

Effective January 1, 2008, the Company changed its cost allocation methodologies related to employee benefits and corporate expenses. For the year ended December 31, 2007, this change decreased cost of goods sold by $28 million, increased selling, general, and administrative costs by $14 million, and increased research and development costs by $14 million. For the year ended December 31, 2006, this change decreased cost of goods sold by $37 million, increased selling, general, and administrative costs by $19 million, and increased research and development costs by $18 million.

Prior period segment results have been revised to reflect the changes in cost allocation methodologies outlined above.

The changes in cost allocation methodologies referred to above increased (decreased) segment operating results for the years ended December 31, 2007 and 2006 as follows:

	For the Year Ended December 31,	
(in millions)	**2007**	**2006**
Consumer Digital Imaging Group	$ (32)	$ (54)
Film, Photofinishing and Entertainment Group	28	75
Graphic Communications Group	(23)	(57)
All Other	27	36
Consolidated impact	$ -	$ -

DETAILED RESULTS OF OPERATIONS

Net Sales from Continuing Operations by Reportable Segment and All Other (1)

(in millions)	For the Year Ended December 31, 2008	Change	Foreign Currency Impact	2007	Change	Foreign Currency Impact	2006
Consumer Digital Imaging Group							
Inside the U.S.	$ 1,811	-10%	0%	$ 2,012	+5%	0%	$ 1,910
Outside the U.S.	1,277	+3	+3	1,235	+12	+7	1,103
Total Consumer Digital Imaging Group	3,088	-5	+1	3,247	+8	+3	3,013
Film, Photofinishing and Entertainment Group							
Inside the U.S.	835	-21	0	1,054	-23	0	1,366
Outside the U.S.	2,152	-17	+3	2,578	-11	+4	2,888
Total Film, Photofinishing and Entertainment Group	2,987	-18	+2	3,632	-15	+3	4,254
Graphic Communications Group							
Inside the U.S.	1,036	-12	0	1,178	-4	0	1,231
Outside the U.S.	2,298	+3	+5	2,235	+9	+7	2,056
Total Graphic Communications Group	3,334	-2	+3	3,413	+4	+4	3,287
All Other							
Inside the U.S.	7			10			12
Outside the U.S.	-			(1)			2
Total All Other	7			9			14
Consolidated							
Inside the U.S.	3,689	-13	0	4,254	-6	0	4,519
Outside the U.S.	5,727	-5	+4	6,047	0	+5	6,049
Consolidated Total	$ 9,416	-9%	+2%	$ 10,301	-3%	+3%	$ 10,568

(1)Sales are reported based on the geographic area of destination.

(Loss) Earnings from Continuing Operations Before Interest Expense, Other Income (Charges), Net and Income Taxes by Reportable Segment and All Other

(in millions)	For the Year Ended December 31, 2008	Change	2007	Change	2006
Consumer Digital Imaging Group	$ (177)	-941%	$ (17)	+92%	$ (206)
Film, Photofinishing and Entertainment Group	196	-30	281	-12	319
Graphic Communications Group	31	-70	104	+49	70
All Other	(17)	+32	(25)	-14	(22)
Total of segments	33	-90	343	+113	161
Restructuring costs, rationalization and other	(149)		(662)		(698)
Postemployment benefit changes	94		-		-
Other operating (expenses) income, net	(766)		96		59
Adjustments to contingencies and legal reserves/settlements	(33)		(7)		2
Interest expense	(108)		(113)		(172)
Other income (charges), net	55		87		65
Loss from continuing operations before income taxes	$ (874)	-241%	$ (256)	+56%	$ (583)

2008 COMPARED WITH 2007

RESULTS OF OPERATIONS - CONTINUING OPERATIONS

CONSOLIDATED

(in millions, except per share data)	For the Year Ended December 31,					
	2008	**% of Sales**	**2007**	**% of Sales**	**Increase / (Decrease)**	**% Change**
Net sales	$ 9,416		$ 10,301		$ (885)	-9%
Cost of goods sold	7,247		7,757		(510)	-7%
Gross profit	2,169	23.0%	2,544	24.7%	(375)	-15%
Selling, general and administrative expenses	1,583	17%	1,778	17%	(195)	-11%
Research and development costs	501	5%	549	5%	(48)	-9%
Restructuring costs, rationalization and other	140		543		(403)	-74%
Other operating expenses (income), net	766		(96)		862	-898%
Loss from continuing operations before interest expense, other income (charges), net and income taxes	(821)	-9%	(230)	-2%	(591)	-257%
Interest expense	108		113		(5)	-4%
Other income (charges), net	55		87		(32)	-37%
Loss from continuing operations before income taxes	(874)		(256)		(618)	-241%
Benefit for income taxes	(147)		(51)		(96)	188%
Loss from continuing operations	(727)	-8%	(205)	-2%	(522)	-255%
Earnings from discontinued operations, net of income taxes	285		881		(596)	-68%
NET (LOSS) EARNINGS	$ (442)		$ 676		$ (1,118)	-165%

	For the Year Ended December 31,		Change vs. 2007			
	2008 Amount	**Change vs. 2007**	**Volume**	**Price/Mix**	**Foreign Exchange**	**Manufacturing and Other Costs**
Total net sales	$ 9,416	-8.6%	-4.4%	-6.4%	2.2%	n/a
Gross profit margin	23.0%	-1.7pp	n/a	-5.5pp	0.2pp	3.6pp

As noted earlier in this MD&A, the Company's results of operations were severely affected by the economic downturn that accelerated in late 2008. The normal seasonality of the Company, which is heavily skewed to the second half of the year, further magnified the effects of the economic downturn on its results. The last four months of 2008 saw the global retail markets collapse, which affected the Company’s various consumer businesses, combined with a rapid decline in global print demand which affected its GCG businesses. In response, the Company has outlined actions to focus business investments in certain areas that are core to the Company's strategy, while also maintaining an intense focus on cash generation and conservation in 2009.

Worldwide Revenues

For the year ended December 31, 2008, net sales decreased by 9% compared with 2007 due primarily to the significant economic deterioration in the fourth quarter in which the Company's revenues were 24% lower than in the prior year quarter. The impact of the downturn was particularly severe to the Company because of the normal seasonality of its sales, which are typically highest in the last four months of the year. For the full year, the downturn led to unfavorable price/mix across all segments and accelerated volume declines in *Film Capture* and *Traditional Photofinishing* within FPEG. These declines were partially offset by volume increases in CDG, and *Document Imaging* within GCG, and favorable foreign exchange across all segments. Within CDG, *Digital Capture and Devices* and *Consumer Inkjet Systems* experienced significant increases in volume in 2008, primarily related to new product introductions in 2007 and throughout 2008.

Gross Profit

Gross profit declined in 2008 in both dollars and as a percentage of sales, due largely to the broad deterioration late in the year in sales volume, as well as unfavorable price/mix across all segments, partially offset by reductions in manufacturing and other costs within CDG, and favorable foreign exchange. The improvements in manufacturing and other costs were driven by manufacturing efficiencies within CDG, the benefit of lower depreciation expense as a result of the change in useful lives executed during the first quarter of 2008 that benefited FPEG, lower benefit costs (including other postemployment benefits), and lower restructuring-related charges, partially offset by increased silver, aluminum, paper, and petroleum-based raw material and other costs.

Included in gross profit was a non-recurring amendment of an intellectual property licensing agreement and a new non-recurring intellectual property licensing agreement within *Digital Capture and Devices*. These licensing agreements contributed approximately 2.4% of consolidated revenue to consolidated gross profit dollars in 2008, as compared with 2.3% of consolidated revenue to consolidated gross profit dollars for non-recurring agreements in the prior year.

In the first quarter of 2008, the Company performed an updated analysis of expected industry-wide declines in the traditional film and paper businesses and its useful lives on related assets. This analysis indicated that the assets will continue to be used in these businesses for a longer period than previously anticipated. As a result, the Company revised the useful lives of certain existing production machinery and equipment, and manufacturing-related buildings effective January 1, 2008. These assets, which were previously set to fully depreciate by mid-2010, are now being depreciated with estimated useful lives ending from 2011 to 2015. The change in useful lives reflects the Company's estimate of future periods to be benefited from the use of the property, plant, and equipment. As a result of these changes, for full year 2008 the Company reduced depreciation expense by approximately $107 million, of which approximately $95 million benefited loss from continuing operations before income taxes. The net impact of the change in estimate to loss from continuing operations for the year ended December 31, 2008 was a reduced loss of $93 million, or $.33 on a fully-diluted loss per share basis.

Selling, General and Administrative Expenses

The year-over-year decrease in consolidated selling, general and administrative expenses ("SG&A") was primarily attributable to company-wide cost reduction actions, and lower benefit costs (including other postemployment benefits – see below), partially offset by unfavorable foreign exchange, a contingency accrual related to employment litigation matters of approximately $20 million, and costs associated with the Company's participation in the drupa tradeshow in the second quarter of 2008.

Research and Development Costs

The decrease in consolidated research and development costs ("R&D") compared with prior year was primarily attributable to company-wide cost reduction actions and significantly reduced spending in 2008 within CDG due to the introduction of consumer inkjet printers in 2007. These decreases in R&D spending were partially offset by investments in new workflow products in *Enterprise Solutions* and stream technology within *Digital Printing Solutions*, and R&D related acquisitions made in the second quarter of 2008, both within GCG.

Postemployment Benefit Plan Changes

In the third quarter of 2008, the Company amended certain of its U.S. postemployment benefits effective as of January 1, 2009. As a result of these plan changes, curtailment and other gains of $94 million were recognized in the third quarter of 2008. The gains are reflected in the Consolidated Statement of Operations as follows: $48 million in cost of goods sold, $27 million in SG&A, and $19 million in R&D. The impact of these gains is not reflected in segment results. Refer to Note 18, "Other Postretirement Benefits" and Note 23, "Segment Information."

Restructuring Costs, Rationalization and Other

These costs, as well as the restructuring and rationalization-related costs reported in cost of goods sold, are discussed under the "RESTRUCTURING COSTS, RATIONALIZATION AND OTHER" section.

Other Operating Expenses (Income), Net

The Other operating expenses (income), net category includes gains and losses on sales of capital assets and businesses, and goodwill and other long-lived asset impairment charges. The year-over-year change in Other operating expenses (income), net was largely driven by the goodwill impairment charge of $785 million in 2008, as compared with significant one-time gains on sales of capital assets and businesses recognized in 2007. Refer to Note 5, "Goodwill and Other Intangible Assets," for more information on the 2008 charge.

Other Income (Charges), Net

The Other income (charges), net category includes interest income, income and losses from equity investments, and foreign exchange gains and losses. The decrease in Other income (charges), net was primarily attributable to a decrease in interest income due to lower interest rates and lower cash balances in 2008 as compared with 2007.

Income Tax Benefit

(dollars in millions)	For the Year Ended December 31, 2008	2007
Loss from continuing operations before income taxes	$ (874)	$ (256)
Benefit for income taxes	$ (147)	$ (51)
Effective tax rate	16.8%	19.9%

The change in the Company's effective tax rate from continuing operations is primarily attributable to: (1) a $270 million benefit recognized during the second quarter of 2008 for interest earned on a refund received from the U.S. Internal Revenue Service, (2) losses generated within the U.S. and in certain jurisdictions outside the U.S. in 2008 that were not benefited due to the impact of valuation allowances, (3) a tax benefit recorded in continuing operations in 2007 for losses in certain jurisdictions due to the recognition of an offsetting tax expense on the pre-tax gain in discontinued operations, (4) the release or establishment of valuation allowances in certain jurisdictions outside the U.S., which are evaluated separately by jurisdiction and dependent on its specific circumstances, (5) the mix of earnings from operations in certain lower-taxed jurisdictions outside the U.S., (6) adjustments for uncertain tax positions and tax audits, and (7) a pre-tax goodwill impairment charge of $785 million that resulted in a tax benefit of only $4 million due to a full valuation allowance in the U.S. and the limited amount of tax deductible goodwill that existed as of December 31, 2008.

CONSUMER DIGITAL IMAGING GROUP

(dollars in millions)	For the Year Ended December 31,					
	2008	**% of Sales**	**2007**	**% of Sales**	**Increase / (Decrease)**	**% Change**
Total net sales	$ 3,088		$ 3,247		$ (159)	-5%
Cost of goods sold	2,495		2,419		76	-3%
Gross profit	593	19.2%	828	25.5%	(235)	-28%
Selling, general and administrative expenses	555	18%	595	18%	(40)	-7%
Research and development costs	215	7%	250	8%	(35)	-14%
Loss from continuing operations before interest expense, other income (charges), net and income taxes	$ (177)	-6%	$ (17)	-1%	$ (160)	941%

	For the Year Ended December 31,		Change vs. 2007			
	2008 Amount	**Change vs. 2007**	**Volume**	**Price/Mix**	**Foreign Exchange**	**Manufacturing and Other Costs**
Total net sales	$ 3,088	-4.9%	8.6%	-14.6%	1.1%	n/a
Gross profit margin	19.2%	-6.3pp	n/a	-13.4pp	0.7pp	6.4pp

Worldwide Revenues

Net sales for CDG decreased 5% in 2008 primarily as a result of the sharp decline in global consumer demand experienced in the fourth quarter of 2008. The economic downturn negatively impacted all industries that rely on consumer discretionary spending. CDG net sales in the fourth quarter declined from 42% of CDG's full-year revenue for 2007 to only 31% of full-year revenue for 2008. Volume increases in 2008 attributable to products introduced in 2007 and throughout 2008 were more than offset by unfavorable price/mix, as reduced demand resulted in downward price pressure and a shift in consumer demand to lower-priced products. However, Kodak continued to maintain or increase its market share position in key product categories in which it participates.

Net sales for CDG decreased primarily due to unfavorable price/mix in *Digital Capture and Devices*, partially offset by volume growth in *Consumer Inkjet* and *Digital Capture and Devices*, and favorable foreign exchange across all SPGs.

Net worldwide sales of *Digital Capture and Devices*, which includes consumer digital still and video cameras, digital picture frames, accessories, memory products, snapshot printers and related media, and intellectual property royalties, decreased 7% in the year ended December 31, 2008 as compared with the prior year. This decrease primarily reflects unfavorable price/mix for digital cameras and digital picture frames, volume declines in snapshot printing, and lower intellectual property royalties (see gross profit discussion below), partially offset by increased volumes for digital cameras and digital picture frames as well as favorable foreign exchange. Digital picture frames were introduced at the end of the first quarter of 2007.

Net worldwide sales of *Consumer Inkjet Systems*, which includes inkjet printers and related consumables, increased in the year ended December 31, 2008, primarily reflecting volume improvements due to the launch of the product line at the end of the first quarter of 2007 and the introduction of the second generation of printers in the first quarter of 2008, partially offset by unfavorable price/mix. Sell-through of inkjet printers for the full year more than doubled compared with the prior year, resulting in an estimated installed base of more than 1 million printers as of December 31, 2008.

Net worldwide sales of *Retail Systems Solutions,* which includes kiosks and related media and APEX drylab systems, increased 1% in the year ended December 31, 2008 as compared with the prior year, reflecting higher equipment and media volumes as well as favorable foreign exchange, partially offset by unfavorable price/mix.

Gross Profit

The decrease in gross profit dollars and margin for CDG was primarily attributable to unfavorable price/mix within *Digital Capture and Devices* and lower intellectual property royalties, partially offset by reduced manufacturing and other costs primarily in consumer inkjet printers, digital cameras and digital frames, as well as favorable foreign exchange.

Included in gross profit was a non-recurring amendment of an intellectual property licensing agreement with an existing licensee and a new non-recurring intellectual licensing agreement. The impact of these agreements contributed approximately 7.4% of segment revenue to segment gross profit dollars in the current year, as compared with 7.3% of segment revenue to segment gross profit dollars for non-recurring agreements in the prior year. The new agreement also provides the Company with an opportunity for continued collaboration with the licensee.

The results also included approximately $126 million related to intellectual property licensing arrangements under which the Company's continuing obligations were fulfilled as of December 31, 2008. The Company expects to secure other new licensing agreements, the timing and amounts of which are difficult to predict. These types of arrangements provide the Company with a return on portions of historical R&D investments, and new licensing opportunities are expected to have a continuing impact on the results of operations.

Selling, General and Administrative Expenses

The decrease in SG&A expenses for CDG was primarily driven by ongoing efforts to achieve target cost models and lower benefit costs (including other postemployment benefits), partially offset by unfavorable foreign exchange.

Research and Development Costs

The decrease in R&D costs for CDG was primarily attributable to reduced spending in 2008 as compared with the prior year due to the introduction of consumer inkjet printers in 2007, as well as cost reduction actions taken throughout the segment in 2008.

FILM, PHOTOFINISHING AND ENTERTAINMENT GROUP

(dollars in millions)	For the Year Ended December 31,					
	2008	**% of Sales**	**2007**	**% of Sales**	**Increase / (Decrease)**	**% Change**
Total net sales	$ 2,987		$ 3,632		$ (645)	-18%
Cost of goods sold	2,335		2,771		(436)	-16%
Gross profit	652	21.8%	861	23.7%	(209)	-24%
Selling, general and administrative expenses	404	14%	520	14%	(116)	-22%
Research and development costs	52	2%	60	2%	(8)	-13%
Earnings from continuing operations before interest expense, other income (charges), net and income taxes	$ 196	7%	$ 281	8%	$ (85)	-30%

	For the Year Ended December 31,		Change vs. 2007			
	2008 Amount	Change vs. 2007	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 2,987	-17.8%	-18.6%	-1.3%	2.1%	n/a
Gross profit margin	21.8%	-1.9pp	n/a	-2.1pp	0.3pp	-0.1pp

Worldwide Revenues

Net sales for FPEG decreased 18% primarily due to *Film Capture* and *Traditional Photofinishing*, reflecting continuing volume declines in the consumer film industry and reduced demand due to the global economic slowdown that began in the latter part of 2008, partially offset by favorable foreign exchange. Net worldwide sales of *Film Capture* and *Traditional Photofinishing* decreased 40% and 19%, respectively, in 2008 as compared with 2007.

Net worldwide sales for *Entertainment Imaging* decreased 5% compared with the prior year, driven by volume declines primarily reflecting the effects of the writers' strike in the first quarter of 2008, and reduced demand in the second half of 2008 from the delay in creation of feature films resulting from uncertainty surrounding industry labor contract issues, as well as the weak economy. This decrease was partially offset by favorable foreign exchange.

Gross Profit

The decrease in FPEG gross profit dollars is primarily a result of declines in sales volume within *Film Capture* as described above, unfavorable price/mix across all SPGs, partially offset by favorable foreign exchange.

The decrease in FPEG gross profit margin was primarily driven by unfavorable price/mix across all SPGs. In addition, increased manufacturing and other costs in *Film Capture* were driven by higher costs of silver, paper, and petroleum-based raw material and other costs. These cost increases were largely offset by lower benefit costs (including other postemployment benefits) and the benefit of lower depreciation expense as a result of the change in useful lives executed during the first quarter of this year.

Selling, General and Administrative Expenses

The decline in SG&A expenses for FPEG was attributable to lower benefit costs (including other postemployment benefits) and ongoing efforts to achieve target cost models, partially offset by unfavorable foreign exchange.

GRAPHIC COMMUNICATIONS GROUP

(dollars in millions)	For the Year Ended December 31,					
	2008	% of Sales	2007	% of Sales	Increase / (Decrease)	% Change
Total net sales	$ 3,334		$ 3,413		$ (79)	-2%
Cost of goods sold	2,445		2,438		7	0%
Gross profit	889	26.7%	975	28.6%	(86)	-9%
Selling, general and administrative expenses	627	19%	657	19%	(30)	-5%
Research and development costs	231	7%	214	6%	17	8%
Earnings from continuing operations before interest expense, other income (charges), net and income taxes	$ 31	1%	$ 104	3%	$ (73)	-70%

	For the Year Ended December 31,		Change vs. 2007			
	2008 Amount	Change vs. 2007	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 3,334	-2.3%	-1.6%	-4.1%	3.4%	n/a
Gross profit margin	26.7%	-1.9pp	n/a	-1.1pp	-0.6pp	-0.2pp

Worldwide Revenues

GCG net sales decreased 2% as compared with the prior year, driven by unfavorable price/mix and volume declines, partially offset by favorable foreign exchange. Recent global financial market disruptions affected equipment placements across most product lines, and tightening credit availability resulted in deferrals of some orders taken earlier this year at the drupa tradeshow. In addition, the decline in global print demand translated into decreased sales of consumables, especially in the second half of 2008.

Net worldwide sales of *Prepress Solutions* decreased 2% compared with 2007, driven primarily by volume declines in analog plates and output devices, partially offset by volume growth in digital plates and favorable foreign exchange. The decline in global print demand accelerated the volume decline for analog plates and negatively impacted the volume growth rate for digital plates. Despite the effects of the economic downturn, digital plates experienced volume growth in the high single digits during 2008.

Net worldwide sales of *Digital Printing Solutions* decreased 6% compared with the prior year. Unfavorable price/mix and declines in volume were partially offset by favorable foreign exchange for all products. Volume declines were largely attributable to black-and-white electrophotographic equipment and consumables due to overall market declines, as certain customers convert to solutions that offer color options. Color electrophotographic equipment and consumables volumes increased, driven by new product line introductions and enhancements. Page volume growth of 12% in the color electrophotographic space was a key contributor to the growth of color consumable sales volumes. Unfavorable inkjet equipment volume and price/mix were partially offset by favorable volume and price/mix in inkjet consumables. General price erosion, declines in legacy product sales, and a mix shift toward units requiring lower levels of capital investment were contributors to this performance.

Net worldwide sales of *Document Imaging* decreased 2% compared with the prior year. Unfavorable price/mix was partially offset by volume growth and favorable foreign exchange. While volume grew in both the Production Scanner and Distributed Scanner categories, a shift toward low-page volume units in both categories drove unfavorable price/mix.

Net worldwide sales of *Enterprise Solutions* decreased 1% as compared with the prior year. Unfavorable price/mix and volume declines were partially offset by favorable foreign exchange and acquisitions made during the second quarter of 2008.

Gross Profit

The decline in gross profit dollars and margin was primarily driven by *Prepress Solutions* and *Digital Printing Solutions*. Increased manufacturing costs related to aluminum and petroleum-based raw materials, as well as higher distribution expense and volume declines, drove the decrease in the *Prepress Solutions* gross profit dollars and margin. For *Digital Printing Solutions*, higher costs of newly introduced digital printers, price erosion and adverse mix were partially offset by manufacturing cost productivity.

Selling, General and Administrative Expenses

The decrease in SG&A expenses for GCG primarily reflects lower benefit costs (including other postemployment benefits) and ongoing efforts to achieve target cost models, partially offset by increased costs associated with the Company's participation in the drupa tradeshow in the second quarter of 2008, go-to-market investments, and unfavorable foreign exchange.

Research and Development Costs

The increase in R&D costs for GCG was primarily driven by investments in new workflow products in *Enterprise Solutions*, R&D related to acquisitions made in the second quarter of 2008, increased investments for stream technology within *Digital Printing Solutions*, and unfavorable foreign exchange. These increases were partially offset by ongoing efforts to achieve target cost models.

RESULTS OF OPERATIONS – DISCONTINUED OPERATIONS

Total Company earnings from discontinued operations for the year ended December 31, 2008 and 2007 of $285 million and $881 million, respectively, include a benefit for income taxes of $288 million and a provision for income taxes of $262 million, respectively.

Earnings from discontinued operations in 2008 were primarily driven by a tax refund that the Company received from the U.S. Internal Revenue Service. The refund was related to the audit of certain claims filed for tax years 1993-1998. A portion of the refund related to past federal income taxes paid in relation to the 1994 sale of a subsidiary, Sterling Winthrop Inc., which was reported in discontinued operations. Refer to Note 15, "Income Taxes," for further discussion of the tax refund.

Earnings from discontinued operations in 2007 were primarily driven by the $986 million pre-tax gain on the sale of the Health Group segment on April 30, 2007, and the $123 million pre-tax gain on the sale of Hermes Precisa Pty. Ltd. ("HPA") on November 2, 2007. Also included in discontinued operations in 2007 are the results of operations of the Health Group segment and HPA through their respective dates of sale.

For a detailed discussion of the components of discontinued operations, refer to Note 22, "Discontinued Operations," in the Notes to Financial Statements.

NET (LOSS) EARNINGS

The Company's consolidated net loss for 2008 was $442 million, or a loss of $1.57 per basic and diluted share, as compared with net earnings for 2007 of $676 million, or earnings of $2.35 per basic and diluted share, representing a decrease of $1,118 million or 165%. This decrease is attributable to the reasons outlined above.

2007 COMPARED WITH 2006

RESULTS OF OPERATIONS - CONTINUING OPERATIONS

CONSOLIDATED

(in millions, except per share data)	For the Year Ended December 31,					
	2007	**% of Sales**	**2006**	**% of Sales**	**Increase / (Decrease)**	**% Change**
Net sales	$ 10,301		$ 10,568		$ (267)	-3%
Cost of goods sold	7,757		8,122		(365)	-4%
Gross profit	2,544	24.7%	2,446	23.1%	98	4%
Selling, general and administrative expenses	1,778	17%	1,969	19%	(191)	-10%
Research and development costs	549	5%	596	6%	(47)	-8%
Restructuring costs and other	543		416		127	31%
Other operating expenses (income), net	(96)		(59)		(37)	63%
Loss from continuing operations before interest expense, other income (charges), net and income taxes	(230)	-2%	(476)	-5%	246	52%
Interest expense	113		172		(59)	-34%
Other income (charges), net	87		65		22	34%
Loss from continuing operations before income taxes	(256)		(583)		327	56%
(Benefit) provision for income taxes	(51)		221		(272)	123%
Loss from continuing operations	(205)	-2%	(804)	-8%	599	75%
Earnings from discontinued operations, net of income taxes	881		203		678	334%
NET EARNINGS (LOSS)	$ 676		$ (601)		$ 1,277	212%

	For the Year Ended December 31,		Change vs. 2006			
	2007 Amount	**Change vs. 2006**	**Volume**	**Price/Mix**	**Foreign Exchange**	**Manufacturing and Other Costs**
Total net sales	$ 10,301	-2.5%	-2.2%	-3.4%	3.1%	n/a
Gross profit margin	24.7%	1.6pp	n/a	-4.2pp	1.4pp	4.4pp

Worldwide Revenues

For the year ended December 31, 2007, net sales decreased by 3% compared with 2006, primarily as a result of unfavorable price/mix across all segments and significant industry-related volume declines, driven largely by *Film Capture* and *Traditional Photofinishing* within FPEG. These declines were partially offset by significant volume growth in *Digital Capture* within CDG, volume growth within GCG, favorable foreign exchange across all segments, and increases in intellectual property royalties.

Gross Profit

Gross profit improved in the year ended December 31, 2007 in both dollars and as a percentage of sales, due largely to reduced manufacturing and other costs as a result of a number of factors, as well as increased intellectual property royalties within CDG. In addition, foreign exchange was a positive contributor to gross profit as a result of the weak U.S. dollar’s net impact on revenues and costs. The decreases in manufacturing and other costs were due to a combination of the impact of the Company's cost reduction initiatives, strategic manufacturing and supply chain initiatives within CDG, lower restructuring-related charges, and lower depreciation expense, partially offset by increased silver and aluminum costs. The unfavorable price/mix was driven by product portfolio shifts in *Digital Capture and Devices* within CDG, and across the businesses within FPEG.

Included in gross profit for 2007 were a non-recurring extension and amendment of an existing license arrangement and new non-recurring license arrangements. The impact of these licensing arrangements contributed approximately 2.3% of revenue to consolidated gross profit dollars in 2007, as compared with 1.7% of revenue to consolidated gross profit dollars for similar arrangements in 2006. These types of arrangements provide the Company with a return on portions of historical R&D investments and similar opportunities are expected to have a continuing impact on the results of operations.

Selling, General and Administrative Expenses

The year-over-year decrease in consolidated SG&A in dollars and as a percent of sales was primarily attributable to significant Company-wide cost reduction actions, partially offset by increased advertising costs related to *Consumer Inkjet Systems* and the impacts of foreign exchange.

Research and Development Costs

The decrease in R&D costs was primarily driven by the continuing realignment of resources, as well as the timing of development of new products.

Restructuring Costs, Rationalization and Other

The most significant charge within restructuring costs was a $238 million impairment charge related to the sale of the Company's Xiamen, China facility in the second quarter. These costs, as well as the restructuring-related costs reported in cost of goods sold, are discussed in further detail under the "RESTRUCTURING COSTS, RATIONALIZATION AND OTHER" section.

Other Operating (Income) Expenses, Net

The Other operating (income) expenses, net category includes gains and losses on sales of capital assets and certain asset impairment charges. The year-over-year increase in Other operating (income) expenses, net was largely driven by gains on sales of capital assets and businesses in 2007 of $158 million, partially offset by asset impairments including the impairment of an intangible asset of $46 million in connection with the Company’s plan to dispose of its stake in Lucky Film Co. Ltd.

Interest Expense

Lower Interest expense was primarily due to lower debt levels resulting from the full payoff of the Company's Secured Term Debt in the second quarter of 2007, partially offset by higher interest rates in 2007 as compared with 2006.

Other Income (Charges), Net

The Other income (charges), net category includes interest income, income and losses from equity investments, and foreign exchange gains and losses. The increase in Other income (charges), net in 2007 as compared with 2006 was primarily attributable to increased interest income due to higher cash balances resulting from the proceeds on the sale of the Health Group (See Note 22, “Discontinued Operations” in the Notes to Financial Statements) and higher interest rates. This increase was partially offset by an impairment of an equity method investment.

Income Tax (Benefit) Provision

(dollars in millions)	For the Year Ended December 31, 2007	2006
Loss from continuing operations before income taxes	$ (256)	$ (583)
(Benefit) provision for income taxes	$ (51)	$ 221
Effective tax rate	19.9%	(37.9)%

The change in the Company's annual effective tax rate from continuing operations was primarily attributable to the ability to recognize a tax benefit in continuing operations associated with the realization of current year losses in certain jurisdictions where it has historically had a valuation allowance. This was due to the recognition of the pre-tax gain in discontinued operations and due to the favorable outcome of income tax audits in various jurisdictions around the world.

During the fourth quarter of 2007, based on the Company's assessment of positive and negative evidence regarding the realization of the net deferred tax assets, the Company recorded a benefit associated with the release of valuation allowances in certain jurisdictions outside the U.S.

During 2007, the Company reached a settlement with the Internal Revenue Service covering tax years 1999-2000. As a result, the Company recognized a tax benefit from continuing operations in the U.S. of $17 million, including interest. Also during 2007, the Company reached a settlement with the taxing authorities in two locations outside of the U.S. resulting in a tax benefit of $76 million.

During the second quarter of 2007, the Company identified a deferred tax asset in a recently acquired non-U.S. subsidiary that was overstated at the date of acquisition. Therefore, the Company recorded an increase in the value of goodwill of $24 million in the second quarter of 2007 to appropriately reflect the proper goodwill balance. The Company also recorded a valuation allowance of $20 million, which should have been recorded in 2006, in order to properly reflect the value of the net deferred tax asset. This amount is included in the $51 million tax benefit for the year ended December 31, 2007. The Company has determined that this correction is not material to 2007 or to any prior period financial statement amounts.

CONSUMER DIGITAL IMAGING GROUP

(dollars in millions)	For the Year Ended December 31, 2007	% of Sales	2006	% of Sales	Increase / (Decrease)	% Change
Total net sales	$ 3,247		$ 3,013		$ 234	8%
Cost of goods sold	2,419		2,373		46	2%
Gross profit	828	25.5%	640	21.2%	188	29%
Selling, general and administrative expenses	595	18%	556	18%	39	7%
Research and development costs	250	8%	290	10%	(40)	-14%
Loss from continuing operations before interest expense, other income (charges), net and income taxes	$ (17)	-1%	$ (206)	-7%	$ 189	92%

	For the Year Ended December 31,		Change vs. 2006			
	2007 Amount	Change vs. 2006	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 3,247	7.8%	12.2%	-7.0%	2.6%	n/a
Gross profit margin	25.5%	4.3pp	n/a	-6.8pp	1.7pp	9.4pp

Worldwide Revenues

Net sales for CDG increased 8% due to increases in intellectual property royalties, new digital picture frames, and the introductory launch of inkjet printers, partially offset by snapshot printing within *Digital Capture and Devices*. The unfavorable price/mix was primarily driven by digital camera product portfolio shifts within *Digital Capture and Devices* and by price declines in *Retail Systems Solutions.*

Net worldwide sales of *Digital Capture and Devices*, which includes consumer digital cameras, digital picture frames, accessories, memory products, snapshot printers and related media, and intellectual property royalties, increased 7% in the year ended December 31, 2007 as compared with the prior year, primarily reflecting higher digital camera volumes, increased intellectual property royalties, sales of new digital picture frames, and favorable foreign exchange, partially offset by unfavorable price/mix and lower snapshot printing volumes.

Net worldwide sales of *Retail Systems Solutions,* which includes kiosks and related media, increased modestly in the year ended December 31, 2007 as compared with the prior year, reflecting volume growth and favorable foreign exchange, partially offset by unfavorable price/mix.

The first quarter 2007 launch of *Consumer Inkjet Systems* contributed to volume improvements in CDG.

Gross Profit

The increase in gross profit dollars and margin for CDG was primarily attributable to reductions in cost, increases in intellectual property royalties, and favorable foreign exchange. The reductions in manufacturing and other costs were primarily driven by strategic manufacturing and supply chain initiatives to improve margins in *Digital Capture and Devices.* In addition, cost reductions were driven by the benefits of previous restructuring activities and lower depreciation expense, partially offset by costs associated with the scaling of manufacturing and new product introduction activities in the *Consumer Inkjet Systems* business. The gross profit margin improvement was partially offset by unfavorable price/mix in *Digital Capture and Devices* products.

Included in gross profit was the impact of a non-recurring extension and amendment of an existing license arrangement and new non-recurring license arrangements during the current year. The impact of these licensing arrangements contributed approximately 7.3% of revenue to segment gross profit dollars in 2007, as compared with 6.0% of revenue to segment gross profit dollars for similar arrangements in 2006. These types of arrangements provide the Company with a return on portions of historical R&D investments and similar opportunities are expected to have a continuing impact on the results of operations.

Selling, General and Administrative Expenses

The increase in SG&A expenses for CDG was primarily driven by increased advertising expenses associated with *Consumer Inkjet Systems,* partially offset by ongoing efforts to achieve target cost models and improved go-to-market structure.

Research and Development Costs

The decrease in R&D costs for CDG was largely attributable to spending incurred in 2006 related to the development of *Consumer Inkjet Systems*, which were introduced in the first quarter of 2007. The decrease was also impacted by cost reduction actions.

FILM, PHOTOFINISHING AND ENTERTAINMENT GROUP

(dollars in millions)	For the Year Ended December 31,					
	2007	% of Sales	2006	% of Sales	Increase / (Decrease)	% Change
Total net sales	$ 3,632		$ 4,254		$ (622)	-15%
Cost of goods sold	2,771		3,203		(432)	-13%
Gross profit	861	23.7%	1,051	24.7%	(190)	-18%
Selling, general and administrative expenses	520	14%	656	15%	(136)	-21%
Research and development costs	60	2%	76	2%	(16)	-21%
Earnings from continuing operations before interest expense, other income (charges), net and income taxes	$ 281	8%	$ 319	7%	$ (38)	-12%

	For the Year Ended December 31,		Change vs. 2006			
	2007 Amount	Change vs. 2006	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs
Total net sales	$ 3,632	-14.6%	-15.1%	-2.1%	2.6%	n/a
Gross profit margin	23.7%	-1.0pp	n/a	-3.0pp	1.6pp	0.4pp

Worldwide Revenues

Net sales for FPEG decreased 15% primarily due to *Film Capture* and *Traditional Photofinishing*, primarily reflecting continuing declines in the consumer film industry, partially offset by favorable foreign exchange. Net worldwide sales of *Film Capture* and *Traditional Photofinishing* decreased 30% and 19%, respectively, in the year ended December 31, 2007 as compared with 2006. Net worldwide sales for *Entertainment Imaging* were flat as compared with 2006.

Gross Profit

The decrease in FPEG gross profit dollars was primarily a result of lower volumes in *Film Capture*, unfavorable price/mix associated with new and renewed film agreements, partially offset by favorable foreign exchange and reduced manufacturing and other costs. The reduced manufacturing and other costs were driven by the manufacturing footprint reduction and other cost reduction initiatives, partially offset by higher silver costs. FPEG gross profit margin decreased only 1%.

Selling, General and Administrative Expenses

The decline in SG&A expenses for FPEG in dollars and as a percent of sales was attributable to ongoing efforts to achieve target cost models and shifting to a distributor model in regions with lower sales volumes.

GRAPHIC COMMUNICATIONS GROUP

(dollars in millions)	For the Year Ended December 31,				Increase / (Decrease)	% Change
	2007	% of Sales	2006	% of Sales		
Total net sales	$ 3,413		$ 3,287		$ 126	4%
Cost of goods sold	2,438		2,261		177	8%
Gross profit	975	28.6%	1,026	31.2%	(51)	-5%
Selling, general and administrative expenses	657	19%	747	23%	(90)	-12%
Research and development costs	214	6%	209	6%	5	2%
Earnings from continuing operations before interest expense, other income (charges), net and income taxes	$ 104	3%	$ 70	2%	$ 34	49%

	For the Year Ended December 31,		Change vs. 2006				
	2007 Amount	Change vs. 2006	Volume	Price/Mix	Foreign Exchange	Manufacturing and Other Costs	Acquisition
Total net sales	$ 3,413	3.8%	1.5%	-1.8%	4.1%	n/a	22.6%
Gross profit margin	28.6%	-2.6pp	n/a	-1.7pp	0.7pp	-1.6pp	0.5pp

Worldwide Revenues

Total revenue growth of 4% for GCG was driven by favorable foreign exchange and volume increases within *Digital Printing Solutions* and *Enterprise Solutions.* Partially offsetting this growth was unfavorable price/mix across all SPGs.

Net worldwide sales of *Prepress Solutions* increased 3%, primarily driven by increased sales of digital plates and favorable foreign exchange, partially offset by declines in sales of analog plates and output devices. Unfavorable price/mix also negatively impacted net worldwide sales.

Net worldwide sales of *Digital Printing Solutions* increased 5%, primarily driven by favorable foreign exchange and volume growth in color electrophotographic solutions and inkjet printing solutions, partially offset by volume and price/mix declines in black-and-white electrophotographic solutions.

Net worldwide sales of *Document Imaging* were flat in 2007 compared with the prior year. Unfavorable volume and price/mix were offset by favorable foreign exchange.

Net worldwide sales of *Enterprise Solutions* increased 10%, primarily driven by the introduction of web-enabled solutions software, volume growth in the workflow software and favorable foreign exchange, partially offset by unfavorable price/mix.

Gross Profit

The decrease in gross profit margin in 2007 compared with the prior year was primarily driven by increased manufacturing costs in *Prepress Solutions* associated with adverse aluminum costs, as well as unfavorable price/mix across all SPGs. Favorable foreign exchange partially offset these negative impacts.

Selling, General and Administrative Expenses

The decrease in SG&A expenses for GCG was largely attributable to ongoing efforts to achieve target cost models.

RESULTS OF OPERATIONS – DISCONTINUED OPERATIONS

Total Company earnings from discontinued operations for the year ended December 31, 2007 and 2006 of $881 million and $203 million, respectively, were net of provisions for income taxes of $262 million and $34 million, respectively.

Earnings from discontinued operations in 2007 were primarily driven by the $986 million pre-tax gain on the sale of the Health Group segment on April 30, 2007, and the $123 million pre-tax gain on the sale of Hermes Precisa Pty. Ltd. (“HPA”) on November 2, 2007. Also included in discontinued operations in 2007 are the results of operations of the Health Group segment and HPA through their respective dates of sale.

Earnings from discontinued operations in 2006 were primarily driven by results of operations of the Health Group segment.

For a detailed discussion of the components of discontinued operations, refer to Note 22, “Discontinued Operations,” in the Notes to Financial Statements.

NET EARNINGS (LOSS)

Consolidated net earnings for 2007 were $676 million, or earnings of $2.35 per basic and diluted share, as compared with a net loss for 2006 of $601 million, or a loss of $2.09 per basic and diluted share, representing an increase in earnings of $1,277 million or 212%. This improvement is attributable to the reasons outlined above.

RESTRUCTURING COSTS, RATIONALIZATION AND OTHER

The Company recognizes the need to continually rationalize its workforce and streamline its operations to remain competitive in the face of an ever-changing business and economic climate. For 2008, these initiatives were referred to as ongoing rationalization activities.

The Company recorded $149 million of charges, net of reversals, including $6 million of charges for accelerated depreciation and $3 million of charges for inventory write-downs, which were reported in Cost of goods sold in the accompanying Consolidated Statement of Operations for the year ended December 31, 2008. The remaining costs incurred, net of reversals, of $140 million were reported as Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations for the year ended December 31, 2008. The severance and exit costs reserves require the outlay of cash, while long-lived asset impairments, accelerated depreciation and inventory write-downs represent non-cash items.

During the year ended December 31, 2008, the Company made cash payments of approximately $143 million, related to restructuring and rationalization. Of this amount, $133 million was paid out of restructuring liabilities, while $10 million was paid out of pension and other postretirement liabilities.

The charges, net of reversals, of $149 million recorded in 2008 included $36 million applicable to FPEG, $42 million applicable to CDG, $49 million applicable to GCG, and $22 million that was applicable to manufacturing, research and development, and administrative functions, which are shared across all segments.

The ongoing rationalization actions implemented in 2008 are expected to generate future annual cash savings of approximately $196 million. These savings are expected to reduce future cost of goods sold, SG&A, and R&D expenses by $97 million, $79 million, and $20 million, respectively. The Company began realizing these savings in the first quarter of 2008, and expects the savings to be fully realized by the end of the second quarter of 2009 as most of the actions and severance payouts are completed.

On December 17, 2008, the Company committed to a plan to implement a targeted cost reduction program (the 2009 Program) to more appropriately size the organization as a result of the current economic environment. The program involves rationalizing selling, administrative, research and development, supply chain and other business resources in certain areas and consolidating certain facilities.

In connection with the 2009 Program, the Company expects to incur total restructuring charges in the range of $250 million to $300 million, including $225 million to $265 million of cash related charges for termination benefits and other exit costs, and $25 million to $35 million of non-cash related accelerated depreciation and asset write-offs. The 2009 Program will require expenditures from corporate cash in the range of $125 million to $175 million, as most of the termination benefits for U.S. employees will be provided in the form of special retirement benefits (Special Termination Program (STP) benefits) payable from the Company's over-funded U.S. pension plan. The majority of the actions contemplated by the 2009 Program will be completed in the first half of 2009, with all actions under the program expected to be completed by the end of 2009. The 2009 Program is expected to result in employment reductions in the range of 2,000 to 3,000 positions when complete and yield annualized cash savings of $200 million to $250 million in 2009 and beyond.

When combined with rationalization actions taken in late 2008, the Company expects to reduce its worldwide employment by between 3,500 and 4,500 positions during 2009, approximately 14% to 18% of its total workforce, which are expected to generate annual cash savings in the range of $300 million to $350 million.

For the year ended December 31, 2007, the Company incurred restructuring charges, net of reversals, of $685 million, $686 million of which was under the 2004-2007 Restructuring Program. The $685 million of restructuring charges, net of reversals, included $23 million of costs related to discontinued operations ($20 million of severance costs and $3 million of exit costs), and $662 million related to continuing operations ($107 million of accelerated depreciation, $12 million of inventory write-downs, $270 million of asset impairments, $144 million of severance costs, and $129 million of exit costs). For the year ended December 31, 2006, the Company incurred restructuring charges, net of reversals, of $768 million, all under the 2004-2007 Restructuring Program, including $70 million related to discontinued operations ($12 million of accelerated depreciation, $3 million of inventory write-downs, $52 million of severance costs, and $3 million of exit costs), and $698 million related to continuing operations ($273 million of accelerated depreciation, $9 million of inventory write-downs, $88 million of asset impairments, $263 million of severance costs, and $65 million of exit costs). The Company substantially completed its 2004-2007 Restructuring Program as of December 31, 2007.

LIQUIDITY AND CAPITAL RESOURCES

2008

Cash Flow Activity

(in millions)	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	Change
Cash flows from operating activities:			
Net cash (used in) provided by continuing operations	$ (143)	$ 351	$ (494)
Net cash provided by (used in) discontinued operations	296	(37)	333
Net cash provided by operating activities	153	314	(161)
Cash flows from investing activities:			
Net cash used in continuing operations	(188)	(41)	(147)
Net cash provided by discontinued operations	-	2,449	(2,449)
Net cash (used in) provided by investing activities	(188)	2,408	(2,596)
Cash flows from financing activities:			
Net cash used in continuing operations	(731)	(1,324)	593
Net cash provided by discontinued operations	-	44	(44)
Net cash used in financing activities	(731)	(1,280)	549
Effect of exchange rate changes on cash	(36)	36	(72)
Net (decrease) increase in cash and cash equivalents	$ (802)	$ 1,478	$ (2,280)

Operating Activities

Net cash used in continuing operations from operating activities increased $494 million. The key factor driving this change was the overall decline in earnings for 2008 as compared with 2007, notably in the fourth quarter of 2008 as a consequence of the global economic downturn. The Company's cash from operating activities benefited from lower restructuring payments in 2008 and receipt of a tax refund from the U.S. Internal Revenue Service of $581 million, of which $270 million was reflected in loss from continuing operations during the year. However, the Company also recognized non-cash curtailment gains during the year, and revenue for which cash was received in prior years or will be received in 2009. In addition, net cash received in 2008 for current and prior year non-recurring licensing arrangements of $150 million was $156 million lower than net cash received in 2007 of $306 million. The Company also utilized $128 million more cash in 2008 as compared with 2007, due to an increase in inventories during 2008, as compared with a decrease in inventories in 2007. Furthermore, the Company expended cash in 2008 to reduce liabilities recorded as of the prior year end, which exceeded cash utilized in 2007 to liquidate liabilities as of year end 2006. The combination of these and other factors led to the use of cash in continuing operations from operating activities of $143 million in 2008, as compared with cash provided on the same basis of $351 million in 2007. Net cash provided by (used in) discontinued operations increased $333 million as compared with the prior year due primarily to the receipt, in the second quarter of 2008, of the refund of past federal income taxes referred to above, and more fully described in Note 15, “Income Taxes.”

Investing Activities

Net cash used in continuing operations from investing activities increased $147 million for the year ended December 31, 2008 as compared with 2007 due primarily to lower cash proceeds received from sales of assets and businesses of $92 million in 2008 as compared with $227 million in 2007. Spending for capital additions was $254 million in 2008 as compared with $259 million in 2007. The majority of this spending supports new products, manufacturing capacity, productivity and quality improvements, infrastructure improvements, equipment placements with customers, and ongoing environmental and safety initiatives. Net cash provided by discontinued operations for the year ended December 31, 2007 of $2,449 million represents the proceeds received from the sale of the Health Group in the second quarter of 2007 and the sale of the Company's shares of Hermes Precisa Pty. Limited ("HPA") in the fourth quarter of 2007.

Financing Activities

Net cash used in financing activities decreased $549 million for the year ended December 31, 2008 as compared with 2007 due to lower repayments of borrowings, mainly due to the repayment of the Company's Secured Term Debt in the second quarter of 2007 that was required as a result of the sale of the Health Group. These reductions in cash usage were partially offset by repurchases of the Company's common stock of $301 million in 2008.

On June 24, 2008, the Company announced that its Board of Directors authorized a share repurchase program allowing the Company, at management's discretion, to purchase up to $1.0 billion of its common stock. The program will expire at the earlier of December 31, 2009 or when the Company has used all authorized funds for the repurchase of shares. Through December 31, 2008, the Company repurchased approximately 20 million shares at an average price of $15.01 per share, for a total cost of $301 million under this program. While the share repurchase authorization remains in effect through the end of 2009, the Company is not currently repurchasing any of its shares.

It is the Company's practice to make semi-annual dividend payments which, when declared by its Board of Directors, will be paid on the Company's 10th business day each July and December to shareholders of record on the close of the first business day of the preceding month. On May 14, and October 14, 2008, the Board of Directors declared semi-annual cash dividends of $.25 per share payable to shareholders of record at the close of business on June 1, and November 3, 2008, respectively. These dividends were paid on July 16, and December 12, 2008. Total dividends paid for the year ended December 31, 2008 were $139 million.

The Company's long-term debt, net of current portion, of $1,252 million as of December 31, 2008, includes $575 million aggregate principal amount of Convertible Senior Notes due 2033 (the "Convertible Securities"). The security holders have the right to require the Company to purchase their Convertible Securities for cash at a price equal to 100% of the principal amount of the Convertible Securities, plus any accrued and unpaid interest on October 15, 2010, October 15, 2013, October 15, 2018, October 15, 2023 and October 15, 2028, or upon a fundamental change as described in the offering memorandum filed under Rule 144A in conjunction with the private placement of the Convertible Securities. Because of current market conditions, the Company believes it is probable that all, or nearly all, of the Convertible Securities will be redeemed by the security holders on October 15, 2010.

Sources of Liquidity

The Company believes that its current cash balance, combined with cash flows from operating activities and proceeds from sales of assets, will be sufficient to meet its anticipated needs, including working capital, capital investments, scheduled debt repayments, restructuring and dividend payments and employee benefit plan payments or contributions required. If the global economic weakness trends continue for a greater period of time than anticipated or worsen, it could impact the Company's profitability and related cash generation capability. Refer to Item 1A. of Part I, "Risk Factors." In addition to its existing cash balance, the Company has maintained financing arrangements, as described in more detail below under "Credit Quality," to facilitate unplanned timing differences between required expenditures and cash generated from operations or for unforeseen shortfalls in cash flows from operating activities. The Company has not found it necessary to borrow against these financing arrangements over the past three years.

Refer to Note 8, "Short-Term Borrowings and Long-Term Debt" in the Notes to Financial Statements for further discussion of sources of liquidity, presentation of long-term debt, related maturities and interest rates as of December 31, 2008 and 2007.

Credit Quality

Moody's and Standard & Poor's ("S&P") ratings for the Company, including their outlooks, as of the filing date of this Form 10-K are as follows:

	Corporate Rating	Secured Rating	Senior Unsecured Rating	Outlook	Most Recent Update
Moody's	B3	Ba3	Caa1	Negative	February 10, 2009
S&P	B	BB-	B-	Negative	January 30, 2009

On December 11, 2008, S&P lowered the Company's Corporate, Secured, and Senior Unsecured credit ratings from B+ to B, BB to BB-, and B to B-, respectively. The ratings remain on CreditWatch with negative implications, where they were placed on November 3, 2008 following the Company's revision of its earnings guidance. S&P reconfirmed its ratings and CreditWatch with negative implications on January 30, 2009. S&P's practice is to complete their review and resolve ratings under CreditWatch in approximately 90 days from when ratings are placed on CreditWatch. The Company expects S&P to complete their CreditWatch review within the first quarter of 2009.

On December 12, 2008, Moody's placed Kodak's credit ratings on review for possible downgrade. On February 10, 2009, Moody's lowered the Company's Corporate rating from B1 to B3, its Secured rating from Ba1 to Ba3 and its Senior Unsecured rating from B2 to Caa1, and maintained its negative outlook.

The Company does not have any rating downgrade triggers that would accelerate the maturity dates of its debt. However, the Company could be required to increase the dollar amount of its letters of credit or provide other financial support up to an additional $64 million at the current credit ratings. As of the filing date of this Form 10-K, the Company has not been requested to materially increase its letters of credit or other financial support. Additional downgrades in the Company's credit rating or disruptions in the capital markets could impact borrowing costs and the nature of its funding alternatives.

The Company's Secured Credit Agreement ("Secured Credit Agreement") contains various affirmative and negative covenants customary in a facility of this type, including two quarterly financial covenants: (1) a consolidated debt for borrowed money to a rolling four-quarter sum of consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (subject to adjustments to exclude any extraordinary income or losses, as defined by the Secured Credit Agreement, interest income and certain non-cash items of income and expense) ratio of not greater than: 3.5 to 1 as of December 31, 2006 and thereafter, and (2) a consolidated EBITDA to consolidated interest expense (subject to adjustments to exclude interest expense not related to borrowed money) ratio, on a rolling four-quarter basis, of no less than 3.0 to 1. As of December 31, 2008, the Company maintained a substantial cash balance and was in full compliance with all covenants, including the two financial covenants, associated with its Secured Credit Agreement. The Company maintains this credit arrangement in order to provide additional financial flexibility. As of December 31, 2008, there was no debt outstanding and $131 million of letters of credit issued, which are not considered debt for borrowed money under the agreement, but do reduce the Company's borrowing capacity under the Secured Credit Agreement by this amount.

Based on the Company's current financial forecasts, it is reasonably likely that the Company could breach its financial covenants in the first quarter of 2009 unless an appropriate amendment or waiver is obtained. The Company is currently negotiating with its lenders to ensure it has continued access to a Secured Credit Agreement, with the goal to have an amended credit facility in place by the end of the first quarter.

In the event that the Company is unable to successfully re-negotiate the terms of the Secured Credit Agreement, and the Company breaches the financial covenants, the Company may be required to cash collateralize approximately $131 million of outstanding letters of credit. A breach of the financial covenants would not accelerate the maturity of any of the Company's existing outstanding debt. However, should the Company lose access to its revolving credit facility under the Secured Credit Agreement, it would lose the additional financial flexibility provided by the facility. Based on its current financial position and expected economic performace, the Company does not believe that its liquidity will be materially affected by an inability to access external sources of financing. However, the Company's goal is to complete its negotiation and amendment prior to covenant compliance testing for the first quarter of 2009.

Contractual Obligations

The impact that our contractual obligations are expected to have on the Company's liquidity and cash flow in future periods is as follows:

		As of December 31, 2008					
(in millions)	**Total**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014+**
Long-term debt (1)	$ 1,302	$ 50	$ 620	$ 43	$ 40	$ 536	$ 13
Interest on debt	300	72	69	52	53	44	10
Operating lease obligations	387	96	81	65	49	28	68
Purchase obligations (2)	921	479	207	122	49	33	31
Total (3) (4) (5)	$ 2,910	$ 697	$ 977	$ 282	$ 191	$ 641	$ 122

(1) Represents maturities of the Company's long-term debt obligations as shown on the Consolidated Statement of Financial Position. See Note 8, "Short-Term Borrowings and Long-Term Debt" in the Notes to Financial Statements.

(2) Purchase obligations include agreements related to supplies, production and administrative services, as well as marketing and advertising, that are enforceable and legally binding on the Company and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Purchase obligations exclude agreements that are cancelable without penalty. The terms of these agreements cover the next one to thirteen years. See Note 10, "Commitments and Contingencies," in the Notes to Financial Statements.

(3) Due to uncertainty regarding the completion of tax audits and possible outcomes, the remaining estimate of the timing of payments related to uncertain tax positions and interest cannot be made. See Note 15, "Income Taxes," in the Notes to Financial Statements for additional information regarding the Company's uncertain tax positions.

(4) Funding requirements for the Company's major defined benefit retirement plans and other postretirement benefit plans have not been determined, therefore, they have not been included. In 2008, the Company made contributions to its major defined benefit retirement plans and benefit payments for its other postretirement benefit plans of $101 million ($29 million relating to its U.S. defined benefit plans) and $204 million ($199 million relating to its U.S. other postretirement benefits plan), respectively. The Company expects to contribute approximately $130 million ($29 million relating to its U.S. defined benefit plans) and $175 million ($170 million relating to its U.S. other postretirement benefits plan), respectively, to its defined benefit plans and other postretirement benefit plans in 2009.

(5) Because their future cash outflows are uncertain, the other long-term liabilities presented in Note 9, "Other Long-Term Liabilities" are excluded from this table.

Off-Balance Sheet Arrangements

The Company guarantees debt and other obligations of certain customers. The debt and other obligations are primarily due to banks and leasing companies in connection with financing of customers' purchases of equipment and product from the Company. At December 31, 2008, the maximum potential amount of future payments (undiscounted) that the Company could be required to make under these customer-related guarantees was $75 million. At December 31, 2008, the carrying amount of any liability related to these customer guarantees was not material.

The customer financing agreements and related guarantees, which mature between 2009 and 2013, typically have a term of 90 days for product and short-term equipment financing arrangements, and up to five years for long-term equipment financing arrangements. These guarantees would require payment from the Company only in the event of default on payment by the respective debtor. In some cases, particularly for guarantees related to equipment financing, the Company has collateral or recourse provisions to recover and sell the equipment to reduce any losses that might be incurred in connection with the guarantees. However, any proceeds received from the liquidation of these assets are not expected to be material and would not cover the maximum potential amount of future payments under these guarantees.

Despite the current economic environment, the Company believes that the guarantees disclosed above will not have a material impact on the results of operations or financial position of the Company. With respect to the guarantees that the Company issued in the year ended December 31, 2008, the Company assessed the fair value of its obligation to stand ready to perform under these guarantees by considering the likelihood of occurrence of the specified triggering events or conditions requiring performance as well as other assumptions and factors.

Eastman Kodak Company (“EKC”) also guarantees amounts owed to banks and other third parties for some of its consolidated subsidiaries. The maximum amount guaranteed is $509 million, and the outstanding debt under those guarantees, which is recorded within the Short-term borrowings and current portion of long-term debt, and Long-term debt, net of current portion components in the accompanying Consolidated Statement of Financial Position, is $189 million. These guarantees expire in 2009 through 2013. Pursuant to the terms of the Company's $2.7 billion Senior Secured Credit Agreement dated October 18, 2005, obligations under the $2.7 billion Secured Credit Facilities (the “Credit Facilities”) and other obligations of the Company and its subsidiaries to the Credit Facilities’ lenders are guaranteed.

During the fourth quarter of 2007, EKC issued a guarantee to Kodak Limited (the “Subsidiary”) and the Trustees (the “Trustees”) of the Kodak Pension Plan of the United Kingdom (the “Plan”). Under this arrangement, EKC guarantees to the Subsidiary and the Trustees the ability of the Subsidiary, only to the extent it becomes necessary to do so, to (1) make contributions to the Plan to ensure sufficient assets exist to make plan benefit payments, and (2) make contributions to the Plan such that it will achieve full funded status by the funding valuation for the period ending December 31, 2015. The guarantee expires upon the conclusion of the funding valuation for the period ending December 31, 2015 whereby the Plan achieves full funded status or earlier, in the event that the Plan achieves full funded status for two consecutive funding valuation cycles which are typically performed at least every three years. The limit of potential future payments is dependent on the funding status of the Plan as it fluctuates over the term of the guarantee. Currently, the Plan’s local funding valuation is in process and expected to be completed in March 2009. In conjunction with that funding valuation process, EKC and the Subsidiary are in discussions with the Trustees regarding the amount of future annual contributions and the date by which the Plan will achieve full funded status. These negotiations may require changes to the existing guarantee described above. The funding status of the Plan is included in Pension and other postretirement liabilities presented in the Consolidated Statement of Financial Position.

The Company issues indemnifications in certain instances when it sells businesses and real estate, and in the ordinary course of business with its customers, suppliers, service providers and business partners. Further, the Company indemnifies its directors and officers who are, or were, serving at the Company's request in such capacities. Historically, costs incurred to settle claims related to these indemnifications have not been material to the Company’s financial position, results of operations or cash flows. Additionally, the fair value of the indemnifications that the Company issued during the year ended December 31, 2008 was not material to the Company’s financial position, results of operations or cash flows.

2007

Cash Flow Activity

(in millions)	For the Year Ended December 31, 2007	2006	Change
Cash flows from operating activities:			
Net cash provided by continuing operations	$ 351	$ 685	$ (334)
Net cash (used in) provided by discontinued operations	(37)	271	(308)
Net cash provided by operating activities	314	956	(642)
Cash flows from investing activities:			
Net cash used in continuing operations	(41)	(181)	140
Net cash provided by (used in) discontinued operations	2,449	(44)	2,493
Net cash provided by (used in) investing activities	2,408	(225)	2,633
Cash flows from financing activities:			
Net cash used in continuing operations	(1,324)	(947)	(377)
Net cash provided by discontinued operations	44	-	44
Net cash used in financing activities	(1,280)	(947)	(333)
Effect of exchange rate changes on cash	36	20	16
Net increase (decrease) in cash and cash equivalents	$ 1,478	$ (196)	$ 1,674

Operating Activities

Net cash provided by continuing operations from operating activities decreased $334 million for the year ended December 31, 2007 as compared with 2006, due primarily to cash expended in 2007 to reduce liabilities recorded as of the prior year end, which exceeded cash utilized in 2006 to liquidate liabilities as of year-end 2005, and a decrease in net cash received for non-recurring license arrangements of $9 million. These decreases were partially offset by the decrease in loss from continuing operations for the year ended December 31, 2007 as compared with 2006. Net cash used in discontinued operations increased $308 million in 2007 as compared with the prior year due primarily to the impact of the sale of the Health Group segment and HPA in 2007.

Investing Activities

Net cash used in continuing operations from investing activities decreased $140 million for the year ended December 31, 2007 as compared with 2006, due primarily to capital expenditures of $259 million, a reduction of $76 million as compared with 2006, proceeds from the sales of businesses/assets of $227 million, an increase of $49 million as compared with the prior year, and decreased investments in unconsolidated affiliates of $19 million. The majority of capital spending supports new products, manufacturing capacity, productivity and quality improvements, infrastructure improvement, equipment placements with customers, and ongoing environmental and safety initiatives. Net cash provided by discontinued operations for the twelve months ended December 31, 2007 of $2,449 million represents the net proceeds received from the sale of the Health Group in the second quarter of 2007 of $2,335 million, and the proceeds received from the sale of HPA in the fourth quarter of 2007 of $114 million. Refer to Note 22, "Discontinued Operations."

Financing Activities

Net cash used in financing activities increased $333 million for the year ended December 31, 2007 as compared with 2006, due to higher net repayments of borrowings, mainly due to the repayment of the Company's Secured Term Debt in the second quarter of 2007 that was required as a result of the sale of the Health Group.

2006

Cash Flow Activity

(in millions)	For the Year Ended December 31, 2006	2005	Change
Cash flows from operating activities:			
Net cash provided by continuing operations	$ 685	$ 722	$ (37)
Net cash provided by discontinued operations	271	486	(215)
Net cash provided by operating activities	956	1,208	(252)
Cash flows from investing activities:			
Net cash used in continuing operations	(181)	(1,264)	1,083
Net cash used in discontinued operations	(44)	(40)	(4)
Net cash used in investing activities	(225)	(1,304)	1,079
Cash flows from financing activities:			
Net cash (used in) provided by financing operations	(947)	533	(1,480)
Effect of exchange rate changes on cash	20	(27)	47
Net (decrease) increase in cash and cash equivalents	$ (196)	$ 410	$ (606)

Operating Activities

Net cash provided by continuing operations from operating activities decreased $37 million for the year ended December 31, 2006 as compared with 2005, due primarily to the recognition of deferred income on intellectual property arrangements in 2006, for which cash was received in 2007, partially offset by the year-over-year decline in inventories due to planned inventory reductions driven by corporate initiatives and the decline in demand for traditional products. Net cash provided by discontinued operations decreased $215 million as compared with the prior year due primarily to the results of the operations of the Health Group segment, and the reversal of certain tax accruals in 2005 as a result of a settlement between the Company and the Internal Revenue Service on the audit of the tax years 1993 through 1998. These tax accruals had been established in 1994 in connection with the Company’s sale of its pharmaceutical, consumer health and household products businesses during that year.

Investing Activities

Net cash used in continuing operations from investing activities decreased $1,083 million for the year ended December 31, 2006 as compared with 2005, due primarily to the acquisitions of Creo, Inc. and Kodak Polychrome Graphics in 2005.

Financing Activities

Net cash used in financing activities increased $1,480 million for the year ended December 31, 2006 as compared with 2005, due to the net repayment of $803 million of debt in 2006.

OTHER

Refer to Note 10, "Commitments and Contingencies" in the Notes to Financial Statements for discussion regarding the Company's undiscounted liabilities for environmental remediation costs, asset retirement obligations, and other commitments and contingencies including legal matters.

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 United States Private Securities Litigation Reform Act of 1995. For example, references to the Company's expectations regarding the following are forward-looking statements: its ability to address the impact of the economic downturn including the transformation of certain of its businesses; its employment reductions and savings under its restructuring program and other rationalization activities; revenue; cash needs; liquidity; and benefits costs.

Actual results may differ from those expressed or implied in forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date they are made, and should not be relied upon as representing the Company's estimates as of any subsequent date. While the Company may elect to update forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so, even if its estimates change. The forward-looking statements contained in this report are subject to a number of factors and uncertainties, including the successful:

- execution of the digital growth and profitability strategies, business model and cash plan;
- alignment of the Company’s cost structure to the new economic realities and the decline in the Company’s traditional businesses;
- implementation of the Company’s plans to tighten its focus on its portfolio of investments;
- implementation of, and performance under, the debt management program, including compliance with the Company's debt covenants and the ability to obtain amendments to, or waivers of, these covenants, if necessary;
- development and implementation of product go-to-market and e-commerce strategies;
- protection, enforcement and defense of the Company's intellectual property, including defense of its products against the intellectual property challenges of others;
- execution of intellectual property licensing programs and other strategies;
- integration of the Company's businesses to SAP, the Company's enterprise system software;
- commercialization of the Company’s breakthrough technologies;
- ability to accurately predict product, customer and geographic sales mix and seasonal sales trends;
- management of inventories, capital expenditures, working capital and cash conversion cycle;
- integration of acquired businesses and consolidation of the Company's subsidiary structure; and
- improvements in productivity and supply chain efficiency and continued availability of essential components and services from concentrated sources of supply.

The forward-looking statements contained in this report are subject to the following additional risk factors:

- inherent unpredictability of currency fluctuations, commodity prices and raw material costs;
- volatility in the financial markets and the availability of credit;
- the nature and pace of technology evolution;
- changes to accounting rules and tax laws, as well as other factors which could impact the Company's reported financial position or effective tax rate;
- pension and other postretirement benefit cost factors such as actuarial assumptions, market performance, and employee retirement decisions;
- general economic, business, geo-political and regulatory conditions or unanticipated environmental liabilities or costs;
- the severity of the economic downturn and its effect upon customer spending;
- possible impairment of goodwill and other assets;
- continued effectiveness of internal controls; and
- other factors and uncertainties disclosed from time to time in the Company's filings with the Securities and Exchange Commission.

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

SUMMARY OF OPERATING DATA

A summary of operating data for 2008 and for the four years prior is shown on page 114.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company, as a result of its global operating and financing activities, is exposed to changes in foreign currency exchange rates, commodity prices, and interest rates, which may adversely affect its results of operations and financial position. In seeking to minimize the risks associated with such activities, the Company may enter into derivative contracts. The Company does not utilize financial instruments for trading or other speculative purposes.

Foreign currency forward contracts are used to hedge existing foreign currency denominated assets and liabilities, especially those of the Company's International Treasury Center. Silver forward contracts are used to mitigate the Company's risk to fluctuating silver prices.

The Company's exposure to changes in interest rates results from its investing and borrowing activities used to meet its liquidity needs. Long-term debt is generally used to finance long-term investments, while short-term debt may be used to meet working capital requirements.

Using a sensitivity analysis based on estimated fair value of open foreign currency forward contracts using available forward rates, if the U.S. dollar had been 10% stronger at December 31, 2008 and 2007, the fair value of open forward contracts would have decreased $10 million and $66 million, respectively. Such losses would be substantially offset by gains from the revaluation or settlement of the underlying positions hedged.

Using a sensitivity analysis based on estimated fair value of open silver forward contracts using available forward prices, if available forward silver prices had been 10% lower at December 31, 2008 and 2007, the fair value of open forward contracts would have decreased $5 million and $2 million, respectively. Such losses in fair value, if realized, would be offset by lower costs of manufacturing silver-containing products.

The Company is exposed to interest rate risk primarily through its borrowing activities and, to a lesser extent, through investments in marketable securities. The Company may utilize borrowings to fund its working capital and investment needs. The majority of short-term and long-term borrowings are in fixed-rate instruments. There is inherent roll-over risk for borrowings and marketable securities as they mature and are renewed at current market rates. The extent of this risk is not predictable because of the variability of future interest rates and business financing requirements.

Using a sensitivity analysis based on estimated fair value of short-term and long-term borrowings, if available market interest rates had been 10% (about 178 basis points) lower at December 31, 2008, the fair value of short-term and long-term borrowings would have increased $1 million and $40 million, respectively. Using a sensitivity analysis based on estimated fair value of short-term and long-term borrowings, if available market interest rates had been 10% (about 57 basis points) lower at December 31, 2007, the fair value of short-term and long-term borrowings would have increased $1 million and $57 million, respectively.

The Company's financial instrument counterparties are high-quality investment or commercial banks with significant experience with such instruments. The Company manages exposure to counterparty credit risk by requiring specific minimum credit standards and diversification of counterparties. The Company has procedures to monitor the credit exposure amounts. The maximum credit exposure at December 31, 2008 was not significant to the Company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Eastman Kodak Company:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Eastman Kodak Company and its subsidiaries at December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for uncertain tax positions on January 1, 2007. As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for pension and postretirement benefit plans as of December 31, 2006.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Rochester, New York
February 26, 2009

Eastman Kodak Company
CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)	For the Year Ended December 31, 2008	2007	2006
Net sales	$ 9,416	$ 10,301	$ 10,568
Cost of goods sold	7,247	7,757	8,122
Gross profit	2,169	2,544	2,446
Selling, general and administrative expenses	1,583	1,778	1,969
Research and development costs	501	549	596
Restructuring costs, rationalization and other	140	543	416
Other operating expenses (income), net	766	(96)	(59)
Loss from continuing operations before interest expense, other income (charges), net and income taxes	(821)	(230)	(476)
Interest expense	108	113	172
Other income (charges), net	55	87	65
Loss from continuing operations before income taxes	(874)	(256)	(583)
(Benefit) provision for income taxes	(147)	(51)	221
Loss from continuing operations	(727)	(205)	(804)
Earnings from discontinued operations, net of income taxes	285	881	203
NET (LOSS) EARNINGS	$ (442)	$ 676	$ (601)
Basic and diluted net (loss) earnings per share:			
Continuing operations	$ (2.58)	$ (0.71)	$ (2.80)
Discontinued operations	1.01	3.06	0.71
Total	$ (1.57)	$ 2.35	$ (2.09)
Cash dividends per share	$ 0.50	$ 0.50	$ 0.50

The accompanying notes are an integral part of these consolidated financial statements.

Eastman Kodak Company
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions, except share and per share data)	As of December 31, 2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,145	$ 2,947
Receivables, net	1,716	1,939
Inventories, net	948	943
Other current assets	195	224
Total current assets	5,004	6,053
Property, plant and equipment, net	1,551	1,811
Goodwill	896	1,657
Other long-term assets	1,728	4,138
TOTAL ASSETS	$ 9,179	$ 13,659
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	$ 3,267	$ 3,794
Short-term borrowings and current portion of long-term debt	51	308
Accrued income and other taxes	144	344
Total current liabilities	3,462	4,446
Long-term debt, net of current portion	1,252	1,289
Pension and other postretirement liabilities	2,382	3,444
Other long-term liabilities	1,122	1,451
Total liabilities	8,218	10,630
Commitments and Contingencies (Note 10)		
SHAREHOLDERS' EQUITY		
Common stock, $2.50 par value, 950,000,000 shares authorized; 391,292,760 shares issued as of December 31, 2008 and 2007; 268,169,055 and 287,999,830 shares outstanding as of December 31, 2008 and 2007	978	978
Additional paid in capital	901	889
Retained earnings	5,879	6,474
Accumulated other comprehensive (loss) income	(749)	452
	7,009	8,793
Treasury stock, at cost; 123,123,705 shares as of December 31, 2008 and 103,292,930 shares as of December 31, 2007	(6,048)	(5,764)
Total shareholders' equity	961	3,029
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 9,179	$ 13,659

The accompanying notes are an integral part of these consolidated financial statements.

Eastman Kodak Company
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(in millions, except share and per share data)

	Common Stock (1)	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total
Shareholders' Equity as of December 31, 2005	$ 978	$ 867	$ 6,717	$ (467)	$ (5,813)	$ 2,282
Net loss	-	-	(601)	-	-	(601)
Other comprehensive income (loss):						
Unrealized losses on available-for-sale securities ($2 million pre-tax)	-	-	-	(2)	-	(2)
Unrealized gains arising from hedging activity ($8 million pre-tax)	-	-	-	8	-	8
Reclassification adjustment for hedging related gains included in net earnings ($12 million pre-tax)	-	-	-	(12)	-	(12)
Currency translation adjustments	-	-	-	88	-	88
Pension liability adjustment ($185 million pre-tax)	-	-	-	136	-	136
Other comprehensive income	-	-	-	218	-	218
Comprehensive loss						(383)
Adjustment to initially apply SFAS No. 158 for pension and other postretirement benefits ($466 million pre-tax)	-	-	-	(386)	-	(386)
Cash dividends declared ($.50 per common share)	-	-	(144)	-	-	(144)
Recognition of equity-based compensation expense	-	17	-	-	-	17
Treasury stock issued, net (135 shares) (2)	-	-	(3)	-	4	1
Unvested stock issuances (109,935 shares)	-	(3)	(2)	-	6	1
Shareholders' Equity as of December 31, 2006	$ 978	$ 881	$ 5,967	$ (635)	$ (5,803)	$ 1,388

Eastman Kodak Company
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY Cont'd.

(in millions, except share and per share data)

	Common Stock (1)	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total
Shareholders' Equity as of December 31, 2006	$ 978	$ 881	$ 5,967	$ (635)	$ (5,803)	$ 1,388
Net earnings	-	-	676	-	-	676
Other comprehensive income (loss):						
Unrealized gains on available-for-sale securities ($16 million pre-tax)	-	-	-	10	-	10
Unrealized gains arising from hedging activity ($11 million pre-tax)	-	-	-	11	-	11
Reclassification adjustment for hedging related gains included in net earnings ($1 million pre-tax)	-	-	-	(1)	-	(1)
Currency translation adjustments	-	-	-	114	-	114
Pension liability adjustment ($986 million pre-tax)	-	-	-	953	-	953
Other comprehensive income	-	-	-	1,087	-	1,087
Comprehensive income						1,763
Cash dividends declared ($.50 per common share)	-	-	(144)	-	-	(144)
Recognition of equity-based compensation expense	-	20	-	-	-	20
Treasury stock issued, net (413,923 shares) (2)	-	(6)	(18)	-	25	1
Unvested stock issuances (252,784 shares)	-	(6)	(7)	-	14	1
Shareholders' Equity as of December 31, 2007	$ 978	$ 889	$ 6,474	$ 452	$ (5,764)	$ 3,029

Eastman Kodak Company
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY Cont'd.

	Common Stock (1)	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total
Shareholders' Equity as of December 31, 2007	$ 978	$ 889	$ 6,474	$ 452	$ (5,764)	$ 3,029
Net loss	-	-	(442)	-	-	(442)
Other comprehensive loss:						
Unrealized gains arising from hedging activity ($8 million pre-tax)	-	-	-	(8)	-	(8)
Reclassification adjustment for hedging related gains inculded in net earnings ($8 million pre-tax)	-	-	-	(8)	-	(8)
Currency translation adjustments	-	-	-	(80)	-	(80)
Pension liability adjustment ($1,147 million pre-tax)	-	-	-	(1,105)	-	(1,105)
Other comprehensive loss	-	-	-	(1,201)	-	(1,201)
Comprehensive loss						(1,643)
Cash dividends declared ($.50 per common share)	-	-	(139)	-	-	(139)
Recognition of equity-based compensation expense	-	18	-	-	-	18
Share repurchases (20,046,396 shares)					(301)	(301)
Treasury stock issued, net (159,021 shares) (2)	-	(5)	(12)	-	14	(3)
Unvested stock issuances (56,600 shares)	-	(1)	(2)	-	3	-
Shareholders' Equity as of December 31, 2008	$ 978	$ 901	$ 5,879	$ (749)	$ (6,048)	$ 961

(1) There are 100 million shares of $10 par value preferred stock authorized, none of which have been issued.

(2) Includes Stock Options exercised in 2006 and 2007, and other stock awards issued, offset by shares surrendered for taxes.

The accompanying notes are an integral part of these consolidated financial statements.

Eastman Kodak Company
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	For the Year Ended December 31, 2008	2007	2006
Cash flows from operating activities:			
Net (loss) earnings	$ (442)	$ 676	$ (601)
Adjustments to reconcile to net cash provided by operating activities:			
Earnings from discontinued operations, net of income taxes	(285)	(881)	(203)
Depreciation and amortization	500	785	1,195
Gain on sales of businesses/assets	(14)	(157)	(65)
Non-cash restructuring and rationalization costs, asset impairments and other charges	801	336	138
Provision (benefit) for deferred income taxes	16	54	(168)
Decrease in receivables	148	161	163
(Increase) decrease in inventories	(20)	108	292
(Decrease) increase in liabilities excluding borrowings	(720)	(624)	153
Other items, net	(127)	(107)	(219)
Total adjustments	299	(325)	1,286
Net cash (used in) provided by continuing operations	(143)	351	685
Net cash provided by (used in) discontinued operations	296	(37)	271
Net cash provided by operating activities	153	314	956
Cash flows from investing activities:			
Additions to properties	(254)	(259)	(335)
Proceeds from sales of businesses/assets	92	227	178
Acquisitions, net of cash acquired	(38)	(2)	(3)
Investments in unconsolidated affiliates	-	-	(19)
Marketable securities - sales	162	166	133
Marketable securities - purchases	(150)	(173)	(135)
Net cash used in continuing operations	(188)	(41)	(181)
Net cash provided by (used in) discontinued operations	-	2,449	(44)
Net cash (used in) provided by investing activities	(188)	2,408	(225)
Cash flows from financing activities:			
Stock repurchases	(301)	-	-
Proceeds from borrowings	155	177	765
Repayment of borrowings	(446)	(1,363)	(1,568)
Dividends to shareholders	(139)	(144)	(144)
Exercise of employee stock options	-	6	-
Net cash used in continuing operations	(731)	(1,324)	(947)
Net cash provided by discontinued operations	-	44	-
Net cash used in financing activities	(731)	(1,280)	(947)
Effect of exchange rate changes on cash	(36)	36	20
Net (decrease) increase in cash and cash equivalents	(802)	1,478	(196)
Cash and cash equivalents, beginning of year	2,947	1,469	1,665
Cash and cash equivalents, end of year	$ 2,145	$ 2,947	$ 1,469

Eastman Kodak Company
CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

SUPPLEMENTAL CASH FLOW INFORMATION
(in millions)

	For the Year Ended December 31,		
	2008	**2007**	**2006**
Cash paid for interest and income taxes was:			
Interest, net of portion capitalized of $3, $2 and $3 (1)	$ 85	$ 138	$ 255
Income taxes (1)	145	150	96
The following non-cash items are not reflected in the Consolidated Statement of Cash Flows:			
Pension and other postretirement benefits liability adjustments	$ 1,105	$ 953	$ 136
Adjustment to initially apply SFAS No. 158	-	-	386
Liabilities assumed in acquisitions	2	-	-
Issuance of unvested stock, net of forfeitures	1	6	1

(1) Includes payments included in expense of discontinued operations.

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING PRINCIPLES

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The following is a description of the significant accounting policies of Eastman Kodak Company.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of Eastman Kodak Company, its wholly owned subsidiaries, and its majority owned subsidiaries (collectively "the Company"). The Company accounts for investments in companies over which it has the ability to exercise significant influence, but does not hold a controlling interest, under the equity method of accounting, and the Company records its proportionate share of income or losses in Other income (charges), net in the accompanying Consolidated Statements of Operations. The Company accounts for investments in companies over which it does not have the ability to exercise significant influence under the cost method of accounting. These investments are carried at cost and are adjusted only for other-than-temporary declines in fair value. The Company has eliminated all significant intercompany accounts and transactions, and net earnings are reduced by the portion of the net earnings of subsidiaries applicable to minority interests.

RECLASSIFICATIONS AND SEGMENT REORGANIZATION

The Company has made certain organizational realignments in order to optimize its operating structure. Reclassifications of prior year financial information have been made to conform to the current year presentation. None of the changes impact the Company's previously reported consolidated net sales, loss from continuing operations, net (loss) earnings, or net (loss) earnings per share. See Note 23, "Segment Information."

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at year end, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CHANGE IN ESTIMATE

In the first quarter of 2008, the Company performed an updated analysis of expected industry-wide declines in the traditional film and paper businesses and its useful lives on related assets. This analysis indicated that the assets will continue to be used in these businesses for a longer period than previously anticipated. As a result, the Company revised the useful lives of certain existing production machinery and equipment, and manufacturing-related buildings effective January 1, 2008. These assets, which were previously set to fully depreciate by mid-2010, are now being depreciated with estimated useful lives ending from 2011 to 2015. The change in useful lives reflects the Company's estimate of future periods to be benefited from the use of the property, plant, and equipment. As a result of these changes, for full year 2008 the Company reduced depreciation expense by approximately $107 million, of which approximately $95 million benefited loss from continuing operations before income taxes. The net impact of the change in estimate to loss from continuing operations for the year ended December 31, 2008 was a decreased loss of $93 million, or $.33 on a fully-diluted loss per share basis.

FOREIGN CURRENCY

For most subsidiaries and branches outside the U.S., the local currency is the functional currency. In accordance with the Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation," the financial statements of these subsidiaries and branches are translated into U.S. dollars as follows: assets and liabilities at year-end exchange rates; income, expenses and cash flows at average exchange rates; and shareholders' equity at historical exchange rates. For those subsidiaries for which the local currency is the functional currency, the resulting translation adjustment is recorded as a component of Accumulated other comprehensive (loss) income in the accompanying Consolidated Statement of Financial Position. Translation adjustments related to investments that are permanent in nature are not tax-effected.

For certain other subsidiaries and branches, operations are conducted primarily in U.S. dollars, which is therefore the functional currency. Monetary assets and liabilities of these foreign subsidiaries and branches, which are recorded in local currency, are remeasured at year-end exchange rates, while the related revenue, expense, and gain and loss accounts, which are recorded in local currency, are remeasured at average exchange rates. Non-monetary assets and liabilities, and the related revenue, expense, and gain and loss accounts, are remeasured at historical rates. Adjustments that result from the remeasurement of the assets and liabilities of these subsidiaries are included in net (loss) earnings in the accompanying Consolidated Statement of Operations.

The effects of foreign currency transactions, including related hedging activities, are included in Other income (charges), net, in the accompanying Consolidated Statement of Operations.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, receivables, and derivative instruments. The Company places its cash and cash equivalents with high-quality financial institutions and limits the amount of credit exposure to any one institution. With respect to receivables, such receivables arise from sales to numerous customers in a variety of industries, markets, and geographies around the world. Receivables arising from these sales are generally not collateralized. The Company performs ongoing credit evaluations of its customers' financial conditions and no single customer accounts for greater than 10% of the sales of the Company. The Company maintains reserves for potential credit losses and such losses, in the aggregate, have not exceeded management's expectations. With respect to the derivative instruments, the counterparties to these contracts are major financial institutions. The Company has not experienced non-performance by any of its derivative instruments counterparties.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company accounts for derivative financial instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." All derivative instruments are recognized as either assets or liabilities and are measured at fair value. Certain derivatives are designated and accounted for as hedges. The Company does not use derivatives for trading or other speculative purposes. See Note 12, "Financial Instruments."

CASH EQUIVALENTS

All highly liquid investments with a remaining maturity of three months or less at date of purchase are considered to be cash equivalents.

INVENTORIES

Inventories are stated at the lower of cost or market. The cost of all of the Company's inventories is determined by either the "first in, first out" ("FIFO") or average cost method, which approximates current cost. The Company provides inventory reserves for excess, obsolete or slow-moving inventory based on changes in customer demand, technology developments or other economic factors.

PROPERTIES

Properties are recorded at cost, net of accumulated depreciation. The Company capitalizes additions and improvements. Maintenance and repairs are charged to expense as incurred. The Company principally calculates depreciation expense using the straight-line method over the assets' estimated useful lives, which are as follows:

	Years
Buildings and building improvements	5-40
Land improvements	20
Leasehold improvements	3-20
Equipment	3-15
Tooling	1-3
Furniture and fixtures	5-10

The Company depreciates leasehold improvements over the shorter of the lease term or the asset's estimated useful life. Upon sale or other disposition, the applicable amounts of asset cost and accumulated depreciation are removed from the accounts and the net amount, less proceeds from disposal, is charged or credited to net (loss) earnings.

GOODWILL

Goodwill represents the excess of purchase price of an acquisition over the fair value of net assets acquired. The Company applies the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets." In accordance with SFAS No. 142, goodwill is not amortized, but is required to be assessed for impairment at least annually. The Company has elected to make September 30 the annual impairment assessment date for all of its reporting units, and will perform additional impairment tests when events or changes in circumstances occur that would more likely than not reduce the fair value of the reporting unit below its carrying amount. SFAS No. 142 defines a reporting unit as an operating segment or one level below an operating segment. The Company estimates the fair value of its reporting units utilizing income and market approaches through the application of discounted cash flow and market comparable methods. The assessment is required to be performed in two steps, step one to test for a potential impairment of goodwill and, if potential losses are identified, step two to measure the impairment loss.

The Company recorded a pre-tax goodwill impairment charge of $785 million in the fourth quarter of 2008. See Note 5, "Goodwill and Other Intangible Assets."

REVENUE

The Company's revenue transactions include sales of the following: products; equipment; software; services; equipment bundled with products and/or services and/or software; integrated solutions; and intellectual property licensing. The Company recognizes revenue when realized or realizable and earned, which is when the following criteria are met: persuasive evidence of an arrangement exists; delivery has occurred; the sales price is fixed or determinable; and collectibility is reasonably assured. At the time revenue is recognized, the Company provides for the estimated costs of customer incentive programs, warranties and estimated returns and reduces revenue accordingly.

For product sales, the recognition criteria are generally met when title and risk of loss have transferred from the Company to the buyer, which may be upon shipment or upon delivery to the customer site, based on contract terms or legal requirements in certain jurisdictions. Service revenues are recognized as such services are rendered.

For equipment sales, the recognition criteria are generally met when the equipment is delivered and installed at the customer site. Revenue is recognized for equipment upon delivery as opposed to upon installation when there is objective and reliable evidence of fair value for the installation, and the amount of revenue allocable to the equipment is not legally contingent upon the completion of the installation. In instances in which the agreement with the customer contains a customer acceptance clause, revenue is deferred until customer acceptance is obtained, provided the customer acceptance clause is considered to be substantive. For certain agreements, the Company does not consider these customer acceptance clauses to be substantive because the Company can and does replicate the customer acceptance test environment and performs the agreed upon product testing prior to shipment. In these instances, revenue is recognized upon installation of the equipment.

Revenue for the sale of software licenses is recognized when: (1) the Company enters into a legally binding arrangement with a customer for the license of software; (2) the Company delivers the software; (3) customer payment is deemed fixed or determinable and free of contingencies or significant uncertainties; and (4) collection from the customer is reasonably assured. If the Company determines that collection of a fee is not reasonably assured, the fee is deferred and revenue is recognized at the time collection becomes reasonably assured, which is generally upon receipt of payment. Software maintenance and support revenue is recognized ratably over the term of the related maintenance period.

The Company's transactions may involve the sale of equipment, software, and related services under multiple element arrangements. The Company allocates revenue to the various elements based on their fair value. Revenue allocated to an individual element is recognized when all other revenue recognition criteria are met for that element.

The timing and the amount of revenue recognized from the licensing of intellectual property depend upon a variety of factors, including the specific terms of each agreement and the nature of the deliverables and obligations. When the Company has continuing obligations related to a licensing arrangement, revenue related to the ongoing arrangement is recognized over the period of the obligation. Revenue is only recognized after all of the following criteria are met: (1) the Company enters into a legally binding arrangement with a licensee of Kodak's intellectual property, (2) the Company delivers the technology or intellectual property rights, (3) licensee payment is deemed fixed or determinable and free of contingencies or significant uncertainties, and (4) collection from the licensee is reasonably assured.

At the time revenue is recognized, the Company also records reductions to revenue for customer incentive programs in accordance with the provisions of Emerging Issues Task Force ("EITF") Issue No. 01-09, "Accounting for Consideration Given from a Vendor to a Customer (Including a Reseller of the Vendor's Products)." Such incentive programs include cash and volume discounts, price protection, promotional, cooperative and other advertising allowances, and coupons. For those incentives that require the estimation of sales volumes or redemption rates, such as for volume rebates or coupons, the Company uses historical experience and internal and customer data to estimate the sales incentive at the time revenue is recognized.

In instances where the Company provides slotting fees or similar arrangements, this incentive is recognized as a reduction in revenue when payment is made to the customer (or at the time the Company has incurred the obligation, if earlier) unless the Company receives a benefit over a period of time, in which case the incentive is recorded as an asset and is amortized as a reduction of revenue over the term of the arrangement. Arrangements in which the Company receives an identifiable benefit include arrangements that have enforceable exclusivity provisions and those that provide a clawback provision entitling the Company to a pro rata reimbursement if the customer does not fulfill its obligations under the contract.

The Company may offer customer financing to assist customers in their acquisition of Kodak's products. At the time a financing transaction is consummated, which qualifies as a sales-type lease, the Company records equipment revenue equal to the total lease receivable net of unearned income. Unearned income is recognized as finance income using the effective interest method over the term of the lease. Leases not qualifying as sales-type leases are accounted for as operating leases. The Company recognizes revenue from operating leases on an accrual basis as the rental payments become due.

The Company's sales of tangible products are the only class of revenues that exceeds 10% of total consolidated net sales. All other sales classes are individually less than 10%, and therefore, have been combined with the sales of tangible products on the same line in accordance with Regulation S-X.

Incremental direct costs (i.e. costs that vary with and are directly related to the acquisition of a contract which would not have been incurred but for the acquisition of the contract) of a customer contract in a transaction that results in the deferral of revenue are deferred and netted against revenue in proportion to the related revenue recognized in each period if: (1) an enforceable contract for the remaining deliverable items exists; and (2) delivery of the remaining items in the arrangement is expected to generate positive margins allowing realization of the deferred costs. Otherwise, these costs are expensed as incurred and included in cost of goods sold in the accompanying Consolidated Statement of Operations.

RESEARCH AND DEVELOPMENT COSTS

Research and development ("R&D") costs, which include costs in connection with new product development, fundamental and exploratory research, process improvement, product use technology and product accreditation, are expensed in the period in which they are incurred. In connection with a business combination, the purchase price allocated to research and development projects that have not yet reached technological feasibility and for which no alternative future use exists is expensed in the period of acquisition. This will change when the Company adopts SFAS No. 141R, "Business Combinations," effective January 1, 2009, as SFAS No. 141R will require the acquirer to recognize the acquisition-date fair value of research and development assets acquired in a business combination.

ADVERTISING

Advertising costs are expensed as incurred and included in selling, general and administrative expenses in the accompanying Consolidated Statement of Operations. Advertising expenses amounted to $350 million, $394 million, and $366 million in 2008, 2007 and 2006, respectively.

SHIPPING AND HANDLING COSTS

Amounts charged to customers and costs incurred by the Company related to shipping and handling are included in net sales and cost of goods sold, respectively, in accordance with EITF Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs."

IMPAIRMENT OF LONG-LIVED ASSETS

The Company applies the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Under the guidance of SFAS No. 144, the Company reviews the carrying values of its long-lived assets, other than goodwill and purchased intangible assets with indefinite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable. The Company assesses the recoverability of the carrying values of long-lived assets by first grouping its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (the asset group) and, secondly, by estimating the undiscounted future cash flows that are directly associated with and that are expected to arise from the use of and eventual disposition of such asset group. The Company estimates the undiscounted cash flows over the remaining useful life of the primary asset within the asset group. If the carrying value of the asset group exceeds the estimated undiscounted cash flows, the Company records an impairment charge to the extent the carrying value of the long-lived asset exceeds its fair value. The Company determines fair value through quoted market prices in active markets or, if quoted market prices are unavailable, through the performance of internal analyses of discounted cash flows.

In connection with its assessment of recoverability of its long-lived assets and its ongoing strategic review of the business and its operations, the Company continually reviews the remaining useful lives of its long-lived assets. If this review indicates that the remaining useful life of the long-lived asset has changed significantly, the Company adjusts the depreciation on that asset to facilitate full cost recovery over its revised estimated remaining useful life.

INCOME TAXES

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies the accounting and reporting for uncertainty in income taxes recognized in accordance with SFAS No. 109, "Accounting for Income Taxes." This Interpretation prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on various related matters such as derecognition, interest and penalties, and disclosure. The adoption of FIN 48 in the first quarter of 2007 did not have a material impact on the Company's Consolidated Financial Statements.

The Company accounts for income taxes in accordance with SFAS No. 109. The asset and liability approach underlying SFAS No. 109 requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of the Company's assets and liabilities. Management provides valuation allowances against the net deferred tax asset for amounts that are not considered more likely than not to be realized. For discussion of the amounts and components of the valuation allowances as of December 31, 2008 and 2007, see Note 15, “Income Taxes.”

EARNINGS PER SHARE

Basic earnings per share computations are based on the weighted-average number of shares of common stock outstanding during the year. As a result of the net loss from continuing operations presented for the years ended December 31, 2008, 2007 and 2006, the Company calculated diluted earnings per share using weighted-average basic shares outstanding for each period, as utilizing diluted shares would be anti-dilutive to loss per share. Weighted-average basic shares outstanding for the years ended December 31, 2008, 2007, and 2006 were 281.8 million, 287.7 million and 287.3 million shares, respectively.

The following potential shares of the Company’s common stock were not included in the computation of diluted earnings per share for the years ended December 31, 2008, 2007 and 2006 because the Company reported a net loss from continuing operations; therefore, the effects would be anti-dilutive:

	For the Year Ended December 31,		
(in millions of shares)	2008	2007	2006
Employee stock options	25.2	30.9	34.6
Unvested share-based awards	0.2	0.4	0.2
Total anti-dilutive potential common shares	25.4	31.3	34.8

Diluted (loss) earnings per share calculations could also reflect shares related to the assumed conversion of approximately $575 million in outstanding contingent convertible notes (the “Convertible Securities”), if dilutive. The Company’s diluted (loss) earnings per share exclude the effect of the Convertible Securities, as they were anti-dilutive for all periods presented. Refer to Note 8, “Short-Term Borrowings and Long-Term Debt.”

RECENTLY ISSUED ACCOUNTING STANDARDS

FASB Statement No. 157

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which establishes a comprehensive framework for measuring fair value and expands disclosures about fair value measurements. Specifically, this Statement sets forth a definition of fair value, and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The Statement defines levels within the hierarchy as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs.

The Company adopted the provisions of SFAS No. 157 for financial assets and liabilities as of January 1, 2008. There was no significant impact to the Company’s Consolidated Financial Statements as a result of this adoption. For details on the levels at which the Company’s financial assets and liabilities are classified within the fair value hierarchy, see Note 12, “Financial Instruments.”

In February 2008, the FASB issued FASB Staff Position (“FSP”) FAS 157-2, which delays the effective date of SFAS No. 157 for all nonfinancial assets and liabilities that are not recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) until fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The Company does not believe that the adoption of SFAS No. 157, in relation to its nonfinancial assets and liabilities, will have a material impact on its Consolidated Financial Statements.

On October 10, 2008, the FASB issued FSP FAS 157-3, “Determining the Fair Value of a Financial Asset in a Market That Is Not Active.” The FSP was effective upon issuance. The FSP clarified the application of SFAS 157 in an inactive market and provided an illustrative example to demonstrate how the fair value of a financial asset is determined when the market for that financial asset is inactive. The Company adopted the provisions of FSP FAS 157-3 as of December 31, 2008. There was no significant impact to the Company’s Consolidated Financial Statements as a result of this adoption.

FASB Statement No. 158

In September 2006, the FASB issued SFAS No. 158, "Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans (an amendment of FASB Statements No. 87, 88, 106, and 132(R))", which was effective in fiscal years ending after December 15, 2006. This Statement requires employers to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position, and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. SFAS No. 158 does not change the amount of actuarially determined expense that is recorded in the Consolidated Statement of Operations. SFAS No. 158 also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, which is consistent with the Company's present measurement date. The adoption of SFAS No. 158 in the fourth quarter of 2006 did not have any impact on the Company’s Consolidated Statement of Operations, Statement of Cash Flows, or compliance with its debt covenants.

FASB Statement No. 159

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which permits entities to choose to measure, on an item-by-item basis, specified financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected are required to be reported in earnings at each reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. The provisions of this statement are required to be applied prospectively. The Company adopted SFAS No. 159 in the first quarter of 2008. There was no impact to the Company’s Consolidated Financial Statements from the adoption of SFAS No. 159 because the Company did not adopt the voluntary provisions contained therein.

FASB Statement No. 141R

In December 2007, the FASB issued SFAS No. 141R, “Business Combinations,” a revision to SFAS No. 141, “Business Combinations.” SFAS No. 141R provides revised guidance for recognition and measurement of identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree at fair value. The Statement also establishes disclosure requirements to enable the evaluation of the nature and financial effects of a business combination. SFAS No. 141R is required to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 (January 1, 2009 for the Company). The adoption of SFAS No. 141R is not expected to have a material impact to the Company’s Consolidated Financial Statements.

FASB Statement No. 160

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51.” This Statement establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent. Specifically, SFAS No. 160 requires the presentation of noncontrolling interests as equity in the Consolidated Statement of Financial Position, and separate identification and presentation in the Consolidated Statement of Operations of net income attributable to the entity and the noncontrolling interest. It also establishes accounting and reporting standards regarding deconsolidation and changes in a parent’s ownership interest. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008 (January 1, 2009 for the Company). The provisions of SFAS No. 160 are generally required to be applied prospectively, except for the presentation and disclosure requirements, which must be applied retrospectively. The adoption of SFAS No. 160 is not expected to have a material impact to the Company’s Consolidated Financial Statements.

FSP 133-1 and FIN 45-4

In September 2008, the FASB issued FSP 133-1 and FIN 45-4, "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161" ("FSP 133-1 and FIN 45-4"). FSP 133-1 and FIN 45-4 amends and enhances disclosure requirements for sellers of credit derivatives and financial guarantees. It also clarifies that the disclosure requirements of SFAS No. 161 are effective for quarterly periods beginning after November 15, 2008, and fiscal years that include those period. FSP 133-1 and FIN 45-4 is effective for reporting periods (annual or interim) ending after November 15, 2008. The implementation of this standard did not have a material impact on the Company's Consolidated Financial Statements.

FASB Statement No. 161

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133." This Statement amends and expands the disclosure requirements for derivative instruments and hedging activities, with the intent to provide users of financial statements with an enhanced understanding of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for, and how derivative instruments and related hedged items affect an entity's financial statements. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008. This statement is effective for the Company beginning in 2009 and will only impact its disclosures. It will have no impact on the Company's Consolidated Financial Statements.

FASB Statement No. 162

In May 2008, the FASB issued Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("FAS 162"). FAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles in the United States. FAS 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles'. " FAS 162 is not expected to have a material impact on the Company's Consolidated Financial Statements.

FSP EITF 03-6-1

In June 2008, the FASB released FSP EITF 03-6-1 on Emerging Issues Task Force Issue 03-6, "Participating Securities and the Two-Class Method under FASB Statement No. 128" ("EITF 03-6"). The staff position concludes that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents are participating securities as defined in EITF 03-6; and therefore, should be included in computing earnings per share using the two-class method. The staff position will be effective for the Company beginning in 2009. FSP EITF 03-6-1 is not expected to have a material impact on the Company's earnings per share.

FSP FASB No. 132(R)-1

In December 2008, the FASB issued FSP FAS 132(R)-1, "Employers' Disclosure about Postretirement Benefit Plan Assets," which amends Statement 132(R) to require more detailed disclosures about employers' pension plan assets. New disclosures will include more information on investment strategies, major categories of plan assets, concentrations of risk within plan assets and valuation techniques used to measure the fair value of plan assets. This new standard requires new disclosures only, and will have no impact on the Company's Consolidated Financial Statement. These new disclosures will be required for the Company beginning in the 2009
Form 10-K.

NOTE 2: RECEIVABLES, NET

(in millions)	As of December 31, 2008	As of December 31, 2007
Trade receivables	$ 1,330	$ 1,697
Miscellaneous receivables	386	242
Total (net of allowances of $113 and $114 as of December 31, 2008 and 2007, respectively)	$ 1,716	$ 1,939

Of the total trade receivable amounts of $1,330 million and $1,697 million as of December 31, 2008 and 2007, respectively, approximately $218 million and $266 million, respectively, are expected to be settled through customer deductions in lieu of cash payments. Such deductions represent rebates owed to the customer and are included in Accounts payable and other current liabilities in the accompanying Consolidated Statement of Financial Position at each respective balance sheet date.

The increase in miscellaneous receivables is primarily due to an amendment to an intellectual property licensing agreement with an existing licensee executed during the third quarter of 2008. Under the terms of this amendment, cash consideration is to be received in 2009. Refer to Note 9, "Other Long-Term Liabilities."

NOTE 3: INVENTORIES, NET

(in millions)	As of December 31, 2008	As of December 31, 2007
Finished goods	$ 610	$ 537
Work in process	193	235
Raw materials	145	171
Total	$ 948	$ 943

NOTE 4: PROPERTY, PLANT AND EQUIPMENT, NET

(in millions)	As of December 31, 2008	As of December 31, 2007
Land	$ 81	$ 85
Buildings and building improvements	1,575	1,748
Machinery and equipment	5,033	5,387
Construction in progress	116	107
	6,805	7,327
Accumulated depreciation	(5,254)	(5,516)
Net properties	$ 1,551	$ 1,811

Depreciation expense was $420 million, $679 million and $1,075 million for the years 2008, 2007 and 2006, respectively, of which approximately $6 million, $107 million and $273 million, respectively, represented accelerated depreciation in connection with restructuring actions.

NOTE 5: GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill was $896 million and $1,657 million as of December 31, 2008 and 2007, respectively. The changes in the carrying amount of goodwill by reportable segment for 2007 and 2008 were as follows:

(in millions)	Consumer Digital Imaging Group	Film, Photofinishing and Entertainment Group	Graphic Communications Group	Consolidated Total
Balance as of December 31, 2006	$ 196	$ 575	$ 813	$ 1,584
Additions	-	-	2	2
Purchase accounting adjustments	-	-	38	38
Divestiture	-	-	(19)	(19)
Currency translation adjustments	8	26	18	52
Balance as of December 31, 2007	$ 204	$ 601	$ 852	$ 1,657
Additions	-	-	25	25
Purchase accounting adjustments	-	-	3	3
Currency translation adjustments	(9)	12	(7)	(4)
Impairments	-	-	(785)	(785)
Balance as of December 31, 2008	$ 195	$ 613	$ 88	$ 896

The Company tests goodwill for impairment annually (on September 30), or whenever events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount, by initially comparing the fair value of each of the Company's reporting units to their related carrying values (step one).

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. The Company estimates the fair value of its reporting units utilizing income and market approaches through the application of discounted cash flow and market comparable methods.

Based upon the results of its September 30, 2008 analysis, no impairment of goodwill was indicated.

As of December 31, 2008, due to the continuing challenging business conditions and the significant decline in its market capitalization during the fourth quarter of 2008, the Company concluded there was an indication of possible impairment. Based on its updated analysis, the Company concluded that there was an impairment of goodwill related to the Graphic Communications Group segment and, thus, recorded a pre-tax impairment charge of $785 million in the fourth quarter of 2008 that was included in Other operating expenses (income), net in the Consolidated Statement of Operations.

The fair values of reporting units within the Company's Consumer Digital Imaging Group (CDG) and Film, Photofinishing and Entertainment Group (FPEG) segments, and one of the two GCG reporting units were greater than their respective carrying values as of December 31, 2008, so no goodwill impairment was recorded for these reporting units. Reasonable changes in the assumptions used to determine these fair values would not have resulted in goodwill impairments in any of these reporting units.

The aggregate amount of goodwill additions of $25 million was primarily attributable to $14 million for the purchase of Intermate A/S and $10 million for the purchase of Design2Launch in the second quarter of 2008, all within the Graphic Communications Group segment. Refer to Note 21, "Acquisitions."

Due to the realignment of the Kodak operating model and change in reporting structure, as described in Note 23, "Segment Information," effective January 1, 2008, the Company reassigned goodwill to its reportable segments using a relative fair value approach as required under SFAS No. 142, "Goodwill and Other Intangible Assets." Prior period amounts have been restated to reflect this reassignment.

During the second quarter of 2007, the Company identified a deferred tax asset in a non-U.S. subsidiary that was overstated at the date of acquisition, resulting in an increase in the value of goodwill of $24 million and is presented as a purchase accounting adjustment in the table above. In the fourth quarter of 2007, the Company recorded a $14 million increase in the value of goodwill to correct the purchase price allocations to property, plant and equipment and deferred tax assets in a non-U.S. subsidiary that was overstated at the date of acquisition. This correction is presented as a purchase accounting adjustment in the table above.

The divestiture in 2007 of $19 million relates to the sale of the Company's interest in Hermes Precisa Pty. Ltd. ("HPA"). See Note 22, "Discontinued Operations," for further details.

The gross carrying amount and accumulated amortization by major intangible asset category as of December 31, 2008 and 2007 were as follows:

(in millions)	As of December 31, 2008			
	Gross Carrying Amount	**Accumulated Amortization**	**Net**	**Weighted-Average Amortization Period**
Technology-based	$ 333	$ 213	$ 120	7 years
Customer-related	276	156	120	10 years
Other	57	40	17	9 years
Total	$ 666	$ 409	$ 257	8 years

(in millions)	As of December 31, 2007			
	Gross Carrying Amount	**Accumulated Amortization**	**Net**	**Weighted-Average Amortization Period**
Technology-based	$ 326	$ 166	$ 160	7 years
Customer-related	281	125	156	10 years
Other	82	36	46	8 years
Total	$ 689	$ 327	$ 362	8 years

During the fourth quarter of 2007, the Company announced its intention to dispose of its stake in Lucky Film Co., Ltd., and to terminate its manufacturing exclusivity agreement. In connection with this plan, the Company recorded an asset impairment charge against earnings of $46 million, which was included in Other operating expenses (income), net on the Consolidated Statement of Operations. As a result, other intangible assets and accumulated amortization were written down by $132 million and $86 million, respectively.

Amortization expense related to intangible assets was $80 million, $106 million, and $120 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Estimated future amortization expense related to purchased intangible assets as of December 31, 2008 was as follows (in millions):

2009	$ 72
2010	60
2011	41
2012	26
2013	13
2014+	45
Total	$ 257

NOTE 6: OTHER LONG-TERM ASSETS

(in millions)	As of December 31, 2008	2007
Overfunded pension plans	$ 773	$ 2,454
Deferred income taxes, net of valuation allowance	506	636
Intangible assets	257	362
Non-current receivables	59	446
Other	133	240
Total	$ 1,728	$ 4,138

See Note 17, "Retirement Plans," for explanation of the decrease in the overfunded pension plans balance.

The reduction in non-current receivables was primarily due to an amendment of an intellectual property licensing agreement with an existing licensee executed during the third quarter of 2008. See Note 9, "Other Long-Term Liabilities."

The Other component above consists of other miscellaneous long-term assets that, individually, were less than 5% of the Company's total assets, and therefore, have been aggregated in accordance with Regulation S-X.

NOTE 7: ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

(in millions)	As of December 31, 2008	2007
Accounts payable, trade	$ 1,288	$ 1,233
Accrued employment-related liabilities	520	727
Accrued advertising and promotional expenses	416	541
Deferred revenue	217	414
Accrued restructuring liabilities	129	164
Other	697	715
Total	$ 3,267	$ 3,794

The Other component above consists of other miscellaneous current liabilities that, individually, were less than 5% of the Total current liabilities component within the Consolidated Statement of Financial Position, and therefore, have been aggregated in accordance with Regulation S-X.

NOTE 8: SHORT-TERM BORROWINGS AND LONG-TERM DEBT

SHORT-TERM BORROWINGS AND CURRENT PORTION OF LONG-TERM DEBT

The Company's short-term borrowings and current portion of long-term debt were as follows:

(in millions)	As of December 31, 2008	2007
Current portion of long-term debt	$ 50	$ 300
Short-term bank borrowings	1	8
Total	$ 51	$ 308

The weighted-average interest rates for Short-term bank borrowings outstanding at December 31, 2008 and 2007 were 5.60% and 7.50%, respectively.

As of December 31, 2008, the Company and its subsidiaries, on a consolidated basis, maintained $1,049 million in committed bank lines of credit and $446 million in uncommitted bank lines of credit to ensure continued access to short-term borrowing capacity, as described further below.

LONG-TERM DEBT, INCLUDING LINES OF CREDIT

Long-term debt and related maturities and interest rates were as follows:

(in millions)			As of December 31,			
			2008		2007	
Country	Type	Maturity	Weighted-Average Interest Rate	Amount Outstanding	Weighted-Average Interest Rate	Amount Outstanding
U.S.	Medium-term	2008	-	$ -	3.63%	$ 250
U.S.	Term note	2006-2013	6.16%	43	6.16%	50
Germany	Term note	2006-2013	6.16%	171	6.16%	201
U.S.	Term note	2013	7.25%	500	7.25%	500
U.S.	Term note	2018	9.95%	3	9.95%	3
U.S.	Term note	2021	9.20%	10	9.20%	10
U.S.	Convertible	2033	3.38%	575	3.38%	575
				1,302		1,589
Current portion of long-term debt				(50)		(300)
Long-term debt, net of current portion				$ 1,252		$ 1,289

Annual maturities (in millions) of long-term debt outstanding at December 31, 2008 were as follows:

2009	$ 50
2010 (1)	620
2011	43
2012	40
2013	536
2014 and thereafter	13
Total	$ 1,302

(1) The outstanding debt of $620 million maturing in 2010 noted in the table above includes $575 million aggregate principal amount of Convertible Senior Notes due 2033 (the "Convertible Securities"). While the Convertible Securities are due in 2033, on October 15, 2010 the security holders will have the right to require the Company to purchase their Convertible Securities for cash at a price equal to 100% of the principal amount of the Convertible Securities, plus any accrued and unpaid interest. Because the Company believes it is probable that all, or nearly all, of the Convertible Securities will be redeemed by the security holders at that time, the full amount of the outstanding Convertible Securities is presented as maturing in 2010 in the table above.

Secured Credit Facilities

On October 18, 2005 the Company closed on $2.7 billion of Senior Secured Credit Facilities ("Secured Credit Facilities") under a Secured Credit Agreement ("Secured Credit Agreement") and associated Security Agreement and Canadian Security Agreement. The Secured Credit Facilities consisted of a $1.0 billion 5-Year Committed Revolving Credit Facility ("5-Year Revolving Credit Facility") expiring October 18, 2010 and $1.7 billion of Term Loan Facilities ("Term Facilities") expiring October 18, 2012. Due to the full repayment of the outstanding borrowings in 2007, the Term Facilities are no longer available for new borrowings.

The 5-Year Revolving Credit Facility can be used by Eastman Kodak Company (“U.S. Borrower”) for general corporate purposes including the issuance of letters of credit. Amounts available under the facility can be borrowed, repaid and re-borrowed throughout the term of the facility provided the Company remains in compliance with covenants contained in the Secured Credit Agreement.

Pursuant to the Secured Credit Agreement and associated Security Agreement, each subsidiary organized in the U.S. jointly and severally guarantees the obligations under the Secured Credit Agreement and all other obligations of the Company and its subsidiaries to the Lenders. The guaranty is supported by the pledge of certain U.S. assets of the U.S. Borrower and the Company’s U.S. subsidiaries including, but not limited to, receivables, inventory, equipment, deposit accounts, investments, intellectual property, including patents, trademarks and copyrights, and the capital stock of "Material Subsidiaries." Excluded from pledged assets are real property, “Principal Properties” and equity interests in “Restricted Subsidiaries,” as defined in the Company’s 1988 Indenture.

"Material Subsidiaries" are defined as those subsidiaries with revenues or assets constituting 5 percent or more of the consolidated revenues or assets of the corresponding borrower. Material Subsidiaries will be determined on an annual basis under the Secured Credit Agreement.

Pursuant to the Secured Credit Agreement and associated Canadian Security Agreement, Eastman Kodak Company and Kodak Graphic Communications Company (“KGCC”, formerly Creo Americas, Inc.), jointly and severally guarantee the obligations of the Canadian Borrower, to the Lenders. Subsequently, KGCC has been merged into Eastman Kodak Company. Certain assets of the Canadian Borrower in Canada were also pledged, including, but not limited to, receivables, inventory, equipment, deposit accounts, investments, intellectual property, including patents, trademarks and copyrights, and the capital stock of the Canadian Borrower's Material Subsidiaries.

In addition, subject to various conditions and exceptions in the Secured Credit Agreement, in the event the Company sells assets for net proceeds totaling $75 million or more in any year, except for proceeds used within 12 months for reinvestments in the business of up to $300 million, proceeds from sales of assets used in the Company's non-digital products and services businesses to prepay or repay debt or pay cash restructuring charges within 12 months from the date of sale of the assets, or proceeds from the sale of inventory in the ordinary course of business, the amount in excess of $75 million must be applied to prepay loans under the Secured Credit Agreement.

The Company pays a commitment fee at an annual rate of 50.0 basis points on the undrawn balance of the 5-Year Revolving Credit Facility at the Company’s current Secured credit rating of Ba3 and BB- from Moody's Investor Services, Inc. (“Moody's”) and Standard & Poor's Rating Services (“S&P”), respectively. This fee amounts to $4 million annually, and is reported as Interest expense in the Consolidated Statement of Operations.

Interest rates for borrowings under the Secured Credit Agreement are dependent on the Company’s Long Term Secured Credit Rating. The Company’s Secured Credit Agreement contains various affirmative and negative covenants customary in a facility of this type, including two quarterly financial covenants: (1) a consolidated debt for borrowed money to a rolling four-quarter sum of consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (subject to adjustments to exclude any extraordinary income or losses, as defined by the Secured Credit Agreement, interest income and certain non-cash items of income and expense) ratio of not greater than: 3.5 to 1 as of December 31, 2006 and thereafter, and (2) a consolidated EBITDA to consolidated interest expense (subject to adjustments to exclude interest expense not related to borrowed money) ratio, on a rolling four-quarter basis, of no less than 3.0 to 1. As of December 31, 2008, the Company maintained a substantial cash balance and was in full compliance with all covenants, including the two financial covenants, associated with its Secured Credit Agreement. The Company maintains this credit arrangement in order to provide additional financial flexibility. As of December 31, 2008, there was no debt outstanding and $131 million of letters of credit issued, which are not considered debt for borrowed money under the agreement, but do reduce the Company’s borrowing capacity under the Secured Credit Agreement by this amount.

Based on the Company’s current financial forecasts, it is reasonably likely that the Company could breach its financial covenants in the first quarter of 2009 unless an appropriate amendment or waiver is obtained. The Company is currently negotiating with its lenders to ensure it has continued access to a Secured Credit Agreement, with the goal to have an amended credit facility in place by the end of the first quarter.

In the event that the Company is unable to successfully re-negotiate the terms of the Secured Credit Agreement, and the Company breaches the financial covenants, the Company may be required to cash collateralize approximately $131 million of outstanding letters of credit. A breach of the financial covenants would not accelerate the maturity of any of the Company's existing outstanding debt. However, should the Company lose access to its revolving credit facility under the Secured Credit Agreement, it would lose the additional financial flexibility provided by the facility. Based on its current financial position and expected economic performance, the Company does not believe that its liquidity will be materially affected by an inability to access external sources of financing. However, the Company's goal is to complete its negotiation and amendment prior to covenant compliance testing for the first quarter of 2009.

In addition to the 5-Year Revolving Credit Facility, the Company has other committed and uncommitted lines of credit as of December 31, 2008 totaling $49 million and $446 million, respectively. These lines primarily support borrowing needs of the Company's subsidiaries, which include term loans, overdraft coverage, letters of credit, guarantee lines, and revolving credit lines. Interest rates and other terms of borrowing under these lines of credit vary from country to country, depending on local market conditions. Total outstanding borrowings against these other committed and uncommitted lines of credit at December 31, 2008 were $4 million and $0, respectively. These outstanding borrowings are reflected in Short-term borrowings and current portion of long-term debt in the accompanying Consolidated Statement of Financial Position at December 31, 2008.

At December 31, 2008, the Company had outstanding letters of credit totaling $133 million and surety bonds in the amount of $62 million primarily to ensure the payment of possible casualty and workers' compensation claims, environmental liabilities, and to support various customs and trade activities.

Debt Shelf Registration and Convertible Securities

On September 5, 2003, the Company filed a shelf registration statement on Form S-3 (the primary debt shelf registration) for the issuance of up to $2.65 billion of new debt securities, including $650 million of remaining unsold debt securities under a prior shelf registration statement, pursuant to Rule 429 under the Securities Act of 1933. On October 10, 2003, the Company completed the offering and sale of $500 million aggregate principal amount of Senior Notes due 2013 (the "Notes"), which was made pursuant to the Company's debt shelf registration. The remaining unused balance under the Company's debt shelf was subsequently $2.15 billion. This existing shelf registration expired in December 2008. The Company is currently evaluating the need to renew the shelf registration.

Concurrent with the sale of the Notes, on October 10, 2003, the Company completed the private placement of $575 million aggregate principal amount of Convertible Senior Notes due 2033 (the "Convertible Securities") to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. Interest on the Convertible Securities accrues at the rate of 3.375% per annum and is payable semiannually. The Convertible Securities are unsecured and rank equally with all of the Company's other unsecured and unsubordinated indebtedness. As a condition of the private placement, on January 6, 2004 the Company filed a shelf registration statement under the Securities Act of 1933 relating to the resale of the Convertible Securities and the common stock to be issued upon conversion of the Convertible Securities pursuant to a registration rights agreement, and made this shelf registration statement effective on February 6, 2004.

The Convertible Securities contain a number of conversion features that include substantive contingencies. The Convertible Securities are convertible by the holders at an initial conversion rate of 32.2373 shares of the Company's common stock for each $1,000 principal amount of the Convertible Securities, which is equal to an initial conversion price of $31.02 per share. The initial conversion rate of 32.2373 is subject to adjustment for: (1) stock dividends, (2) subdivisions or combinations of the Company's common stock, (3) issuance to all holders of the Company's common stock of certain rights or warrants to purchase shares of the Company's common stock at less than the market price, (4) distributions to all holders of the Company's common stock of shares of the Company's capital stock or the Company's assets or evidences of indebtedness, (5) cash dividends in excess of the Company's current cash dividends, or (6) certain payments made by the Company in connection with tender offers and exchange offers.

The holders may convert their Convertible Securities, in whole or in part, into shares of the Company's common stock under any of the following circumstances: (1) during any calendar quarter, if the price of the Company's common stock is greater than or equal to 120%

of the applicable conversion price for at least 20 trading days during a 30 consecutive trading day period ending on the last trading day of the previous calendar quarter; (2) during any five consecutive trading day period following any 10 consecutive trading day period in which the trading price of the Convertible Securities for each day of such period is less than 105% of the conversion value, and the conversion value for each day of such period was less than 95% of the principal amount of the Convertible Securities (the "Parity Clause"); (3) if the Company has called the Convertible Securities for redemption; (4) upon the occurrence of specified corporate transactions such as a consolidation, merger or binding share exchange pursuant to which the Company's common stock would be converted into cash, property or securities; and (5) if the Senior Unsecured credit rating assigned to the Convertible Securities by either Moody's or S&P is lower than Ba2 or BB, respectively, or if the Convertible Securities are no longer rated by at least one of these services or their successors (the "Credit Rating Clause"). At the Company's current credit rating, the Convertible Securities may be converted by their holders.

The Company may redeem some or all of the Convertible Securities at any time on or after October 15, 2010 at a purchase price equal to 100% of the principal amount of the Convertible Securities plus any accrued and unpaid interest. Upon a call for redemption by the Company, a conversion trigger is met whereby the holder of each $1,000 Convertible Senior Note may convert such note to shares of the Company's common stock.

The holders have the right to require the Company to purchase their Convertible Securities for cash at a purchase price equal to 100% of the principal amount of the Convertible Securities plus any accrued and unpaid interest on October 15, 2010, October 15, 2013, October 15, 2018, October 15, 2023 and October 15, 2028, or upon a fundamental change as described in the offering memorandum filed under Rule 144A in conjunction with the private placement of the Convertible Securities. As noted above, the Company believes it is probable that all, or nearly all, of the Convertible Securities will be redeemed by the security holders on October 15, 2010. As a result, the full amount of the outstanding Convertible Securities is presented as maturing in 2010 in the debt maturity table above. As of December 31, 2008, the Company has sufficient treasury stock to cover potential future conversions of these Convertible Securities into 18,536,447 shares of common stock.

NOTE 9: OTHER LONG-TERM LIABILITIES

(in millions)	As of December 31, 2008	2007
Deferred royalty revenue from licensees	$ 65	$ 350
Non-current tax-related liabilities	474	445
Environmental liabilities	115	125
Deferred compensation	68	102
Asset retirement obligations	67	64
Other	333	365
Total	$ 1,122	$ 1,451

The reduction in Deferred royalty revenue from licensees was primarily due to an amendment of an intellectual property licensing agreement with an existing licensee. Revenue related to this arrangement was previously being recognized over the term of the original agreement. The amendment relieved the Company of its continuing obligations that were to be performed over the term of the previous agreement. This amendment also resulted in the recognition of previously deferred royalty revenue offset by the elimination of a long-term note receivable of approximately the same amount. See Note 6, "Other Long-Term Assets." The terms of the amendment resulted in immediate recognition of royalty revenue in addition to previously recognized revenue under the original agreement. Revenue for the year ended December 31, 2008 related to the amended agreement was $112 million net of fees and revenue deferred under the amended agreement, the proceeds for which will be received in 2009.

The Other component above consists of other miscellaneous long-term liabilities that, individually, were less than 5% of the total liabilities component in the accompanying Consolidated Statement of Financial Position, and therefore, have been aggregated in accordance with Regulation S-X.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Environmental

Cash expenditures for pollution prevention and waste treatment for the Company's current facilities were as follows:

(in millions)	For the Year Ended December 31, 2008	2007	2006
Recurring costs for pollution prevention and waste treatment	$ 35	$ 49	$ 63
Capital expenditures for pollution prevention and waste treatment	2	4	3
Site remediation costs	3	4	2
Total	$ 40	$ 57	$ 68

Environmental expenditures that relate to an existing condition caused by past operations and that do not provide future benefits are expensed as incurred. Costs that are capital in nature and that provide future benefits are capitalized. Liabilities are recorded when environmental assessments are made or the requirement for remedial efforts is probable, and the costs can be reasonably estimated. The timing of accruing for these remediation liabilities is generally no later than the completion of feasibility studies. The Company has an ongoing monitoring and identification process to assess how the activities, with respect to the known exposures, are progressing against the accrued cost estimates, as well as to identify other potential remediation sites that are presently unknown.

At December 31, 2008 and 2007, the Company's undiscounted accrued liabilities for environmental remediation costs amounted to $115 million and $125 million, respectively. These amounts were reported in Other long-term liabilities in the accompanying Consolidated Statement of Financial Position.

The Company is currently implementing a Corrective Action Program required by the Resource Conservation and Recovery Act ("RCRA") at Eastman Business Park (formerly known as Kodak Park) in Rochester, NY. The Company is currently in the process of completing, and in many cases has completed, RCRA Facility Investigations ("RFI"), Corrective Measures Studies (CMS) and Corrective Measures Implementation ("CMI") for areas at the site. At December 31, 2008, estimated future investigation and remediation costs of $63 million were accrued for this site, the majority of which relates to long-term operation, maintenance of remediation systems and monitoring costs.

In addition, the Company has accrued for obligations with estimated future investigation, remediation and monitoring costs of $12 million relating to other operating sites, $21 million at sites associated with former operations, and $19 million of retained obligations for environmental remediation and Superfund matters related to certain sites associated with the non-imaging health businesses sold in 1994.

Cash expenditures for the aforementioned investigation, remediation and monitoring activities are expected to be incurred over the next twenty-seven years for many of the sites. For these known environmental liabilities, the accrual reflects the Company's best estimate of the amount it will incur under the agreed-upon or proposed work plans. The Company's cost estimates were determined using the ASTM Standard E 2137-06, "Standard Guide for Estimating Monetary Costs and Liabilities for Environmental Matters," and have not been reduced by possible recoveries from third parties. The overall method includes the use of a probabilistic model which forecasts a range of cost estimates for the remediation required at individual sites. The projects are closely monitored and the models are reviewed as significant events occur or at least once per year. The Company's estimate includes investigations, equipment and operating costs for remediation and long-term monitoring of the sites. The Company does not believe it is reasonably possible that the losses for the known exposures could exceed the current accruals by material amounts.

A Consent Decree was signed in 1994 in settlement of a civil complaint brought by the U.S. Environmental Protection Agency ("EPA") and the U.S. Department of Justice. In connection with the Consent Decree, the Company is subject to a Compliance Schedule, under which the Company has improved its waste characterization procedures, upgraded one of its incinerators, and has upgraded its industrial sewer system. The Company submitted a certification stating that it has completed the requirements of the Consent Decree, and expects to receive an acknowledgement of completion from the EPA in the first quarter of 2009. No further capital expenditures are expected under this program, but Kodak is required to continue the sewer inspection program until the Decree is closed by the Court. Costs associated with the sewer inspection program are not material.

The Company is presently 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 eight Superfund sites. With respect to each of these sites, the Company's liability is minimal. In addition, the Company has been identified as a PRP in connection with the non-imaging health businesses in two active Superfund sites. Numerous other PRPs have also been designated at these sites. Although the law imposes joint and several liability on PRPs, the Company's historical experience demonstrates that these 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 also not expected to be material to the Company's financial position, results of operations or cash flows.

Uncertainties associated with environmental remediation contingencies are pervasive and often result in wide ranges of outcomes. Estimates developed in the early stages of remediation can vary significantly. A finite estimate of costs does not normally become fixed and determinable at a specific time. Rather, the costs associated with environmental remediation become estimable over a continuum of events and activities that help to frame and define a liability, and the Company continually updates its cost estimates. The Company has an ongoing monitoring and identification process to assess how the activities, with respect to the known exposures, are progressing against the accrued cost estimates, as well as to identify other potential remediation issues.

Estimates of the amount and timing of future costs of environmental remediation requirements are by their nature imprecise because of the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the identification of presently unknown remediation sites and the allocation of costs among the potentially responsible parties. Based upon information presently available, such future costs are not expected to have a material effect on the Company's competitive or financial position. However, such costs could be material to results of operations in a particular future quarter or year.

Asset Retirement Obligations

As of December 31, 2008 and 2007, the Company has recorded approximately $67 million and $64 million, respectively, of asset retirement obligations within Other long-term liabilities in the accompanying Consolidated Statement of Financial Position. The Company's asset retirement obligations primarily relate to asbestos contained in buildings that the Company owns. In many of the countries in which the Company operates, environmental regulations exist that require the Company to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. Otherwise, the Company is not required to remove the asbestos from its buildings. The Company records a liability equal to the estimated fair value of its obligation to perform asset retirement activities related to the asbestos, computed using an expected present value technique, when sufficient information exists to calculate the fair value. The Company does not have a liability recorded related to every building that contains asbestos because the Company cannot estimate the fair value of its obligation for certain buildings due to a lack of sufficient information about the range of time over which the obligation may be settled through demolition, renovation or sale of the building.

The following table provides asset retirement obligation activity:

	For the Year Ended December 31,		
(in millions)	2008	2007	2006
Asset retirement obligations as of January 1	$ 64	$ 92	$ 73
Liabilities incurred in the current period	9	24	34
Liabilities settled in the current period	(9)	(55)	(30)
Accretion expense	3	3	16
Other	-	-	(1)
Asset retirement obligations as of December 31	$ 67	$ 64	$ 92

Other Commitments and Contingencies
The Company has entered into noncancelable agreements with several companies, which provide Kodak with products and services to be used in its normal operations. These agreements are related to supplies, production and administrative services, as well as marketing and advertising. The terms of these agreements cover the next one to thirteen years. The minimum payments for obligations under these agreements are approximately $479 million in 2009, $207 million in 2010, $122 million in 2011, $49 million in 2012, $33 million in 2013 and $31 million in 2014 and thereafter.

Rental expense, net of minor sublease income, amounted to $117 million in 2008, $130 million in 2007 and $160 million in 2006. The approximate amounts of noncancelable lease commitments with terms of more than one year, principally for the rental of real property, reduced by minor sublease income, are $96 million in 2009, $81 million in 2010, $65 million in 2011, $49 million in 2012, $28 million in 2013 and $68 million in 2014 and thereafter.

In December 2003, the Company sold a property in France for approximately $65 million, net of direct selling costs, and then leased back a portion of this property for a nine-year term. In accordance with SFAS No. 98, "Accounting for Leases," the entire gain on the property sale of approximately $57 million was deferred and no gain was recognizable upon the closing of the sale as the Company's continuing involvement in the property is deemed to be significant. As a result, the Company is accounting for the transaction as a financing. Future minimum lease payments under this noncancelable lease commitment are approximately $5 million per year for 2009 through 2012.

The Company's Brazilian operations are involved in governmental assessments in various stages of litigation related to indirect and other taxes. The Company is disputing these tax matters and intends to vigorously defend the Company's position. Based on the opinion of legal counsel, management does not believe that the ultimate resolution of these matters will materially impact the Company's results of operations, financial position or cash flows. The Company routinely assesses all these matters as to the probability of ultimately incurring a liability in its Brazilian operations and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable.

The Company recorded in the fourth quarter of 2008 a contingency accrual of approximately $20 million related to employment litigation matters. The Company and its subsidiaries are involved in various lawsuits, claims, investigations and proceedings, including commercial, customs, employment, environmental, and health and safety matters, which are being handled and defended in the ordinary course of business. In addition, the Company is subject to various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that are incorporated in a broad spectrum of the Company's products. These matters are in various stages of investigation and litigation and are being vigorously defended. Although the Company does not expect that the outcome in any of these matters, individually or collectively, will have a material adverse effect on its financial condition or results of operations, litigation is inherently unpredictable. Therefore, judgments could be rendered or settlements entered that could adversely affect the Company's operating results or cash flow in a particular period.

NOTE 11: GUARANTEES

The Company guarantees debt and other obligations of certain customers. The debt and other obligations are primarily due to banks and leasing companies in connection with financing of customers' purchases of product and equipment from the Company. At December 31, 2008, the maximum potential amount of future payments (undiscounted) that the Company could be required to make under these customer-related guarantees was $75 million. At December 31, 2008, the carrying amount of any liability related to these customer guarantees was not material.

The customer financing agreements and related guarantees, which mature between 2009 and 2013, typically have a term of 90 days for product and short-term equipment financing arrangements, and up to five years for long-term equipment financing arrangements. These guarantees would require payment from the Company only in the event of default on payment by the respective debtor. In some cases, particularly for guarantees related to equipment financing, the Company has collateral or recourse provisions to recover and sell the equipment to reduce any losses that might be incurred in connection with the guarantees. However, any proceeds received from the liquidation of these assets are not expected to be material and would not cover the maximum potential amount of future payments under these guarantees.

Eastman Kodak Company ("EKC") also guarantees amounts owed to banks and other third parties for some of its consolidated subsidiaries. The maximum amount guaranteed is $509 million, and the outstanding debt under those guarantees, which is recorded within the short-term borrowings and current portion of long-term debt, and long-term debt, net of current portion components in the accompanying Consolidated Statement of Financial Position, is $189 million. These guarantees expire in 2009 through 2013. Pursuant to the terms of the Company's $2.7 billion Senior Secured Credit Agreement dated October 18, 2005, obligations under the $2.7 billion Secured Credit Facilities (the "Credit Facilities") and other obligations of the Company and its subsidiaries to the Credit Facilities' lenders are guaranteed.

During the fourth quarter of 2007, EKC issued a guarantee to Kodak Limited (the "Subsidiary") and the Trustees (the "Trustees") of the Kodak Pension Plan of the United Kingdom (the "Plan"). Under this arrangement, EKC guarantees to the Subsidiary and the Trustees the ability of the Subsidiary, only to the extent it becomes necessary to do so, to (1) make contributions to the Plan to ensure sufficient assets exist to make plan benefit payments, and (2) make contributions to the Plan such that it will achieve full funded status by the funding valuation for the period ending December 31, 2015. The guarantee expires upon the conclusion of the funding valuation for the period ending December 31, 2015 whereby the Plan achieves full funded status or earlier, in the event that the Plan achieves full funded status for two consecutive funding valuation cycles which are typically performed at least every three years. The limit of potential future payments is dependent on the funding status of the Plan as it fluctuates over the term of the guarantee. Currently, the Plan's local funding valuation is in process and expected to be completed in March 2009. In conjunction with that funding valuation process, EKC and the Subsidiary are in discussions with the Trustees regarding the amount of future annual contributions and the date by which the Plan will achieve full funded status. These negotiations may require changes to the existing guarantee described above. The funding status of the Plan is included in Pension and other postretirement liabilities presented in the Consolidated Statement of Financial Position.

Indemnifications
The Company issues indemnifications in certain instances when it sells businesses and real estate, and in the ordinary course of business with its customers, suppliers, service providers and business partners. Further, the Company indemnifies its directors and officers who are, or were, serving at the Company's request in such capacities. Historically, costs incurred to settle claims related to these indemnifications have not been material to the Company's financial position, results of operations or cash flows. Additionally, the fair value of the indemnifications that the Company issued during the year ended December 31, 2008 was not material to the Company's financial position, results of operations or cash flows.

Warranty Costs
The Company has warranty obligations in connection with the sale of its products and equipment. The original warranty period is generally one year or less. The costs incurred to provide for these warranty obligations are estimated and recorded as an accrued liability at the time of sale. The Company estimates its warranty cost at the point of sale for a given product based on historical failure rates and related costs to repair. The change in the Company's accrued warranty obligations balance, which is reflected in Accounts payable and other current liabilities in the accompanying Consolidated Statement of Financial Position, was as follows:

(in millions)

Accrued warranty obligations as of December 31, 2006	$	39
Actual warranty experience during 2007		(46)
2007 warranty provisions		51
Accrued warranty obligations as of December 31, 2007	$	44
Actual warranty experience during 2008		(43)
2008 warranty provisions		64
Accrued warranty obligations as of December 31, 2008	$	65

The Company also offers its customers extended warranty arrangements that are generally one year, but may range from three months to three years after the original warranty period. The Company provides repair services and routine maintenance under these arrangements. The Company has not separated the extended warranty revenues and costs from the routine maintenance service revenues and costs, as it is not practicable to do so. Therefore, these revenues and costs have been aggregated in the presentation below. The change in the Company's deferred revenue balance in relation to these extended warranty and routine maintenance arrangements, which is reflected in Accounts payable and other current liabilities in the accompanying Consolidated Statement of Financial Position, was as follows:

(in millions)

Deferred revenue as of December 31, 2006	$	143
New extended warranty and maintenance arrangements in 2007		396
Recognition of extended warranty and maintenance arrangement revenue in 2007		(391)
Deferred revenue as of December 31, 2007	$	148
New extended warranty and maintenance arrangements in 2008		387
Recognition of extended warranty and maintenance arrangement revenue in 2008		(382)
Deferred revenue as of December 31, 2008	$	153

Costs incurred under these extended warranty and maintenance arrangements for the years ended December 31, 2008 and 2007 amounted to $175 million and $180 million, respectively.

NOTE 12: FINANCIAL INSTRUMENTS

The following table presents the carrying amounts of the assets (liabilities) and the estimated fair values of financial instruments:

(in millions)	As of December 31,			
	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Marketable securities:				
Available-for-sale (1)	$ 7	$ 7	$ 7	$ 7
Held-to-maturity (2)	12	12	30	30
Long-term borrowings, net of current portion (2)	(1,252)	(926)	(1,289)	(1,285)
Foreign currency forward contracts with unrealized gains (1)	18	18	10	10
Foreign currency forward contracts with unrealized losses (1)	(83)	(83)	(32)	(32)
Silver forward contracts with unrealized gains (1)	1	1	3	3
Silver forward contracts with unrealized losses (1)	(4)	(4)	-	-

(1) Recorded at fair value.
(2) Recorded at historical cost.

The fair values of marketable securities are determined using quoted prices in active markets for identical assets (Level 1 fair value measurements). Fair values for the Company's forward contracts are determined using significant other observable inputs (Level 2 fair value measurements), and are based on the present value of expected future cash flows considering the risks involved and using discount rates appropriate for the duration of the contracts. The fair values of long-term borrowings are determined by reference to quoted market prices, if available, or by pricing models based on the value of related cash flows discounted at current market interest rates. The carrying values of cash and cash equivalents, trade receivables, short-term borrowings and payables approximate their fair values.

Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved are included in Other income (charges), net in the accompanying Consolidated Statement of Operations. The effects of foreign currency transactions, including related hedging activities, were net gains of $7 million and $2 million and a net loss of $1 million in the years 2008, 2007, and 2006, respectively.

Long-term debt is generally used to finance long-term investments, while short-term debt is used to meet working capital requirements. The Company does not utilize financial instruments for trading or other speculative purposes.

Derivative financial instruments
The Company, as a result of its global operating and financing activities, is exposed to changes in foreign currency exchange rates, commodity prices and interest rates, which may adversely affect its results of operations and financial position. The Company manages such exposures, in part, with derivative financial instruments. The fair values of these derivative contracts are reported in Other current assets, Accounts payable and other current liabilities, or Other long-term liabilities in the accompanying Consolidated Statement of Financial Position.

Foreign currency forward contracts are used to hedge existing foreign currency denominated assets and liabilities, especially those of the Company's International Treasury Center. Silver forward contracts are used to mitigate the Company's risk to fluctuating silver prices. The Company's exposure to changes in interest rates results from its investing and borrowing activities used to meet its liquidity needs.

The Company's financial instrument counterparties are high-quality investment or commercial banks with significant experience with such instruments. The Company manages exposure to counterparty credit risk by requiring specific minimum credit standards and diversification of counterparties. The Company has procedures to monitor the credit exposure amounts. The maximum credit exposure at December 31, 2008 was not significant to the Company.

Foreign currency forward contracts
The Company does not apply hedge accounting to the foreign currency forward contracts used to offset currency-related changes in the fair value of foreign currency denominated assets and liabilities. These contracts are marked to market through net (loss) earnings at the same time that the exposed assets and liabilities are remeasured through net (loss) earnings (both in Other income (charges), net). The majority of the contracts of this type held by the Company are denominated in euros.

Silver forward contracts
The Company has entered into silver forward contracts that are designated as cash flow hedges of price risk related to forecasted worldwide silver purchases. The fair values of silver forward contracts are reported in Other current assets and/or Accounts payable and current liabilities, and the effective portion of the gain or loss on the derivative is recorded in Accumulated other comprehensive income (loss). Hedge gains and losses are reclassified into Cost of goods sold as the related silver-containing products are sold to third parties. These gains (losses) transferred to Cost of goods sold are generally offset by increased (decreased) costs of silver purchased in the open market. As of December 31, 2008, the fair value of open silver forward contracts was an unrealized net loss of $3 million, which is included in Accumulated other comprehensive income (loss). If this amount were to be realized, all of it would be reclassified into Cost of goods sold during the next twelve months. Additionally, realized losses of $3 million (pre-tax), related to closed silver contracts, have been deferred in Accumulated other comprehensive income (loss). These gains will be reclassified into Cost of goods sold as the related silver-containing products are sold, all within the next twelve months. During 2008, realized gains of $8 million (pre-tax) were reclassified from Accumulated other comprehensive income (loss) to Cost of goods sold. Hedge ineffectiveness was insignificant.

NOTE 13: OTHER OPERATING EXPENSES (INCOME), NET

(in millions)	For the Year Ended December 31, 2008	2007	2006
Expenses (income):			
Goodwill impairment (1)	$ 785	$ -	$ -
Long-lived asset impairments (1)	4	56	11
Gains related to the sales of assets and businesses	(25)	(158)	(70)
Other	2	6	-
Total	$ 766	$ (96)	$ (59)

(1) Refer to Note 5, "Goodwill and Other Intangible Assets."

NOTE 14: OTHER INCOME (CHARGES), NET

(in millions)	For the Year Ended December 31, 2008	2007	2006
Income (charges):			
Interest income	$ 71	$ 95	$ 59
Gain (loss) on foreign exchange transactions	7	2	(1)
Support for an educational institution	(10)	-	-
Loss on early extinguishment of debt	-	-	(9)
MUTEC equity method investment impairment	(4)	(5)	-
Other	(9)	(5)	16
Total	$ 55	$ 87	$ 65

NOTE 15: INCOME TAXES

The components of loss from continuing operations before income taxes and the related (benefit) provision for U.S. and other income taxes were as follows:

(in millions)	For the Year Ended December 31, 2008	2007	2006
(Loss) earnings from continuing operations before income taxes:			
U.S.	$ (382)	$ (354)	$ (559)
Outside the U.S.	(492)	98	(24)
Total	$ (874)	$ (256)	$ (583)
U.S. income taxes:			
Current (benefit) provision	$ (278)	$ (237)	$ 196
Deferred provision (benefit)	15	11	(145)
Income taxes outside the U.S.:			
Current provision	72	141	100
Deferred provision	38	49	38
State and other income taxes:			
Current provision (benefit)	7	(15)	45
Deferred benefit	(1)	-	(13)
Total (benefit) provision	$ (147)	$ (51)	$ 221

The differences between income taxes computed using the U.S. federal income tax rate and the (benefit) provision for income taxes for continuing operations were as follows:

(in millions)	For the Year Ended December 31, 2008	2007	2006
Amount computed using the statutory rate	$ (306)	$ (90)	$ (204)
Increase (reduction) in taxes resulting from:			
State and other income taxes, net of federal	4	(15)	32
Export sales and manufacturing credits	-	-	(10)
Foreign tax credits benefitted	-	(76)	-
Impact of goodwill impairment	229	-	-
Operations outside the U.S.	31	54	40
Valuation allowance	146	152	393
Tax settlements and adjustments, including interest	(248)	(65)	(10)
Other, net	(3)	(11)	(20)
(Benefit) provision for income taxes	$ (147)	$ (51)	$ 221

In June 2008, the Company received a tax refund from the U.S. Internal Revenue Service (“IRS”) of $581 million. The refund is related to the audit of certain claims filed for tax years 1993-1998, and is composed of a refund of past federal income taxes paid of $306 million and $275 million of interest earned on the refund. The federal tax refund claim related primarily to a 1994 loss recognized on the Company’s sale of stock of a subsidiary, Sterling Winthrop Inc., which was originally disallowed under IRS regulations in effect at that time. The IRS subsequently issued revised regulations that served as the basis for this refund.

The refund had a positive impact of $565 million on the Company's net earnings for the year ended December 31, 2008. Of the $565 million increase in net earnings, $295 million related to the 1994 sale of Sterling Winthrop Inc., which was reflected in earnings from discontinued operations, net of income taxes. The balance of $270 million, which represents interest, was reflected in loss from continuing operations and is included in the "Tax settlements and adjustments, including interest" line item above. The difference between the cash refund received of $581 million and the positive net earnings impact of $565 million represented incremental state tax expense incurred and the release of an existing income tax receivable related to the refund.

Deferred Tax Assets and Liabilities

The significant components of deferred tax assets and liabilities were as follows:

(in millions)	As of December 31, 2008	As of December 31, 2007
Deferred tax assets		
Pension and postretirement obligations	$ 534	$ 347
Restructuring programs	28	44
Foreign tax credit	270	209
Investment tax credits	168	211
Employee deferred compensation	84	147
Tax loss carryforwards	912	577
Other deferred revenue	35	218
Other	482	455
Total deferred tax assets	$ 2,513	$ 2,208
Deferred tax liabilities		
Depreciation	59	85
Leasing	58	66
Inventories	16	49
Other	136	112
Total deferred tax liabilities	269	312
Net deferred tax assets before valuation allowance	2,244	1,896
Valuation allowance	1,665	1,249
Net deferred tax assets	$ 579	$ 647

Deferred tax assets (liabilities) are reported in the following components within the Consolidated Statement of Financial Position:

(in millions)	As of December 31, 2008	As of December 31, 2007
Other current assets	$ 114	$ 120
Other long-term assets	506	636
Accrued income and other taxes	(4)	(87)
Other long-term liabilities	(37)	(22)
Net deferred tax assets	$ 579	$ 647

As of December 31, 2008, the Company had available domestic and foreign net operating loss carryforwards for income tax purposes of approximately $3,052 million, of which approximately $574 million have an indefinite carryforward period. The remaining $2,478 million expire between the years 2009 and 2028. Utilization of these net operating losses may be subject to limitations in the event of significant changes in stock ownership of the Company. As of December 31, 2008, the Company had unused foreign tax credits and investment tax credits of $270 million and $168 million, respectively, with various expiration dates through 2028.

The Company has been granted a tax holiday in a certain jurisdiction in China that became effective when the net operating loss carryforwards were fully utilized. For 2007, the Company's tax rate was 7.5%, which is 50% of the normal 15% tax rate for the jurisdiction in which Kodak operates. As a result of new legislation effective for 2008, the corporate income rate increased to 9%, which was 50% of the new 2008 tax rate of 18%. Thereafter, the Company's tax rate will be phased in until ultimately reaching a rate of 25% in 2012.

Retained earnings of subsidiary companies outside the U.S. were approximately $1,790 million and $1,675 million as of December 31, 2008 and 2007, respectively. Deferred taxes have not been provided on such undistributed earnings, as it is the Company's policy to indefinitely reinvest its retained earnings, and it is not practicable to determine the related deferred tax liability. However, the Company periodically repatriates a portion of these earnings to the extent that it can do so tax-free, or at minimal cost.

The Company's valuation allowance as of December 31, 2008 was $1,665 million. Of this amount, $378 million was attributable to the Company's net deferred tax assets outside the U.S. of $722 million, and $1,287 million related to the Company's net deferred tax assets in the U.S. of $1,522 million, which the Company believes it is not more likely than not that the assets will be realized. The net deferred tax assets in excess of the valuation allowance of $579 million relate primarily to net operating loss carryforwards and certain tax credits which the Company believes it is more likely than not that the assets will be realized.

For the year ended December 31, 2007, the Company recorded a tax benefit in continuing operations primarily as a result of the realization of current year losses due to the recognition of an offsetting tax expense on the pre-tax gain on discontinued operations.

The valuation allowance as of December 31, 2007 was $1,249 million. Of this amount, $323 million related to the Company's net deferred tax assets outside the U.S. of $731 million, and $926 million related to the Company's net deferred tax assets in the U.S. of $1,165 million, which the Company believes it is not more likely than not that the assets will be realized. The net deferred tax assets in excess of the valuation allowance of $647 million related primarily to net operating loss carryforwards and certain tax credits which the Company believed were more likely than not to be realized.

Accounting for Uncertainty in Income Taxes ("FIN 48")

The Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), on January 1, 2007. As a result of the implementation of FIN 48, there was no cumulative effect adjustment for unrecognized tax benefits, which would have been accounted for as an adjustment to the January 1, 2007 balance of retained earnings.

The following is a rollforward of the Company's liability for income taxes associated with unrecognized tax benefits:

(in millions)

Balance as of January 1, 2007	$	305
Tax positions related to 2007:		
Additions		59
Reductions		-
Tax positions related to years prior to 2007:		
Additions		45
Reductions		(101)
Settlements		(4)
Lapses in statutes of limitations		(1)
Balance as of December 31, 2007	$	303

Balance as of January 1, 2008	$	303
Tax positions related to 2008:		
Additions		54
Reductions		-
Tax positions related to years prior to 2008:		
Additions		16
Reductions		(74)
Settlements		(3)
Lapses in statutes of limitations		-
Balance as of December 31, 2008	$	296

The Company's policy regarding interest and/or penalties related to income tax matters is to recognize such items as a component of income tax (benefit) expense. During the years ended December 31, 2008 and 2007, the Company recognized interest and penalties of approximately $10 million and $10 million, respectively, in income tax (benefit) expense. Additionally, the Company had approximately $61 million and $51 million of interest and penalties associated with uncertain tax benefits accrued as of December 31, 2008 and 2007, respectively.

If the unrecognized tax benefits were recognized, they would favorably affect the effective income tax rate in any future periods. Consistent with the provisions of FIN 48, the Company has classified certain income tax liabilities as current or noncurrent based on management's estimate of when these liabilities will be settled. These noncurrent income tax liabilities are recorded in Other long-term liabilities in the Consolidated Statement of Financial Position. Current liabilities are recorded in Accrued income and other taxes in the Consolidated Statement of Financial Position.

It is reasonably possible that the liability associated with the Company's unrecognized tax benefits will increase or decrease within the next twelve months. These changes may be the result of ongoing audits or the expiration of statutes of limitations. Settlements could range from $0 to $50 million based on current estimates. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. Although management believes that adequate provision has been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on the earnings of the Company. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced, thus having a positive impact on earnings. It is anticipated that audit settlements will be reached during 2009 in certain foreign jurisdictions that could have a significant earnings impact. Due to the uncertainty of amounts and in accordance with its accounting policies, the Company has not recorded any potential impact of these settlements.

The Company files numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and in many state and foreign jurisdictions. The Company has substantially concluded all U.S. federal income tax matters for years through 2000. The Company's U.S. tax matters for the years 2001 through 2007 remain subject to examination by the IRS. Substantially all material state, local, and foreign income tax matters have been concluded for years through 2000. The Company's tax matters for the years 2001 through 2007 remain subject to examination by the respective state, local, and foreign tax jurisdiction authorities.

During 2008, the Company received a tax refund from the IRS of $581 million related to the audit of certain claims filed for tax years 1993-1998. The components of this refund and the impact of this refund on the Company's net (loss) earnings are discussed in more detail above.

During 2007, the Company reached a settlement with the IRS covering tax years 1999-2000. As a result, the Company recognized a tax benefit from continuing operations in the United States of $17 million, including interest. Also during 2007, the Company reached a settlement with the taxing authorities in two locations outside of the U.S. resulting in a tax benefit of $76 million. No other material settlements were reached during 2007.

NOTE 16: RESTRUCTURING AND RATIONALIZATION LIABILITIES

Restructuring and Ongoing Rationalization Reserve Activity

The activity in the accrued balances and the non-cash charges and credits incurred in relation to restructuring programs and ongoing rationalization activities during the three years ended December 31, 2008 were as follows:

(in millions)	Severance Reserve	Exit Costs Reserve	Long-lived Asset Impairments and Inventory Write-downs	Accelerated Depreciation	Total
Balance at December 31, 2005	$ 273	$ 36	$ -	$ -	$ 309
2006 charges - continuing operations	266	66	97	273	702
2006 charges - discontinued operations	52	3	3	12	70
2006 reversals - continuing operations	(3)	(1)	-	-	(4)
2006 cash payments/utilization	(418)	(70)	(100)	(285)	(873)
2006 other adj. & reclasses	58	1	-	-	59
Balance at December 31, 2006	228	35	-	-	263
2007 charges - continuing operations	145	129	282	107	663
2007 charges - discontinued operations	20	4	-	-	24
2007 reversals - continuing operations	(1)	-	-	-	(1)
2007 reversals - discontinued operations	-	(1)	-	-	(1)
2007 cash payments/utilization	(289)	(135)	(282)	(107)	(813)
2007 other adj. & reclasses	26	3	-	-	29
Balance at December 31, 2007	129	35	-	-	164
					-
2008 charges - continuing operations (1)	122	14	16	6	158
2008 reversals - continuing operations	(6)	(3)	-	-	(9)
2008 cash payments/utilization (2)	(111)	(22)	(16)	(6)	(155)
2008 other adjustments & reclasses (3)	(25)	(3)	-	-	(28)
Balance at December 31, 2008 (4)	$ 109	$ 21	$ -	$ -	$ 130

(1) Severance reserve includes charges of $139 million, offset by net curtailment gains related to these actions of $17 million.
(2) During the year ended December 31, 2008, the Company made cash payments of approximately $143 million related to restructuring and rationalization. Of this amount, $133 million was paid out of restructuring liabilities, while $10 million was paid out of Pension and other postretirement liabilities.
(3) Includes $23 million of severance related charges for pension plan curtailments, settlements, and special termination benefits, which are reflected in Pension and other postretirement liabilities and Other long-term assets in the Consolidated Statement of Financial Position. The remaining amounts are primarily related to foreign currency translation adjustment.
(4) The Company expects to utilize the majority of the December 31, 2008 accrual balance in 2009.

The actual charges for restructuring and ongoing rationalization initiatives are recorded in the period in which the Company commits to formalized restructuring or ongoing rationalization plans, or executes the specific actions contemplated by the plans and all criteria for liability recognition under the applicable accounting guidance have been met.

2008 Activity

The Company recognizes the need to continually rationalize its workforce and streamline its operations to remain competitive in the face of an ever-changing business and economic climate. For 2008, these initiatives were referred to as ongoing rationalization activities.

The Company recorded $149 million of charges, net of reversals, including $6 million of charges for accelerated depreciation and $3 million of charges for inventory write-downs, which were reported in Cost of goods sold in the accompanying Consolidated Statement of Operations for the year ended December 31, 2008. The remaining costs incurred, net of reversals, of $140 million were reported as Restructuring costs, rationalization and other in the accompanying Consolidated Statement of Operations for the year ended December 31, 2008. The severance and exit costs reserves require the outlay of cash, while long-lived asset impairments, accelerated depreciation and inventory write-downs represent non-cash items.

The severance costs related to the elimination of approximately 2,350 positions, including approximately 375 photofinishing, 1,050 manufacturing, 175 research and development, and 750 administrative positions. The geographic composition of the positions eliminated includes approximately 1,450 in the United States and Canada, and 900 throughout the rest of the world.

The charges, net of reversals, of $149 million recorded in 2008 included $36 million applicable to the FPEG segment, $42 million applicable to the CDG segment, $49 million applicable to the GCG segment, and $22 million that was applicable to manufacturing, research and development, and administrative functions, which are shared across all segments.

As a result of these initiatives, severance payments will be paid during periods through 2009 since, in many instances, the employees whose positions were eliminated can elect or are required to receive their payments over an extended period of time. In addition, certain exit costs, such as long-term lease payments, will be paid over periods throughout 2009 and beyond.

2009 Program

On December 17, 2008, the Company committed to a plan to implement a targeted cost reduction program (the 2009 Program) to more appropriately size the organization as a result of the current economic environment. The program involves rationalizing selling, administrative, research and development, supply chain and other business resources in certain areas and consolidating certain facilities.

In connection with the 2009 Program, the Company expects to incur total restructuring charges in the range of $250 million to $300 million, including $225 million to $265 million of cash related charges for termination benefits and other exit costs, and $25 million to $35 million of non-cash related accelerated depreciation and asset write-offs. The 2009 Program will require expenditures from corporate cash in the range of $125 million to $175 million, as most of the termination benefits for U.S. employees will be provided in the form of special retirement benefits (Special Termination Program (STP) benefits) payable from the Company’s over-funded U.S. pension plan. The majority of the actions contemplated by the 2009 Program will be completed in the first half of 2009, with all actions under the program expected to be completed by the end of 2009. The 2009 Program is expected to result in employment reductions in the range of 2,000 to 3,000 positions when complete. When combined with rationalization actions taken in late 2008, the Company expects to reduce its worldwide employment by between 3,500 and 4,500 positions during 2009, approximately 14% to 18% of its total workforce.

NOTE 17: RETIREMENT PLANS

Substantially all U.S. employees are covered by a noncontributory defined benefit plan, the Kodak Retirement Income Plan ("KRIP"), which is funded by Company contributions to an irrevocable trust fund. The funding policy for KRIP is to contribute amounts sufficient to meet minimum funding requirements as determined by employee benefit and tax laws plus any additional amounts the Company determines to be appropriate. Generally, benefits are based on a formula recognizing length of service and final average earnings. Assets in the trust fund are held for the sole benefit of participating employees and retirees. They are comprised of corporate equity and debt securities, U.S. government securities, partnership investments, interests in pooled funds, real estate, and various types of interest rate, foreign currency and equity market financial instruments.

In March 1999, the Company amended the KRIP to include a separate cash balance formula for all U.S. employees hired after February 1999. All U.S. employees hired prior to that date were granted the option to choose the traditional KRIP plan or the Cash Balance plan. Written elections were made by employees in 1999, and were effective January 1, 2000. The Cash Balance plan credits employees' accounts with an amount equal to 4% of their pay, plus interest based on the 30-year treasury bond rate. In addition, for employees participating in the Cash Balance plan and the Company's defined contribution plan, the Savings and Investment Plan ("SIP"), the Company matched dollar-for-dollar on the first 1% contributed to SIP and $.50 for each dollar on the next 4% contributed. Company contributions to SIP were $13 million, $14 million, and $15 million for 2008, 2007, and 2006, respectively. The Company suspended its matching contribution for 2009.

The Company also sponsors unfunded defined benefit plans for certain U.S. employees, primarily executives. The benefits of these plans are obtained by applying KRIP provisions to all compensation, including amounts being deferred, and without regard to the legislated qualified plan maximums, reduced by benefits under KRIP. Employees covered by the Cash Balance plan also receive an additional benefit equal to 3% of their annual pensionable earnings. The Company suspended this additional benefit for 2009.

Many subsidiaries and branches operating outside the U.S. have defined benefit retirement plans covering substantially all employees. Contributions by the Company for these plans are typically deposited under government or other fiduciary-type arrangements. Retirement benefits are generally based on contractual agreements that provide for benefit formulas using years of service and/or compensation prior to retirement. The actuarial assumptions used for these plans reflect the diverse economic environments within the various countries in which the Company operates.

The measurement date used to determine the pension obligation for all funded and unfunded U.S. and Non-U.S. defined benefit plans is December 31.

Information regarding the major funded and unfunded U.S. and Non-U.S. defined benefit plans follows:

(in millions)	2008		2007	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Change in Benefit Obligation				
Projected benefit obligation at January 1	$ 4,963	$ 4,236	$ 5,557	$ 4,067
Acquisitions/divestitures	3	-	-	4
Service cost	54	20	71	27
Interest cost	307	219	304	205
Participant contributions	-	6	-	10
Plan amendment	3	(7)	7	-
Benefit payments	(576)	(255)	(408)	(274)
Actuarial (gain) loss	(186)	(396)	47	51
Curtailments	(2)	(2)	(97)	(33)
Settlements	-	(7)	(579)	(51)
Special termination benefits	36	4	61	14
Currency adjustments	-	(801)	-	216
Projected benefit obligation at December 31	$ 4,602	$ 3,017	$ 4,963	$ 4,236
Change in Plan Assets				
Fair value of plan assets at January 1	$ 7,098	$ 3,641	$ 6,820	$ 3,419
Acquisitions/divestitures	-	-	-	2
Actual (loss) return on plan assets	(1,453)	(495)	1,227	260
Employer contributions	29	72	38	74
Participant contributions	-	6	-	10
Settlements	-	(7)	(579)	(57)
Benefit payments	(576)	(255)	(408)	(274)
Currency adjustments	-	(601)	-	207
Fair value of plan assets at December 31	$ 5,098	$ 2,361	$ 7,098	$ 3,641
Over (Under) Funded Status at December 31	$ 496	$ (656)	$ 2,135	$ (595)
Accumulated benefit obligation at December 31	$ 4,392	$ 2,936	$ 4,708	$ 4,097

The significant decline in funded status was primarily due to plan asset performance.

Amounts recognized in the Consolidated Statement of Financial Position for all major funded and unfunded U.S. and Non-U.S. defined benefit plans were as follows:

	As of December 31,			
(in millions)	2008		2007	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Other long-term assets	$ 717	$ 48	$ 2,353	$ 105
Accounts payable and other current liabilities	(22)	(1)	(22)	(1)
Pension and other postretirement liabilities	(199)	(703)	(196)	(699)
Net amount recognized	$ 496	$ (656)	$ 2,135	$ (595)

Information with respect to the major funded and unfunded U.S. and Non-U.S. defined benefit plans with an accumulated benefit obligation in excess of plan assets follows:

(in millions)	As of December 31, 2008 U.S.	2008 Non-U.S.	2007 U.S.	2007 Non-U.S.
Projected benefit obligation	$ 343	$ 2,692	$ 218	$ 3,319
Accumulated benefit obligation	331	2,623	211	3,203
Fair value of plan assets	122	1,990	-	2,624

Amounts recognized in Accumulated other comprehensive income (loss) for all major funded and unfunded U.S. and Non-U.S. defined benefit plans consisted of:

(in millions)	As of December 31, 2008 U.S.	2008 Non-U.S.	2007 U.S.	2007 Non-U.S.
Net transition obligation	$ -	$ 1	$ -	$ 1
Prior service cost (credit)	10	(4)	7	3
Net actuarial (gain) loss	839	922	(977)	871
Total	$ 849	$ 919	$ (970)	$ 875

Changes in plan assets and benefit obligations recognized in other comprehensive income (loss) during 2008 for all major funded and unfunded U.S. and Non-U.S. defined benefit plans follows:

(in millions)	U.S.	Non-U.S.
Newly established loss	$ 1,810	$ 360
Newly established prior service cost (credit)	3	(7)
Amortization of:		
Prior service cost	(1)	(1)
Net actuarial loss	(4)	(48)
Prior service cost recognized due to curtailment	1	-
Net curtailment gain not recognized in expense	10	4
Net gain recognized in expense due to settlements	-	(11)
Total amount recognized in Other comprehensive income (loss)	$ 1,819	$ 297

The estimated actuarial loss and prior service cost that will be amortized from Accumulated other comprehensive income (loss) into net periodic pension cost over the next year for all major plans is $18 million and $2 million, respectively.

Pension (income) expense from continuing operations for all defined benefit plans included:

(in millions)	For the Year Ended December 31, 2008 U.S.	2008 Non-U.S.	2007 U.S.	2007 Non-U.S.	2006 U.S.	2006 Non-U.S.
Major defined benefit plans:						
Service cost	$ 54	$ 20	$ 71	$ 27	$ 92	$ 35
Interest cost	307	219	304	205	325	180
Expected return on plan assets	(545)	(261)	(537)	(259)	(525)	(224)
Amortization of:						
Transition asset	-	-	-	-	-	(1)
Prior service cost	1	1	-	1	1	13
Actuarial loss	4	48	6	58	8	82
Pension (income) expense before special termination benefits, curtailments and settlements	(179)	27	(156)	32	(99)	85
Special termination benefits	36	4	61	14	15	41
Curtailment gains	(13)	(6)	(25)	(4)	(50)	(6)
Settlement (gains) losses	-	1	(61)	(4)	(27)	(8)
Net pension (income) expense for major defined benefit plans	(156)	26	(181)	38	(161)	112
Other plans including unfunded plans	-	8	-	12	-	22
Net pension (income) expense from continuing operations	$ (156)	$ 34	$ (181)	$ 50	$ (161)	$ 134

The special termination benefits of $40 million, $75 million, and $56 million for the years ended December 31, 2008, 2007, and 2006, respectively, were incurred as a result of the Company's restructuring actions and, therefore, have been included in Restructuring costs, rationalization and other in the Consolidated Statement of Operations for those respective periods. In addition, curtailment and settlement gains for the major funded and unfunded U.S. and Non-U.S. defined benefit plans totaling $14 million and $0 for 2008, $32 million and $51 million for 2007, and $50 million and $30 million for 2006 were also incurred as a result of the Company's restructuring actions and, therefore, have been included in Restructuring costs, rationalization and other in the Consolidated Statement of Operations for those respective periods.

The weighted-average assumptions used to determine the benefit obligation amounts as of the end of the year for all major funded and unfunded U.S. and Non-U.S. defined benefit plans were as follows:

	As of December 31, 2008 U.S.	2008 Non-U.S.	2007 U.S.	2007 Non-U.S.
Discount rate	7.00%	5.92%	6.50%	5.59%
Salary increase rate	4.06%	3.42%	4.43%	4.00%

The weighted-average assumptions used to determine net pension (income) expense for all the major funded and unfunded U.S. and Non-U.S. defined benefit plans were as follows:

	For the Year Ended December 31, 2008 U.S.	2008 Non-U.S.	2007 U.S.	2007 Non-U.S.
Discount rate	6.52%	5.77%	6.12%	5.36%
Salary increase rate	4.51%	3.93%	4.59%	3.84%
Expected long-term rate of return on plan assets	8.99%	7.86%	8.99%	8.10%

Of the total plan assets attributable to the major U.S. defined benefit plans at December 31, 2008 and 2007, 98% relate to the Kodak Retirement Income Plan ("KRIP", "the Plan"). The expected long-term rate of return on plan assets assumption ("EROA") is based on a combination of formal asset and liability studies that include forward-looking return expectations given the current asset allocation. The investment strategy underlying the asset allocation is to manage the assets of the U.S. plans to provide for the long-term liabilities while maintaining sufficient liquidity to pay current benefits. This is primarily achieved by investing in equity-like investments while investing a portion of the assets in long duration bonds in order to partially match the long-term nature of the liabilities. The Plan undertakes an asset and liability modeling study once every three years or when there are material changes in the composition of the plan liability or when market conditions change materially to reaffirm the current asset allocation and the related EROA assumption. In early 2008, an asset and liability modeling study for the KRIP was completed and resulted in a 9% EROA assumption. During the fourth quarter of 2008, the Kodak Retirement Income Plan Committee ("KRIPCO", the committee that oversees KRIP) reevaluated certain portfolio positions relative to current market conditions and accordingly approved a change to the portfolio to reduce risk associated with volatility in the financial markets. It is KRIPCO's intention to re-assess the current asset allocation and complete a new asset and liability study in early 2009. The Company has assumed an 8% EROA for 2009 for the KRIP based on its asset allocation at December 31, 2008.

The expected return on plan assets for the major non-U.S. pension plans range from 3.64% to 9.00% for 2008. Every three years or when market conditions have changed materially, each of the Company's larger pension plans will undertake asset allocation or asset and liability modeling studies. It is anticipated that the Company's larger plans will undertake new asset and liability modeling studies in early 2009. The asset allocations and expected return on plan assets are individually set to provide for benefits included in the projected benefit obligation within each country's legal investment constraints. The investment strategy is to manage the assets of the non-U.S. plans to provide for the long-term liabilities while maintaining sufficient liquidity to pay current benefits. This is primarily achieved by holding equity-like investments while investing a portion of the assets in long duration bonds in order to partially match the long-term nature of the liabilities. Certain of the Company's non-U.S. pension plans adjusted their target asset positions during the fourth quarter of 2008. EROA assumptions for those plans were based on their respective asset allocations as of the end of the year.

The Company's weighted-average asset allocations for its major U.S. defined benefit pension plans, by asset category, are as follows:

	As of December 31,		
Asset Category	**2008**	**2007**	**2008 Target**
Equity securities	6%	37%	5%-11%
Debt securities	25%	32%	32%-38%
Real estate	7%	5%	5%-11%
Cash	17%	0%	7%-13%
Other	45%	26%	36%-43%
Total	100%	100%	

The Company's weighted-average asset allocations for its major non-U.S. defined benefit pension plans, by asset category are as follows:

Asset Category	As of December 31, 2008	As of December 31, 2007	2008 Target
Equity securities	18%	32%	13%-19%
Debt securities	30%	35%	30%-36%
Real estate	5%	7%	0%-6%
Cash	9%	5%	0%-6%
Other	38%	21%	42%-48%
Total	100%	100%	

The Other asset category in the tables above is primarily composed of private equity, venture capital, and other investments.

The Company expects to contribute approximately $29 million and $101 million in 2009 for U.S. and Non-U.S. defined benefit pension plans, respectively.

The following pension benefit payments, which reflect expected future service, are expected to be paid:

(in millions)	U.S.	Non-U.S.
2009	$ 465	$ 246
2010	441	236
2011	420	231
2012	415	226
2013	410	221
2014-2018	2,000	1,092

NOTE 18: OTHER POSTRETIREMENT BENEFITS

The Company provides healthcare, dental and life insurance benefits to U.S. eligible retirees and eligible survivors of retirees. Generally, to be eligible for the plan, individuals retiring prior to January 1, 1996 were required to be 55 years of age with ten years of service or their age plus years of service must have equaled or exceeded 75. For those retiring after December 31, 1995, the individuals must be 55 years of age with ten years of service or have been eligible as of December 31, 1995. Based on the eligibility requirements, these benefits are provided to U.S. retirees who are covered by the Company's KRIP plan and are funded from the general assets of the Company as they are incurred. However, those under the Cash Balance Plus portion of the KRIP plan would be required to pay the full cost of their benefits under the plan.

On August 1, 2008, the Company adopted and announced certain changes to its U.S. postretirement benefit plan affecting its post-September 1991 retirees beginning January 1, 2009. For affected participants, the terms of the amendment reduce the Company’s contribution toward retiree medical coverage from its 2008 level by one percentage point per year for a 10-year period, phase-out Company contributions for dependent medical coverage over the same 10-year period with access only coverage beginning in 2018, and discontinue retiree dental coverage and Company-paid life insurance.

The changes made to the plan resulted in the remeasurement of the plan’s obligations as of August 1, 2008, the date the changes were adopted and announced by the Company. This remeasurement reduced the Company’s other postretirement benefit obligation by $919 million, of which $772 million is attributable to the plan changes. In addition, the Company recognized a curtailment gain of $79 million as a result of the amendment. The curtailment gain was included in Cost of goods sold, Selling, general and administrative expenses, and Research and development costs in the Consolidated Statement of Operations for the year ended December 31, 2008.

The Company’s benefits to U.S. long-term disability recipients were also amended as described above. These changes resulted in a reduction in Pension and other postretirement liabilities, and a corresponding gain of $15 million was included in the Cost of goods, Selling general and administrative expenses, and Research and development costs in the Consolidated Statement of Operations for the year ended December 31, 2008.

The Company's subsidiaries in the United Kingdom and Canada offer similar healthcare benefits.

The measurement date used to determine the net benefit obligation for the Company's other postretirement benefit plans is December 31.

Changes in the Company’s benefit obligation and funded status for the U.S., United Kingdom and Canada other postretirement benefit plans were as follows:

(in millions)	2008	2007
Net benefit obligation at beginning of year	$ 2,524	$ 3,009
Service cost	4	8
Interest cost	136	165
Plan participants’ contributions	26	25
Plan amendments	(825)	(88)
Actuarial gain	(141)	(317)
Acquisitions/divestitures	2	(9)
Settlements	(2)	(37)
Benefit payments	(230)	(243)
Currency adjustments	(23)	11
Net benefit obligation at end of year	$ 1,471	$ 2,524
Underfunded status at end of year	$ (1,471)	$ (2,524)

Amounts recognized in the Consolidated Statement of Financial Position for the Company's U.S., United Kingdom, and Canada plans consisted of:

	As of December 31,	
(in millions)	2008	2007
Current liabilities	$ (175)	$ (209)
Pension and other postretirement liabilities	(1,296)	(2,315)
	$ (1,471)	$ (2,524)

Amounts recognized in Accumulated other comprehensive income (loss) for the Company's U.S., United Kingdom, and Canada plans consisted of:

	As of December 31,	
(in millions)	2008	2007
Prior service credit	$ (831)	$ (145)
Net actuarial loss	380	538
	$ (451)	$ 393

Changes in benefit obligations recognized in other comprehensive income (loss) during 2008 for the Company’s U.S., United Kingdom, and Canada plans follows:

(in millions)

Newly established gain	$	(141)
Newly established prior service credit		(825)
Amortization of:		
Prior service credit		53
Net loss		(17)
Prior service credit recognized due to curtailment		85
Total amount recognized in Other comprehensive income (loss)	$	(845)

Other postretirement benefit cost from continuing operations for the Company's U.S., United Kingdom and Canada plans included:

(in millions)	For the Year Ended December 31, 2008	2007	2006
Components of net postretirement benefit cost			
Service cost	$ 4	$ 8	$ 11
Interest cost	136	165	166
Amortization of:			
Prior service credit	(53)	(38)	(46)
Actuarial loss	17	49	50
Other postretirement benefit cost before curtailment and settlement gains	104	184	181
Curtailment gains	(86)	(8)	(17)
Settlement gains	(2)	(1)	-
Net other postretirement benefit cost from continuing operations	$ 16	$ 175	$ 164

Included in the curtailment gains of $86 million for the year ended December 31, 2008 was a $79 million curtailment gain related to changes to the Company’s U.S. postretirement benefit plan affecting its post-September 1991 retirees beginning January 1, 2009, as discussed above.

The estimated prior service credit and net actuarial loss that will be amortized from Accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year is $70 million and $19 million, respectively.

The U.S. plan represents approximately 95% of the total other postretirement net benefit obligation as of December 31, 2008 and 2007 and, therefore, the weighted-average assumptions used to compute the other postretirement benefit amounts approximate the U.S. assumptions.

The weighted-average assumptions used to determine the net benefit obligations were as follows:

	As of December 31, 2008	2007
Discount rate	7.00%	6.46%
Salary increase rate	4.00%	4.38%

The weighted-average assumptions used to determine the net postretirement benefit cost were as follows:

	For the Year Ended December 31,	
	2008	2007
Discount rate	7.23%	5.98%
Salary increase rate	4.48%	4.49%

The weighted-average assumed healthcare cost trend rates used to compute the other postretirement amounts were as follows:

	2008	2007
Healthcare cost trend	8.00%	8.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2012	2011

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage point change in assumed healthcare cost trend rates would have the following effects:

(in millions)	1% increase	1% decrease
Effect on total service and interest cost	$ 2	$ (2)
Effect on postretirement benefit obligation	33	(29)

The Company expects to make $175 million of benefit payments for its unfunded other postretirement benefit plans in 2009.

The following other postretirement benefits, which reflect expected future service, are expected to be paid:

(in millions)	
2009	$ 175
2010	167
2011	159
2012	156
2013	142
2014-2018	610

NOTE 19: ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The components of Accumulated other comprehensive (loss) income, net of tax, were as follows:

	As of December 31,		
(in millions)	2008	2007	2006
Unrealized holding losses related to available-for-sale securities	$ -	$ -	$ (10)
Unrealized (losses) gains related to hedging activity	(6)	10	-
Translation adjustments	231	311	197
Pension and other postretirement benefits liability adjustments	(974)	131	(436)
Adjustment to initially apply SFAS No. 158 for pension and other postretirement benefits	-	-	(386)
Total	$ (749)	$ 452	$ (635)

NOTE 20: STOCK OPTION AND COMPENSATION PLANS

The Company accounts for stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment," using the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." The Company recognized expense under SFAS No. 123R in the amount of $18 million, $20 million and $17 million for the years ended December 31, 2008, 2007 and 2006, respectively. The related impact on basic and diluted earnings per share for the years ended December 31, 2008, 2007 and 2006 was a reduction of $.06, $.07 and $.06, respectively. The impacts on the Company's cash flows for 2008, 2007 and 2006 were not material. Stock-based compensation costs for employees related to manufacturing activities were included in the costs capitalized in inventory at period end.

Of the SFAS No. 123R expense amounts noted above, compensation expense related to the vesting of stock options during the years ended December 31, 2008, 2007 and 2006 was $10 million, $10 million and $8 million, respectively. Compensation expense related to unvested stock and performance awards during the years ended December 31, 2008, 2007 and 2006 was $8 million, $10 million and $9 million, respectively.

The Company's stock incentive plans consist of the 2005 Omnibus Long-Term Compensation Plan (the "2005 Plan"), the 2000 Omnibus Long-Term Compensation Plan (the "2000 Plan"), and the 1995 Omnibus Long-Term Compensation Plan (the "1995 Plan"). The Plans are administered by the Executive Compensation and Development Committee of the Board of Directors. Stock options are generally non-qualified and are at exercise prices not less than 100% of the per share fair market value on the date of grant. Stock-based compensation awards granted under the Company's stock incentive plans are generally subject to a three-year vesting period from the date of grant.

Under the 2005 Plan, 11 million shares of the Company's common stock may be granted to employees between January 1, 2005 and December 31, 2014. This share reserve may be increased by: shares that are forfeited pursuant to awards made under the 1995 and 2000 Plans; shares retained for payment of tax withholding; shares issued in connection with reinvestments of dividends and dividend equivalents; shares delivered for payment or satisfaction of tax withholding; shares reacquired on the open market using cash proceeds from option exercises; and awards that otherwise do not result in the issuance of shares. The 2005 Plan is substantially similar to and is intended to replace the 2000 Plan, which expired on January 18, 2005. Options granted under the 2005 Plan generally expire seven years from the date of grant, but may be forfeited or canceled earlier if the optionee's employment terminates prior to the end of the contractual term. The 2005 Plan provides for, but is not limited to, grants of unvested stock, performance awards, and Stock Appreciation Rights ("SARs"), either in tandem with options or freestanding. SARs allow optionees to receive payment equal to the increase in the market price of the Company's stock from the grant date to the exercise date. As of December 31, 2008, 3,333 freestanding SARs were outstanding under the 2005 Plan at an option price of $24.59. Compensation expense recognized for the years ended December 31, 2008, 2007, or 2006 on those freestanding SARs was not material.

Under the 2000 Plan, 22 million shares of the Company's common stock were eligible for grant to a variety of employees between January 1, 2000 and December 31, 2004. The 2000 Plan was substantially similar to, and was intended to replace, the 1995 Plan, which expired on December 31, 1999. The options generally expire ten years from the date of grant, but may expire sooner if the optionee's employment terminates. The 2000 Plan provided for, but was not limited to, grants of unvested stock, performance awards, and SARs, either in tandem with options or freestanding. As of December 31, 2008, 45,154 freestanding SARs were outstanding under the 2000 Plan at option prices ranging from $23.25 to $60.50. Compensation expense recognized for the years ended December 31, 2008, 2007, or 2006 on those freestanding SARs was not material.

Under the 1995 Plan, 22 million shares of the Company's common stock were eligible for grant to a variety of employees between February 1, 1995 and December 31, 1999. The options generally expire ten years from the date of grant, but may expire sooner if the optionee's employment terminates. The 1995 Plan provided for, but was not limited to, grants of unvested stock, performance awards, and SARs, either in tandem with options or freestanding. As of December 31, 2008, 10,086 freestanding SARs were outstanding under the 1995 Plan at option prices ranging from $31.30 to $73.06. Compensation expense recognized for the years ended December 31, 2008, 2007, or 2006 on those freestanding SARs was not material.

Further information relating to stock options is as follows:

(Amounts in thousands, except per share amounts)	Shares Under Option	Range of Price Per Share	Weighted-Average Exercise Price Per Share
Outstanding on December 31, 2005	36,043	$ 22.03 - $92.31	$ 47.54
Granted	1,605	$ 20.12 - $27.70	$ 25.48
Exercised	20	$ 22.58 - $26.71	$ 24.97
Terminated, Canceled, Surrendered	3,017	$ 22.03 - $83.19	$ 58.46
Outstanding on December 31, 2006	34,611	$ 20.12 - $92.31	$ 45.57
Granted	1,813	$ 23.28 - $28.44	$ 23.50
Exercised	235	$ 22.58 - $27.70	$ 24.91
Terminated, Canceled, Surrendered	5,296	$ 23.25 - $92.31	$ 73.22
Outstanding on December 31, 2007	30,893	$ 20.12 - $87.59	$ 39.70
Granted	2,813	$ 7.41 - $18.55	$ 7.60
Exercised	0	N/A	N/A
Terminated, Canceled, Surrendered	8,499	$ 20.12 - $87.59	$ 52.78
Outstanding on December 31, 2008	25,207	$ 7.41 - $79.63	$ 31.71
Exercisable on December 31, 2006	31,548	$ 22.58 - $92.31	$ 47.44
Exercisable on December 31, 2007	27,546	$ 20.12 - $87.59	$ 41.51
Exercisable on December 31, 2008	20,772	$ 21.93 - $79.63	$ 35.56

The following table summarizes information about stock options as of December 31, 2008:

(Number of options in thousands)

Range of Exercise Prices At Least Less Than	Options Outstanding			Options Exercisable	
	Options	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
$ 5 - $20	2,813	6.93	$ 7.60	0	N/A
$20 - $30	6,124	4.00	$ 25.37	4,502	$ 25.83
$30 - $40	12,607	2.51	$ 32.78	12,607	$ 32.78
$40 - $50	567	2.08	$ 41.71	567	$ 41.71
$50 - $60	1,511	1.23	$ 54.82	1,511	$ 54.82
$60 - $70	1,518	0.38	$ 64.37	1,518	$ 64.37
$70 - $80	67	0.72	$ 74.80	67	$ 74.80
	25,207			20,772	

The weighted-average remaining contractual term and aggregate intrinsic value of all options outstanding at December 31, 2008 was 3.17 years and negative $633 million, respectively. The weighted-average remaining contractual term and aggregate intrinsic value of all options exercisable at December 31, 2008 was 2.49 years and negative $602 million, respectively. The negative aggregate intrinsic value of all options outstanding and exercisable, respectively, reflects the fact that the market price of the Company's common stock as of December 31, 2008 was below the weighted-average exercise price of options. The total intrinsic value of options exercised during years ended December 31, 2008, 2007 and 2006 was $0, $1 million, and $0, respectively.

In November 2005, the FASB issued Staff Position ("FSP") No. FAS 123(R)-3, "Transition Election Related to Accounting for Tax Effects of Share-Based Payment Awards." During the third quarter of 2007, the Company elected to adopt the alternative transition method provided in FSP No. FAS 123(R)-3 for calculating the tax effects of stock-based compensation. The alternative transition method includes simplified methods to determine the beginning balance of the additional paid-in capital ("APIC") pool related to the tax effects of stock-based compensation, and to determine the subsequent impact on the APIC pool and the statement of cash flows of the tax effects of stock-based awards that were fully vested and outstanding upon the adoption of SFAS No. 123R, "Share-Based Payment." The adoption of FSP No. FAS 123(R)-3 did not have a material impact on the Company's cash flows or results of operations for the years ended December 31, 2008 and 2007, or its financial position as of December 31, 2008 and 2007.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. Expected volatilities are based on historical volatility of the Company's stock, management's estimate of implied volatility of the Company's stock, and other factors. The expected term of options granted is derived from the vesting period of the award, as well as historical exercise behavior, and represents the period of time that options granted are expected to be outstanding. The risk-free rate is calculated using the U.S. Treasury yield curve, and is based on the expected term of the option. The Company uses historical data to estimate forfeitures.

The Black-Scholes option pricing model was used with the following weighted-average assumptions for options issued in each year:

	For the Year Ended		
	2008	**2007**	**2006**
Weighted-average risk-free interest rate	1.83%	3.5%	4.6%
Risk-free interest rates	1.8% - 2.9%	3.2% - 5.0%	4.5% - 5.1%
Weighted-average expected option lives	6 years	5 years	6 years
Expected option lives	4 - 6 years	4 - 7 years	3 - 7 years
Weighted-average volatility	32%	32%	34%
Expected volatilities	30% - 32%	31% - 35%	29% - 36%
Weighted-average expected dividend yield	7.4%	2.0%	1.9%
Expected dividend yields	3.1% - 7.4%	1.9% - 2.1%	1.8% - 2.3%

The weighted-average fair value per option granted in 2008, 2007, and 2006 was $.93, $6.19, and $8.18, respectively.

As of December 31, 2008, there was $8 million of total unrecognized compensation cost related to unvested options. The cost is expected to be recognized over a weighted-average period of 1.8 years.

The Company has a policy of issuing shares of treasury stock to satisfy share option exercises. Cash received for option exercises for the years ended December 31, 2008, 2007 and 2006 was $0, $6 million, and $0, respectively. The actual tax benefit realized for the tax deductions from option exercises was not material for 2008, 2007 or 2006.

NOTE 21: ACQUISITIONS

2008

On April 4, 2008, the Company completed the acquisition of Design2Launch (“D2L”), a developer of collaborative end-to-end digital workflow solutions for marketers, brand owners and creative teams. D2L is part of the Company’s Graphic Communications Group segment.

On April 10, 2008, the Company completed the acquisition of Intermate A/S, a global supplier of remote monitoring and print connectivity solutions used extensively in transactional printing. Intermate A/S is part of the Company’s Graphic Communications Group segment.

The two acquisitions had an aggregate purchase price of approximately $37 million and were individually immaterial to the Company’s financial position as of December 31, 2008, and its results of operations and cash flows for the year ended December 31, 2008.

2007

There were no significant acquisitions in 2007.

2006

There were no significant acquisitions in 2006.

NOTE 22: DISCONTINUED OPERATIONS

The significant components of earnings from discontinued operations, net of income taxes, are as follows:

(in millions)	For the Year Ended December 31, 2008	2007	2006
Revenues from Health Group operations	$ -	$ 754	$ 2,551
Revenues from HPA operations	-	148	155
Total revenues from discontinued operations	$ -	$ 902	$ 2,706
Pre-tax income from Health Group operations	$ -	$ 27	$ 225
Pre-tax gain on sale of Health Group segment	-	986	-
Pre-tax income from HPA operations	-	8	12
Pre-tax gain on sale of HPA	-	123	-
Benefit (provision) for income taxes related to discontinued operations	288	(262)	(33)
All other items, net	(3)	(1)	(1)
Earnings from discontinued operations, net of income taxes	$ 285	$ 881	$ 203

2008

Tax Refund

In the second quarter of 2008, the Company received a tax refund from the U.S. Internal Revenue Service. The refund was related to the audit of certain claims filed for tax years 1993-1998. A portion of the refund related to past federal income taxes paid in relation to the 1994 sale of a subsidiary, Sterling Winthrop Inc., which was reported in discontinued operations. The refund had a positive impact on the Company's earnings from discontinued operations, net of income taxes, for the year ended December 31, 2008 of $295 million. See Note 15, "Income Taxes," for further discussion of the tax refund.

2007

Health Group segment

On April 30, 2007, the Company sold all of the assets and business operations of its Health Group segment to Onex Healthcare Holdings, Inc. ("Onex") (now known as Carestream Health, Inc.), a subsidiary of Onex Corporation, for up to $2.55 billion. The price was composed of $2.35 billion in cash at closing and $200 million in additional future payments if Onex achieves certain returns with respect to its investment.

The Company recognized a pre-tax gain of $986 million on the sale of the Health Group segment during 2007. This pre-tax gain excludes the following: up to $200 million of potential future payments related to Onex's return on its investment as noted above; potential charges related to settling pension obligations with Onex in future periods; and any adjustments that may be made in the future that are currently under review.

The Company was required to use a portion of the initial $2.35 billion cash proceeds to fully repay its approximately $1.15 billion of Secured Term Debt. In accordance with EITF No 87-24, "Allocation of Interest to Discontinued Operations," the Company allocated to discontinued operations the interest expense related to the Secured Term Debt because it was required to be repaid as a result of the sale. Interest expense allocated to discontinued operations totaled $30 million for the year ended December 31, 2007.

HPA

On October 17, 2007, the shareholders of Hermes Precisa Pty. Ltd. ("HPA"), a majority owned subsidiary of Kodak (Australasia) Pty. Ltd., a wholly owned subsidiary of the Company, approved an agreement to sell all of the shares of HPA to Salmat Limited. The sale was approved by the Federal Court of Australia on October 18, 2007, and closed on November 2, 2007. Kodak received $139 million in cash at closing for its shares of HPA, and recognized a pre-tax gain on the sale of $123 million.

2006

Earnings from discontinued operations for the year ended December 31, 2006 were primarily related to the operations of the Health Group segment. Interest expense allocated to discontinued operations totaled $90 million for the year.

NOTE 23: SEGMENT INFORMATION

Current Segment Reporting Structure

For 2008, the Company had three reportable segments: Consumer Digital Imaging Group ("CDG"), Film, Photofinishing and Entertainment Group ("FPEG"), and Graphic Communications Group ("GCG"). The balance of the Company's continuing operations, which individually and in the aggregate do not meet the criteria of a reportable segment, are reported in All Other. A description of the segments is as follows:

Consumer Digital Imaging Group Segment ("CDG"): CDG encompasses digital still and video cameras, digital devices such as picture frames, snapshot printers and related media, kiosks and related media, APEX drylab systems which were introduced in the first quarter of 2008, consumer inkjet printing, Kodak Gallery, and imaging sensors. The APEX drylab system provides an alternative to traditional photofinishing processing at retail locations. CDG also includes the licensing activities related to the Company's intellectual property in digital imaging products.

Film, Photofinishing and Entertainment Group Segment ("FPEG"): FPEG encompasses consumer and professional film, one-time-use cameras, graphic arts film, aerial and industrial film, and entertainment imaging products and services. In addition, this segment also includes paper and output systems, and photofinishing services. This segment provides consumers, professionals, cinematographers, and other entertainment imaging customers with film-related products and services and also provides graphic arts film to the graphics industry.

Graphic Communications Group Segment ("GCG"): GCG serves a variety of customers in the creative, in-plant, data center, commercial printing, packaging, newspaper and digital service bureau market segments with a range of software, media and hardware products that provide customers with a variety of solutions for prepress equipment, workflow software, analog and digital printing, and document scanning. Products and related services include workflow software and digital controllers; digital printing, which includes commercial inkjet and electrophotographic products, including equipment, consumables and service; prepress consumables; output devices; and document scanners.

All Other: All Other is composed of Kodak's display business and other small, miscellaneous businesses.

Transactions between segments, which are immaterial, are made on a basis intended to reflect the market value of the products, recognizing prevailing market prices and distributor discounts. Differences between the reportable segments' operating results and assets and the Company's consolidated financial statements relate primarily to items held at the corporate level, and to other items excluded from segment operating measurements.

No single customer represented 10% or more of the Company's total net sales in any period presented.

Segment financial information is shown below. Prior period results have been restated to conform to the current period segment reporting structure.

(in millions)	For the Year Ended December 31, 2008	2007	2006
Net sales from continuing operations:			
Consumer Digital Imaging Group	$ 3,088	$ 3,247	$ 3,013
Film, Photofinishing and Entertainment Group	2,987	3,632	4,254
Graphic Communications Group	3,334	3,413	3,287
All Other	7	9	14
Consolidated total	$ 9,416	$ 10,301	$ 10,568
(Loss) earnings from continuing operations before interest expense, other income (charges), net and income taxes:			
Consumer Digital Imaging Group	$ (177)	$ (17)	$ (206)
Film, Photofinishing and Entertainment Group	196	281	319
Graphic Communications Group	31	104	70
All Other	(17)	(25)	(22)
Total of segments	33	343	161
Restructuring costs, rationalization and other	(149)	(662)	(698)
Postemployment benefit changes	94	-	-
Other operating (expenses) income, net	(766)	96	59
Adjustments to contingencies and legal reserves/settlements	(33)	(7)	2
Interest expense	(108)	(113)	(172)
Other income (charges), net	55	87	65
Consolidated loss from continuing operations before income taxes	$ (874)	$ (256)	$ (583)

(in millions)	As of December 31, 2008	2007	2006
Segment total assets:			
Consumer Digital Imaging Group	$ 1,647	$ 2,442	$ 2,108
Film, Photofinishing and Entertainment Group	2,563	3,778	4,372
Graphic Communications Group	2,190	3,723	3,864
All Other	8	17	18
Total of segments	6,408	9,960	10,362
Cash and marketable securities	2,155	2,976	1,487
Deferred income tax assets	620	757	750
Other corporate reserves	(4)	(34)	(158)
Assets of discontinued operations	-	-	1,879
Consolidated total assets	$ 9,179	$ 13,659	$ 14,320

(in millions)	For the Year Ended December 31, 2008	2007	2006
Intangible asset amortization expense from continuing operations:			
Consumer Digital Imaging Group	$ 5	$ 6	$ 8
Film, Photofinishing and Entertainment Group	2	25	29
Graphic Communications Group	73	74	82
All Other	-	1	1
Consolidated total	$ 80	$ 106	$ 120
Depreciation expense from continuing operations:			
Consumer Digital Imaging Group	$ 100	$ 86	$ 180
Film, Photofinishing and Entertainment Group	191	354	469
Graphic Communications Group	120	121	139
All Other	3	11	14
Sub-total	414	572	802
Restructuring-related depreciation	6	107	273
Consolidated total	$ 420	$ 679	$ 1,075
Capital additions from continuing operations:			
Consumer Digital Imaging Group	$ 96	$ 94	$ 102
Film, Photofinishing and Entertainment Group	40	65	56
Graphic Communications Group	118	98	142
All Other	-	2	35
Consolidated total	$ 254	$ 259	$ 335
Net sales to external customers attributed to (1):			
The United States	$ 3,834	$ 4,403	$ 4,700
Europe, Middle East and Africa	$ 3,089	$ 3,264	$ 3,118
Asia Pacific	1,500	1,592	1,694
Canada and Latin America	993	1,042	1,056
Foreign countries total	$ 5,582	$ 5,898	$ 5,868
Consolidated total	$ 9,416	$ 10,301	$ 10,568

(1) Sales are reported in the geographic area in which they originate.

(in millions)	As of December 31, 2008	2007	2006
Property, plant and equipment, net located in :			
The United States	$ 1,079	$ 1,270	$ 1,553
Europe, Middle East and Africa	$ 243	$ 290	$ 355
Asia Pacific	146	145	554
Canada and Latin America	83	106	140
Foreign countries total	$ 472	$ 541	$ 1,049
Consolidated total	$ 1,551	$ 1,811	$ 2,602

NOTE 24: QUARTERLY SALES AND EARNINGS DATA – UNAUDITED

(in millions, except per share data)	4th Qtr.		3rd Qtr.		2nd Qtr.		1st Qtr.	
2008								
Net sales from continuing operations	$ 2,433		$ 2,405		$ 2,485		$ 2,093	
Gross profit from continuing operations	498		661		585		424	
(Loss) earnings from continuing operations	(914)	(4)	101	(3)	200	(2)	(114)	(1)
(Loss) earnings from discontinued operations (9)	(4)		(5)		295		(1)	
Net (loss) earnings	(918)		96		495		(115)	
Basic net (loss) earnings per share (10)								
Continuing operations	(3.40)		0.36		0.69		(0.40)	
Discontinued operations	(0.02)		(0.02)		1.03		0.00	
Total	(3.42)		0.34		1.72		(0.40)	
Diluted net (loss) earnings per share (10)								
Continuing operations	(3.40)		0.35		0.66		(0.40)	
Discontinued operations	(0.02)		(0.02)		0.96		0.00	
Total	(3.42)		0.33		1.62		(0.40)	
2007								
Net sales from continuing operations	$ 3,220		$ 2,533		$ 2,468		$ 2,080	
Gross profit from continuing operations (11)	795		677		644		428	
Earnings (loss) from continuing operations	92	(8)	32	(7)	(154)	(6)	(175)	(5)
Earnings from discontinued operations (9)	123		5		729		24	
Net earnings (loss)	215		37		575		(151)	
Basic net earnings (loss) per share (10)								
Continuing operations	0.32		0.11		(0.53)		(0.61)	
Discontinued operations	0.43		0.02		2.53		0.08	
Total	0.75		0.13		2.00		(0.53)	
Diluted net earnings (loss) per share (10)								
Continuing operations	0.31		0.11		(0.53)		(0.61)	
Discontinued operations	0.40		0.02		2.53		0.08	
Total	0.71		0.13		2.00		(0.53)	

(1) Includes pre-tax gains on curtailments due to focused cost reduction actions of $10 million (included in Restructuring costs, rationalization and other), which reduced net loss from continuing operations by $9 million; pre-tax gains of $10 million related to the sales of assets and business operations, which reduced net loss from continuing operations by $10 million; a pre-tax legal settlement of $10 million (included in Cost of goods sold), which increased net loss from continuing operations by $10 million; and discrete tax items, which increased net loss from continuing operations by $10 million.

(2) Includes pre-tax gains of $7 million related to the sales of assets and business operations, which increased net earnings from continuing operations by $7 million; support for an educational institution, which reduced net earnings from continuing operations by $10 million; a $270 million IRS refund, offset by $18 million of other discrete tax items, which increased net earnings from continuing operations by $252 million; and a pre-tax loss of $3 million related to rationalization charges (included in Restructuring costs, rationalization and other), which reduced net earnings from operations by $4 million.

(3) Includes pre-tax restructuring and rationalization charges of $52 million ($4 million included in Cost of goods sold and $48 million included in Restructuring costs, rationalization and other), which reduced net earnings from continuing operations $49 million; changes to postemployment benefit plans, which increased pre-tax earnings and net earnings from continuing operations by $94 million; a $3 million pre-tax loss on the sale of assets and businesses, net, which reduced net earnings from continuing operations by $2 million; a pre-tax legal contingency of $10 million ($4 million included in Cost of goods sold), which reduced net earnings from continuing operations by $6 million; and other discrete tax items, which increased net earnings from continuing operations by $4 million.

(4) Includes a pre-tax goodwill impairment charge of $785 million (included in Other operating expenses (income), net), which increased net loss from continuing operations by $781 million; pre-tax restructuring and rationalization charges of $103 million ($3 million included in Cost of goods sold and $100 million included in Restructuring costs, rationalization and other), which increased net loss from continuing operations by $96 million; foreign contingency adjustments (included in Cost of goods sold), which reduced net loss from continuing operations by $3 million; a pre-tax legal contingency of $21 million (included in SG&A), which increased net loss from continuing operations by $21 million; a pre-tax gain related to property sales, net of impairment charges of $4 million, which reduced net loss from continuing operations by $4 million; and discrete tax items, which increased net loss from continuing operations by $2 million.

(5) Includes pre-tax restructuring charges of $151 million ($66 million included in cost of goods sold and $85 million included in restructuring costs, rationalization and other), which increased net loss from continuing operations by $141 million; a gain of $9 million related to property sales, which reduced net loss from continuing operations by $9 million; and a reversal of a tax reserve, which reduced net loss from continuing operations by $56 million.

(6) Includes pre-tax restructuring charges of $316 million ($21 million included in cost of goods sold and $295 million included in restructuring costs, rationalization and other), which increased net loss from continuing operations by $248 million; a pre-tax gain of $40 million related to property and asset sales, which decreased net loss from continuing operations by $27 million; $6 million pre-tax of asset impairment charges, which increased net loss from continuing operations by $4 million; and tax adjustments, which increased net loss from continuing operations by $39 million.

(7) Includes pre-tax restructuring charges of $127 million ($27 million included in cost of goods sold and $100 million included in restructuring costs, rationalization and other), which decreased net earnings from continuing operations by $96 million; and tax adjustments, which increased net earnings from continuing operations by $8 million.

(8) Includes pre-tax restructuring charges of $68 million ($5 million included in cost of good sold and $63 million included in restructuring costs, rationalization and other), which decreased net earnings from continuing operations by $44 million; $51 million pre-tax of asset impairment charges related to the Lucky and MUTEC investments, which decreased net earnings from continuing operations by $49 million; a pre-tax gain of $108 million related to property and asset sales, which increased net earnings from continuing operations by $83 million; $6 million pre-tax for the establishment of a loan reserve, which decreased net earnings from continuing operations by $4 million; a $9 million foreign export charge contingency, which decreased net earnings from continuing operations by $9 million; and tax adjustments, which decreased net earnings from continuing operations by $11 million.

(9) Refer to Note 22, “Discontinued Operations” for a discussion regarding earnings (loss) from discontinued operations.

(10) Each quarter is calculated as a discrete period and the sum of the four quarters may not equal the full year amount. The Company's diluted net earnings (loss) per share in the above table may include the effect of contingent convertible debt instruments.

(11) Effective January 1, 2008, the Company changed its cost allocation methodologies related to employee benefits and corporate expenses. Prior period gross profit from continuing operations results have been revised to conform to the current period presentation. A summary of the impact to gross profit from continuing operations for each quarter of 2007 is as follows:

(in millions)	**Three Months Ended March 31, 2007**	**Three Months Ended June 30, 2007**	**Three Months Ended September 30, 2007**	**Three Months Ended December 31, 2007**	**Year Ended December 31, 2007**
Cost of goods sold	$ (8)	$ (7)	$ (6)	$ (7)	$ (28)
Selling, general and administrative costs	4	4	3	3	14
Research and development costs	4	3	3	4	14
	$ -	$ -	$ -	$ -	$ -

Changes in Estimates Recorded During the Fourth Quarter December 31, 2007

During the fourth quarter ended December 31, 2007, the Company recorded a charge of approximately $24 million, net of tax, related to changes in estimate with respect to certain of its employee benefit and compensation accruals. These changes in estimates negatively impacted the results for the fourth quarter by $.08 per share.

Eastman Kodak Company
SUMMARY OF OPERATING DATA - UNAUDITED

(in millions, except per share data, shareholders, and employees)

	2008		2007		2006		2005		2004	
Net sales from continuing operations	$ 9,416		$ 10,301		$ 10,568		$ 11,395		$ 10,665	
Loss from continuing operations before interest expense, other income (charges), net and income taxes	(821)		(230)		(476)		(1,073)		(670)	
(Loss) earnings from:										
Continuing operations	(727)	(1)	(205)	(2)	(804)	(3)	(1,657)	(4)	(369)	(5)
Discontinued operations	285	(6)	881	(6)	203	(6)	451		913	
Cumulative effect of accounting change	-		-		-		(55)		-	
Net (Loss) Earnings	(442)		676		(601)		(1,261)		544	
Earnings and Dividends										
(Loss) earnings from continuing operations										
- % of net sales from continuing operations	-7.7%		-2.0%		-7.6%		-14.5%		-3.5%	
Net (loss) earnings										
- % return on average shareholders' equity	-22.2%		30.6%		-32.8%		-39.9%		14.5%	
Basic and diluted (loss) earnings per share:										
Continuing operations	(2.58)		(0.71)		(2.80)		(5.76)		(1.29)	
Discontinued operations	1.01		3.06		0.71		1.57		3.19	
Cumulative effect of accounting change	-		-		-		(0.19)		-	
Total	(1.57)		2.35		(2.09)		(4.38)		1.90	
Cash dividends declared and paid										
- on common shares	139		144		144		144		143	
- per comon share	0.50		0.50		0.50		0.50		0.50	
Common shares outstanding at year end	268.2		288.0		287.3		287.2		286.7	
Shareholders at year end	56,115		58,652		63,193		75,619		80,426	
Statement of Financial Position Data										
Working capital	1,542		1,607		1,003		607		872	
Property, plant and equipment, net	1,551		1,811		2,602		3,464		3,913	
Total assets	9,179		13,659		14,320		15,236		15,084	
Short-term borrowings and current portion of long-term debt	51		308		64		819		469	
Long-term debt, net of current portion	1,252		1,289		2,714		2,764		1,852	
Total shareholders' equity	961		3,029		1,388		2,282		4,034	
Supplemental Information										
Net sales from continuing operations										
- CDG	$ 3,088		$ 3,247		$ 3,013		$ 3,315		$ 2,444	
- FPEG	2,987		3,632		4,254		5,453		7,152	
- GCG	3,334		3,413		3,287		2,604		1,049	
- All Other	7		9		14		23		20	
Research and development costs	501		549		596		739		667	
Depreciation	420		679		1,075		1,191		850	
Taxes (excludes payroll, sales and excise taxes) (7)	(105)		5		327		798		(100)	
Wages, salaries and employee benefits (8)	2,141		2,846		3,480		3,941		4,188	
Employees as of year end										
- in the U.S. (7)	12,800		14,200		20,600		25,500		29,200	
- worldwide (7)	24,400		26,900		40,900		51,100		54,800	

(footnotes on next page)

SUMMARY OF OPERATING DATA
Eastman Kodak Company

(footnotes for previous page)

(1) Includes a pre-tax goodwill impairment charge of $785 million; pre-tax restructuring and rationalization charges of $149 million, net of reversals; $21 million of income related to gains on sales of assets and businesses; $3 million of charges related to asset impairments; $41 million of charges for legal contingencies and settlements; $10 million of charges for support of an educational institution; $94 million of income related to postemployment benefit plans; $3 million of income for a foreign export contingency; $270 million of income related to an IRS refund; and charges of $27 million related to other discrete tax items. These items increased net loss from continuing operations by $610 million.

(2) Includes pre-tax restructuring charges of $662 million, net of reversals; $157 million of income related to property and asset sales; $57 million of charges related to asset impairments; $6 million of charges for the establishment of a loan reserve; $9 million of charges for a foreign export contingency; and tax adjustments of $14 million. These items increased net loss from continuing operations by $464 million.

(3) Includes pre-tax restructuring charges of $698 million, net of reversals; $2 million of income related to legal settlements; $46 million of income related to property and asset sales; and $11 million of charges related to asset impairments. These items increased net loss by $691 million. Also included is a valuation allowance of $89 million recorded against the Company's net deferred assets in certain jurisdictions outside the U.S., portions of which are reflected in the aforementioned net loss impact.

(4) Includes pre-tax restructuring charges of $1,092 million; $52 million of purchased R&D; $44 million for charges related to asset impairments; $41 million of income related to the gain on the sale of properties in connection with restructuring actions; $21 million for unfavorable legal settlements and a $6 million tax charge related to a change in estimate with respect to a tax benefit recorded in connection with a land donation in a prior period. These items increased net loss by $1,080 million. Also included is a valuation allowance of $961 million recorded against the Company's net deferred tax assets in the U.S., portions of which are reflected in the aforementioned net loss impact.

(5) Includes pre-tax restructuring charges of $873 million; $16 million of purchased R&D; $12 million for a charge related to asset impairments and other asset write-offs; and the benefit of legal settlements, net of charges, of $95 million. These items reduced net earnings by $595 million.

(6) Refer to Note 22, “Discontinued Operations” in the Notes to Financial Statements for a discussion regarding the earnings from discontinued operations.

(7) Amounts for 2006 and prior years have not been adjusted to remove amounts associated with the Health Group.

(8) Amounts for 2007 and prior years have not been adjusted to remove wages, salaries and employee benefits associated with the Health Group.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company’s reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company’s management, with participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the fiscal year covered by this Annual Report on Form 10-K. The Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Annual Report on Form 10-K, the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Management’s Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. The Company’s internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment or breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override.

Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in "Internal Control-Integrated Framework.” Based on management’s assessment using the COSO criteria, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2008. The effectiveness of the Company’s internal control over financial reporting as of December 31, 2008 has been audited by PricewaterhouseCoopers LLP, the Company’s independent registered public accounting firm, as stated in their report which appears on page 58 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

In connection with the evaluation of disclosure controls and procedures described above, there was no change identified in the Company's internal control over financial reporting that occurred during the Company's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 regarding directors is incorporated by reference from the information under the caption "Board Structure and Corporate Governance - - Board of Directors" in the Company's Notice of 2009 Annual Meeting and Proxy Statement (the "Proxy Statement"), which will be filed within 120 days after December 31, 2008. The information required by Item 10 regarding audit committee financial expert disclosure is incorporated by reference from the information under the caption "Board Structure and Corporate Governance - Audit Committee Financial Qualifications" in the Proxy Statement. The information required by Item 10 regarding executive officers is contained in Part I under the caption "Executive Officers of the Registrant" on page 18. The information required by Item 10 regarding the Company's written code of ethics is incorporated by reference from the information under the captions "Board Structure and Corporate Governance - Corporate Governance Guidelines" and "Board Structure and Corporate Governance - Business Conduct Guide and Directors' Code of Conduct" in the Proxy Statement. The information required by Item 10 regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference from the information under the caption "Reporting Compliance - Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the information under the following captions in the Proxy Statement: "Board Structure and Corporate Governance" and "Compensation Discussion and Analysis."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Most of the information required by Item 12 is incorporated by reference from the information under the captions "Beneficial Ownership" in the Proxy Statement. "Stock Options and SARs Outstanding under Shareholder and Non-Shareholder Approved Plans" is shown below:

STOCK OPTIONS AND SARS OUTSTANDING UNDER SHAREHOLDER AND NON-SHAREHOLDER APPROVED PLANS

As required by Item 201(d) of Regulation S-K, the Company's total options outstanding of 25,385,842, including total SARs outstanding of 178,875, have been granted under equity compensation plans that have been approved by security holders and that have not been approved by security holders as follows:

Plan Category	Number of Securities to be issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders (1)	22,796,756	$ 31.20	12,715,713
Equity compensation plans not approved by security holders (2)	2,589,086	36.27	0
Total	25,385,842	$ 31.72	12,715,713

(1) The Company's equity compensation plans approved by security holders include the 2005 Omnibus Long-Term Compensation Plan, the 2000 Omnibus Long-Term Compensation Plan, the Eastman Kodak Company 1995 Omnibus Long-Term Compensation Plan, and the Wage Dividend Plan.

(2) The Company's equity compensation plans not approved by security holders include the Eastman Kodak Company 1997 Stock Option Plan and the Kodak Stock Option Plan.

The 1997 Stock Option Plan, a plan formerly maintained by the Company for the purpose of attracting and retaining senior executive officers, became effective on February 13, 1997, and expired on December 31, 2003. The Compensation Committee administered this plan and continues to administer these plan awards that remain outstanding. The plan permitted awards to be granted in the form of stock options, shares of common stock and restricted shares of common stock. The maximum number of shares that were available for grant under the plan was 3,380,000. The plan required all stock option awards to be non-qualified, have an exercise price not less than 100% of fair market value of the Company's stock on the date of the option's grant and expire on the tenth anniversary of the date of grant. Awards issued in the form of shares of common stock or restricted shares of common stock were subject to such terms, conditions and restrictions as the Compensation Committee deemed appropriate.

The Kodak Stock Option Plan, an "all employee stock option plan" which the Company formerly maintained, became effective on March 13, 1998, and terminated on March 12, 2003. The plan was used in 1998 to grant an award of 100 non-qualified stock options or, in those countries where the grant of stock options was not possible, 100 freestanding stock appreciation rights, to almost all full-time and part-time employees of the Company and many of its domestic and foreign subsidiaries. In March of 2000, the Company made essentially an identical grant under the plan to generally the same category of employees. The Compensation Committee administered this plan and continues to administer these plan awards that remain outstanding. A total of 16,600,000 shares were available for grant under the plan. All awards granted under the plan generally contained the following features: 1) a grant price equal to the fair market value of the Company's common stock on the date of grant; 2) a two-year vesting period; and 3) a term of 10 years.

On December 31, 2008, the equity overhang, or the percentage of outstanding shares (plus shares that could be issued pursuant to plans represented by all stock incentives granted and available for future grant under all plans) was 13.2%.

The following table sets forth information regarding awards granted and earned, the run rate for each of the last three fiscal years, and the average run rate over the last three years.

	Run Rate for the Year Ended December 31,			
(shares in thousands)	**2008**	**2007**	**2006**	**3-year Average**
Stock options granted	2,813	1,813	1,605	2,077
Unvested service-based stock granted	796	183	82	354
Actual performance-based stock awards earned	164	63	146	124
Basic common shares outstanding at fiscal year end	268,169	288,000	287,333	281,167
Run rate	1.41%	0.71%	0.64%	0.91%

The Company continues to manage its run rate of awards granted over time to levels it believes are reasonable in light of changes in its business and number of outstanding shares while ensuring that our overall executive compensation program is competitive, relevant, and motivational.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference from the information under the captions "Compensation of Named Executive Officers - Employment and Retention Arrangements" and "Board Structure and Corporate Governance - Board Independence" in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 regarding principal auditor fees and services is incorporated by reference from the information under the caption "Committee Reports - Report of the Audit Committee" in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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)

By:
/s/ Antonio M. Perez
Antonio M. Perez
Chairman & Chief Executive Officer

By:
/s/ Frank S. Sklarsky
Frank S. Sklarsky
Chief Financial Officer, and
Executive Vice President

/s/ Diane E. Wilfong
Diane E. Wilfong
Chief Accounting Officer, and
Corporate Controller

Date:February 27, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/ Richard S. Braddock
Richard S. Braddock, Director

/s/ Delano E. Lewis
Delano E. Lewis, Director

/s/ Timothy M. Donahue
Timothy M. Donahue, Director

/s/ William G. Parrett
William G. Parrett, Director

/s/ Michael Hawley
Michael Hawley, Director

/s/ Antonio M. Perez
Antonio M. Perez, Director

/s/ William H. Hernandez
William H. Hernandez, Director

/s/ Hector de J. Ruiz
Hector de J. Ruiz, Director

/s/ Douglas R. Lebda
Douglas R. Lebda, Director

/s/ Dennis F. Strigl
Dennis F. Strigl, Director

/s/ Debra L. Lee
Debra L. Lee, Director

/s/ Laura D’Andrea Tyson
Laura D’Andrea Tyson, Director

Date:February 27, 2009

Schedule II

Eastman Kodak Company
Valuation and Qualifying Accounts

(in millions)	Balance at Beginning Of Period	Charges to Earnings and Equity	Amounts Written Off	Balance at End of Period
Year ended December 31, 2008				
Deducted in the Statement of Financial Position:				
From Current Receivables:				
Reserve for doubtful accounts	$ 83	$ 42	$ 35	$ 90
Reserve for loss on returns and allowances	31	16	24	23
Total	$ 114	$ 58	$ 59	$ 113
From Long-Term Receivables and Other Noncurrent Assets:				
Reserve for doubtful accounts	$ 6	$ 2	$ -	$ 8
From Deferred Tax Assets:				
Valuation allowance	$ 1,249	$ 542	$ 126	$ 1,665
Year ended December 31, 2007				
Deducted in the Statement of Financial Position:				
From Current Receivables:				
Reserve for doubtful accounts	$ 97	$ 25	$ 39	$ 83
Reserve for loss on returns and allowances	37	16	22	31
Total	$ 134	$ 41	$ 61	$ 114
From Long-Term Receivables and Other Noncurrent Assets:				
Reserve for doubtful accounts	$ 8	$ 1	$ 3	$ 6
From Deferred Tax Assets:				
Valuation allowance	$ 1,849	$ 11	$ 611	$ 1,249
Year ended December 31, 2006				
Deducted in the Statement of Financial Position:				
From Current Receivables:				
Reserve for doubtful accounts	$ 111	$ 50	$ 64	$ 97
Reserve for loss on returns and allowances	33	26	22	37
Total	$ 144	$ 76	$ 86	$ 134
From Long-Term Receivables and Other Noncurrent Assets:				
Reserve for doubtful accounts	$ 9	$ (1)	$ -	$ 8
From Deferred Tax Assets:				
Valuation allowance	$ 1,328	$ 655	$ 134	$ 1,849

Eastman Kodak Company
Index to Exhibits

Exhibit Number

(3.1) Certificate of Incorporation, as amended and restated May 11, 2005.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for thequarterly period ended June 30, 2005, Exhibit 3.)

(3.2) By-laws, as amended and restated May 11, 2005.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, Exhibit 3.)

(4.1) Indenture dated as of January 1, 1988 between Eastman Kodak Company and The Bank of New York asTrustee.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscalyear ended December 25, 1988, Exhibit 4.)

(4.2) First Supplemental Indenture dated as of September 6, 1991 and Second Supplemental Indenture datedas of September 20, 1991, each between Eastman Kodak Company and The Bank of New York asTrustee, supplementing the Indenture described in (4.1).
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscalyear ended December 31, 1991, Exhibit 4.)

(4.3) Third Supplemental Indenture dated as of January 26, 1993, between Eastman Kodak Company andThe Bank of New York as Trustee, supplementing the Indenture described in (4.1).
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal yearended December 31, 1992, Exhibit 4.)

(4.4) Fourth Supplemental Indenture dated as of March 1, 1993, between Eastman Kodak Company and The Bank of New York as Trustee, supplementing the Indenture described in (4.1).
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1993, Exhibit 4.)

(4.5) Form of the 7.25% Senior Notes due 2013.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date October 10, 2003 as filed on October 10, 2003, Exhibit 4.)

(4.6) Resolutions of the Committee of the Board of Directors of Eastman Kodak Company, adoptedon October 7, 2003, establishing the terms of the Securities.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for the date October 10, 2003 as filed on October 10, 2003, Exhibit 4.)

(4.7) Fifth Supplemental Indenture, dated October 10, 2003, between Eastman Kodak Company and The Bank of New York, as Trustee.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K for thedate October 10, 2003 as filed on October 10, 2003, Exhibit 4.)

(4.8) Secured Credit Agreement, dated as of October 18, 2005, among Eastman Kodak Company and Kodak Graphic Communications Canada Company, the banks named therein, Citigroup Global Markets Inc., as lead arranger and bookrunner, Lloyds TSB Bank PLC, as syndication agent, Credit Suisse, Cayman Islands Branch, Bank of America, N. A. and The CIT Group/Business Credit, Inc., as co-documentation agents, and Citicorp USA, Inc., as agent for the lenders.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on October 24, 2005, Exhibit 4.1.)

Exhibit
Number

(4.9) Security Agreement, dated as of October 18, 2005, among Eastman Kodak Company, the subsidiary grantorsidentified therein and Citicorp USA, Inc., as agent, relating to the Secured Credit Agreement.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on October24, 2005, Exhibit 4.2.)

(4.10) Canadian Security Agreement, dated as of October 18, 2005, among Kodak Graphic CommunicationsCanada Company and Citicorp USA, Inc., as agent, relating to the Secured Credit Agreement.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on October24, 2005, Exhibit 4.3.)

Eastman Kodak Company and certain subsidiaries are parties to instruments defining the rights of holders of long-term debt that was not registered under the Securities Act of 1933. Eastman Kodak Company has undertaken to furnish a copy of these instruments to the Securities and Exchange Commission upon request.

(10.1) Philip J. Faraci Agreement dated November 3, 2004.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2005, Exhibit 10.)

Amendment, dated February 28, 2007, to Philip J. Faraci Letter Agreement dated November 3, 2004.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on March 1, 2007, Exhibit 99.2.)

Second Amendment, dated December 9, 2008, to Philip J. Faraci Letter Agreement Dated November 3, 2004.

(10.2) Eastman Kodak Company Deferred Compensation Plan for Directors, as amended and restated effective January 1, 2009.

(10.3) Eastman Kodak Company Non-Employee Director Annual Compensation Program. The equity portion of the retainer became effective December 11, 2007; the cash portion of the retainer became effective January 1, 2008.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2007, Exhibit 10.)

(10.4) 1982 Eastman Kodak Company Executive Deferred Compensation Plan, as amended and restated effective January 1, 2009.

Exhibit
Number

(10.5) Eastman Kodak Company 2005 Omnibus Long-Term Compensation Plan, as amended, effective January 1,2009.

Form of Notice of Award of Non-Qualified Stock Options pursuant to the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on May 11, 2005.)

Form of Notice of Award of Restricted Stock, pursuant to the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on May 11, 2005.)

Form of Notice of Award of Restricted Stock with a Deferral Feature, pursuant to the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, Exhibit 10.)

Form of Administrative Guide for Annual Officer Stock Options Grant under the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, Exhibit 10.)

Form of Award Notice for Annual Director Stock Option Grant under the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, Exhibit 10.)

Form of Award Notice for Annual Director Restricted Stock Grant under the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, Exhibit 10.)

Form of Administrative Guide for Leadership Stock Program under the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008, Exhibit 10.)

(10.6) Administrative Guide for the 2006-2007 Performance Cycle of the Leadership Stock Program under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan.

(10.7) Administrative Guide for the 2007 Performance Cycle of the Leadership Stock Program under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan.

(10.8) Administrative Guide for the 2008 Performance Cycle of the Leadership Stock Program under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan

Exhibit Number

(10.9) Administrative Guide for September 16, 2008 Restricted Stock Unit Grant under the 2005 Omnibus Long-term Compensation Plan.

(10.10) Form of Administrative Guide for Restricted Stock Unit Grant under the 2005 Omnibus Long-term Compensation Plan.

(10.11) Frank S. Sklarsky Agreement dated September 19, 2006.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, Exhibit 10.1.)

Amendment, dated September 26, 2006, to Frank S. Sklarsky Agreement dated September 19, 2006.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for thequarterly period ended September 30, 2006, Exhibit 10.2.)

(10.12) Eastman Kodak Company 1995 Omnibus Long-Term Compensation Plan, as amended, effective as of November 12, 2001.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for thefiscal year ended December 31, 1996, the Quarterly Report on Form 10-Q for the quarterly periodended March 31, 1997, the Quarterly Report on Form 10-Q for the quarterly period ended March31, 1998, the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998, theQuarterly Report on Form 10-Q for the quarterly period ended September 30, 1998, the QuarterlyReport on Form 10-Q for the quarterly period ended September 30, 1999, the Annual Report onForm 10-K for the fiscal year ended December 31, 1999, and the Annual Report on Form 10-K for the fiscal year ended December 31, 2001, Exhibit 10.)

(10.13) Kodak Executive Financial Counseling Program.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1992, Exhibit 10.)

(10.14) Personal Umbrella Liability Insurance Coverage.
Eastman Kodak Company provides $5,000,000 personal umbrella liability insurance coverage to its approximately 160 key executives. The coverage, which is insured through The MayflowerInsurance Company, Ltd., supplements participants’ personal coverage. The Company pays the cost of this insurance. Income is imputed to participants.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1995, Exhibit 10.)

(10.15) James Langley Agreement dated August 12, 2003.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2004, Exhibit 10.)

Amendment, dated February 28, 2007, to James T. Langley Letter Agreement dated August 12, 2003.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on March 1, 2007, Exhibit 99.3.)

Amended leaving arrangement for James T. Langley, effective December 11, 2007.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2007, Exhibit 10.)

Exhibit Number

(10.16) Kodak Stock Option Plan, as amended and restated August 26, 2002.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2002, Exhibit 10.)

(10.17) Eastman Kodak Company 1997 Stock Option Plan, as amended effective as of March 13, 2001.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and the Quarterly Report on Form 10-Q for thequarterly period ended March 31, 2001, Exhibit 10.)

(10.18) Eastman Kodak Company 2000 Omnibus Long-Term Compensation Plan, as amended, effectiveJanuary 1, 2009.

Form of Notice of Award of Non-Qualified Stock Options Granted To ________, Pursuant to the 2000 Omnibus Long-Term Compensation Plan; andForm of Notice of Award of Restricted Stock Granted To ______, Pursuant to the 2000 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2004, Exhibit 10.)

(10.19) Administrative Guide for the 2004-2005 Performance Cycle of the Leadership Program under Article 12 of the 2000 Omnibus Long-Term Compensation Plan, as amended January 1, 2009.

(10.20) Administrative Guide for the 2004-2005 Performance Cycle of the Leadership Program under Section 13 of the 2000 Omnibus Plan, as amended January 1, 2009.

(10.21) Eastman Kodak Company Executive Compensation for Excellence and Leadership Plan, as amended,effective January 1, 2009.

(10.22) Eastman Kodak Company Executive Protection Plan, as amended December 12, 2008, effective January 1, 2009.

(10.23) Eastman Kodak Company Estate Enhancement Plan, as adopted effective March 6, 2000.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 1999, Exhibit 10.)

Exhibit Number

(10.24) Antonio M. Perez Agreement dated March 3, 2003.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, Exhibit 10 Z.)

Letter dated May 10, 2005, from the Chair, Executive Compensation and Development Committee, to Antonio M. Perez.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on May 11, 2005, Exhibit 10 DD.).

Notice of Award of Restricted Stock with a Deferral Feature Granted to Antonio M. Perez, effective June 1, 2005, pursuant to the 2005 Omnibus Long-Term Compensation Plan.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, Exhibit 10 CC.)

Amendment, dated February 27, 2007, to Antonio M. Perez Letter Agreement dated March 3, 2003.
(Incorporated by reference to the Eastman Kodak Company Current Report on Form 8-K, filed on March 1, 2007, Exhibit 99.1).

Second Amendment, dated December 9, 2008, to Antonio M. Perez Letter Agreement dated March 3, 2003.

(10.25) Mary Jane Hellyar Retention Agreement dated August 14, 2006.
(Incorporated by reference to the Eastman Kodak Company Annual Report on Form 10-K for the fiscal year ended December 31, 2006, Exhibit 10.)

(10.26) Asset Purchase Agreement between Eastman Kodak Company and Onex Healthcare Holdings, Inc., dated as of January 9, 2007.
Amendment No. 1 To the Asset Purchase Agreement.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2007, Exhibit (10) CC.)

(12) Statement Re Computation of Ratio of Earnings to Fixed Charges.

(18) Letter Re Change in Accounting Principles.
(Incorporated by reference to the Eastman Kodak Company Quarterly Report on Form 10-Q for thequarterly period ended March 31, 2006, Exhibit 18.)

(21) Subsidiaries of Eastman Kodak Company.

(23) Consent of Independent Registered Public Accounting Firm.

(31.1) Certification.

(31.2) Certification.

(32.1) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(32.2) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Robert L. Berman
Chief Human Resources Officer and Senior Vice President

Exhibit (10.1)

December 9, 2008

Mr. Philip J. Faraci
(address intentionally omitted)

Re: Second Amendment to November 3, 2004 Letter Agreement

Dear Phil:

By way of letter agreements dated November 3, 2004 (the "Agreement") and February 28, 2007 (the "First Amendment"), Eastman Kodak Company ("Kodak") and you agreed to certain terms regarding your employment. The purpose of this letter (the "Second Amendment"), which will become an agreement once both you and Kodak sign it, is to amend the Agreement and the First Amendment as set forth herein in order to ensure that your benefits thereunder comply with Section 409A of the Internal Revenue Code. This Second Amendment supersedes the Agreement and the First Amendment to the extent inconsistent therewith.

1. Severance Benefits

On page 12 of the Agreement, the last sentence of the first paragraph of Section A headed "In General" of the Section headed "Severance Benefits" is hereby amended in its entirety to read as follows:

> The severance allowance will be paid in equal consecutive bi-weekly payments over the twelve (12) month period commencing the first month following the month containing the six-month anniversary of your termination of employment.

2. Miscellaneous

On page 2 of the First Amendment, the first paragraph of the amendment made to the Section headed "Miscellaneous" is hereby amended in its entirety to read as follows:

> The arrangements described in this letter agreement are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law, and this letter agreement shall be interpreted and administered accordingly. The parties agree that they will negotiate in good faith regarding amendments necessary to bring the arrangements into compliance with the terms of that Section or an exemption therefrom as interpreted by guidance issued by the Internal Revenue Service; provided, however, that Kodak may unilaterally amend this agreement for purposes of compliance if, in its sole

discretion, Kodak determines that such amendment would not have a material adverse effect with respect to your rights under the agreement. The parties further agree that to the extent an arrangement described in this letter fails to qualify for exemption from or satisfy the requirements of Section 409A, the affected arrangement may be operated in compliance with Section 409A pending amendment to the extent authorized by the Internal Revenue Service. In such circumstances Kodak will administer the letter in a manner which adheres as closely as possible to the existing terms and intent of the letter while complying with Section 409A. This paragraph does not restrict Kodak's rights (including, without limitation, the right to amend or terminate) with respect to arrangements described in this letter to the extent such rights are reserved under the terms of such arrangements.

3. Remaining Terms of Agreement

All of the remaining terms of the Agreement and the First Amendment, to the extent that they are not inconsistent with this Second Amendment, will remain in full force and effect, without amendment or modification.

Your signature below means that:

1. You have had ample opportunity to discuss the terms and conditions of this letter agreement with an attorney and/or financial advisor of your choice and as a result fully understand its terms and conditions; and

2. You accept the terms and conditions set forth in this letter agreement; and

3. This letter agreement supersedes and replaces any and all agreements or understandings, whether written or oral, that you may have had with the Company concerning the matters discussed herein.

If you find the foregoing acceptable, please sign your name on the signature line provided below. Once the letter agreement is executed, please return it directly to my attention.

Very truly yours,

RLB:dlm

I accept the terms and conditions of this letter agreement.

Signed: /s/ Philip J. Faraci
Philip J. Faraci

Dated:

Exhibit (10.2)

EASTMAN KODAK COMPANY

DEFERRED COMPENSATION PLAN FOR DIRECTORS

Amended and Restated on __________________, 2008, Effective as of January 1, 2009

Eastman Kodak Company
Deferred Compensation Plan For Directors

Table of Contents

Eastman Kodak Company
Deferred Compensation Plan For Directors

Table of Contents Continued

EASTMAN KODAK COMPANY

DEFERRED COMPENSATION PLAN FOR DIRECTORS

Preamble.

The name of this Plan is the Eastman Kodak Company Deferred Compensation Plan for Directors. Its purpose is to provide certain members of the Board of Directors of Eastman Kodak Company with an opportunity to defer compensation earned as a Director.

This Plan is intended to satisfy Code section 409A with respect to benefits subject thereto, and the terms and conditions of this Plan shall be interpreted and construed accordingly. This Plan also provides for benefits not subject to Code section 409A by reason of having been earned and vested before January 1, 2005, and no amendment to this Plan that might constitute a “material modification” within the meaning of Code section 409A and the Treasury regulations thereunder shall apply to such benefits unless such amendment expressly provides for the loss of such benefits’ grandfathered status.

From January 1, 2005 through December 31, 2008, this Plan was operated in good faith compliance with the requirements of Code section 409A, and the Treasury regulations and applicable guidance thereunder. Any administrative practices and interpretations established in order to enable the Plan to operate in good-faith compliance but contrary to the terms of such Plan as then in effect are hereby expressly ratified. Effective January 1, 2009, the terms and conditions of this amended and restated Plan have been adopted to reflect the final Treasury regulations under Code section 409A.

This Plan will be interpreted and administered in accordance with Eastman Kodak Company’s Policy Regarding Section 409A Compliance with respect to benefits subject to Code section 409A.

Article 1. Definitions

1.1 Account

"Account" means the Deferred Compensation Account or the Stock Account.

1.2 Administrator

“Administrator” means the Controller of Kodak.

1.3 Beneficiary

"Beneficiary" means the person or persons (including, but not limited to, a trust) designated as such in accordance with Section 8.5(C).

1.4 Board

"Board" means the Board of Directors of Kodak.

1.5 Cash Deferrable Amount

“Cash Deferrable Amount” means that portion of a Participant’s Deferrable Amount that would otherwise be paid to the Participant in cash absent the Participant’s election to defer.

1.6 Change in Control

"Change in Control," with respect to Grandfathered Benefits, means the occurrence of any one of the following events:

A. individuals who, on December 9, 1999, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to December 9, 1999, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of Kodak in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of Kodak as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) ("Election Contest") or any other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Act) other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed to be an Incumbent Director;

B. any person is or becomes a "beneficial owner" (as defined in Rule13d-3 under the Act), directly or indirectly, of securities of Kodak representing 25% or more of the combined voting power of Kodak's then outstanding securities eligible to vote for the election of the Board (the "Kodak Voting Securities"); provided, however, that the event described in this paragraph (B) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (i) by Kodak or any subsidiary, (ii) by any employee benefit plan (or related trust) sponsored or maintained by Kodak or any subsidiary, or (iii) by any underwriter temporarily holding securities pursuant to an offering of such securities;

C. the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Kodak or any of its subsidiaries that requires the approval of Kodak's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or sale or other disposition of all or substantially all of Kodak's assets to an entity that is not an affiliate of Kodak (a "Sale"), unless immediately following such Reorganization or Sale: (i) more than 60% of the total voting power of (x) the corporation resulting from such Reorganization or Sale (the "Surviving Company"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Company (the "Parent Company"), is represented by Kodak Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Kodak Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Kodak Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Company or the Parent Company), is or becomes the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (iii) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a "Non-Qualifying Transaction"); or

D. the shareholders of Kodak approve a plan of complete liquidation or dissolution of Kodak.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of Kodak Voting Securities as a result of the acquisition of Kodak Voting Securities by Kodak which reduces the number of Kodak Voting Securities outstanding; provided that if after such acquisition by Kodak such person becomes the beneficial owner of additional Kodak Voting Securities that increases the percentage of outstanding Kodak Voting Securities beneficially owned by such person, a Change in Control shall then occur.

With respect to benefits other than Grandfathered Benefits, “Change in Control” means an event that both satisfies the above definition and qualifies as a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation” within the meaning of sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury regulations. Solely for the purpose of determining whether a “Change in Control” has occurred in connection with the payment of benefits other than Grandfathered Benefits, it is noted that the above definition of “Change in Control” shall be interpreted to require that in the case of director elections under A, the approval of the Incumbent Directors must be given prior to their election, and references to a “subsidiary” or “affiliate” of Kodak shall mean an entity in which Kodak possesses a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of the second entity entitled to vote generally in the election of directors or in which Kodak has the right to receive 50% or more of the distribution of profits or 50% of the assets on liquidation or dissolution.

1.7 Code

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

1.8 Common Stock

"Common Stock" means the common stock of Kodak.

1.9 Deferrable Amount

"Deferrable Amount" means the amount of compensation (whether payable in cash or Common Stock) otherwise payable to a Participant (exclusive of expense reimbursements) for serving on the Board.

1.10 Deferred Compensation Account

"Deferred Compensation Account" means the account established by Kodak for each Participant that bears interest at the Interest Rate. The maintenance of individual Deferred Compensation Accounts is for bookkeeping purposes only.

1.11 Enrollment Period

"Enrollment Period" means the period designated by the Administrator each year; provided however, that the Enrollment Period for a given calendar year shall always commence and end in the year immediately prior to such calendar year.

1.12 Grandfathered Benefits

“Grandfathered Benefits” shall mean benefits payable under this Plan that are not subject to Code section 409A by reason of having been earned and vested as of December 31, 2004, provided that benefits shall cease to be Grandfathered Benefits if the Plan is “materially modified” with respect to such Grandfathered Benefits after October 3, 2004. Grandfathered Benefits shall be accounted for separately, and shall be adjusted for attributable earnings and losses.

1.13 Interest Rate

"Interest Rate" means the base rate, as reported in the "Money Rates" section of The Wall Street Journal, on corporate loans posted by at least 75% of the nation's 30 largest banks (known as the "Prime Rate").

1.14 Kodak

"Kodak" means Eastman Kodak Company.

1.15 Market Value

"Market Value" means the mean between the high and low at which the Common Stock trades as quoted in the New York Stock Exchange Composite Transactions as published in The Wall Street Journal for the day for which the determination is to be made or, if such day is not a trading day, the immediately preceding trading day.

1.16 Plan

"Plan" means the Eastman Kodak Company Deferred Compensation Plan For Directors as adopted by the Board and amended.

1.17 Participant

"Participant" means (i) any member of the Board who is not an employee of Kodak; or (ii) any former member of the Board who has a balance in an Account under the Plan.

1.19 Separation From Service

"Separation From Service" means a "separation from service" within the meaning of Code section 409A (taking into account section 1.409A-1(h) of the Treasury regulations and other guidance of general applicability issued thereunder), administered in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance, it being intended that for this purpose, "separation from service" will be determined based on services performed for the Company and all entities which are part of the same "controlled group" or group of trades or business under "common control" as the Company within the meaning of Code sections 414(b) or (c) (meaning, for the avoidance of doubt, that the Plan shall apply the 80 percent common control standard stated in such Code sections and the Treasury regulations thereunder). Furthermore, a director who is or becomes an employee but who has an Account under this Plan shall be treated as separating from service for purposes of this Plan if the director would be deemed to have separated from service as a director if his or her services as an employee were disregarded, in accordance with section 1.409A-1(h)(5) of the Treasury regulations.

1.20 Stock Account

"Stock Account" means the account established by Kodak for each Participant, the performance of which is measured by reference to the Market Value of Common Stock. The maintenance of individual Stock Accounts is for bookkeeping purposes only.

1.21 Stock Deferrable Amount

"Stock Deferrable Amount" means that portion of a Participant's Deferrable Amount that would otherwise be paid to the Participant in Common Stock absent the Participant's election to defer.

1.22 Valuation Date

"Valuation Date" means, with regards to a Participant's Deferred Compensation Account, the last day of each calendar month and, with regards to the Participant's Stock Account, the last business day of each calendar month.

Article 2. Term

The Plan became effective January 1, 1979.

Article 3. Participation

Only Participants shall be eligible to participate in the Plan.

Article 4. Deferral of Compensation

For any given calendar year, a Participant may make a deferral election, in accordance with the requirements of Article 5 below, to defer receipt of all or any portion of his or her Deferrable Amount to be earned during such year into his or her Accounts. Any Deferrable Amount that is so deferred shall be credited to the Participant's Accounts in accordance with Article 6 below.

Article 5. Deferral Elections

5.1 In General

A Participant may make a deferral election to defer compensation by executing and returning to the Administrator in accordance with this Article 5 a deferred compensation form provided by Kodak.

5.2 Timing

A Participant who wishes to defer compensation under the Plan must irrevocably elect to do so during an Enrollment Period. Such election shall be effective for the calendar year immediately following the Enrollment Period during which such election was made and for all succeeding calendar years, unless the Participant revokes his or her election or files a new election during the Enrollment Period for such a succeeding calendar year. Any such revocation or election, as the case may be, shall be effective on the first day of such succeeding calendar year.

5.3 Irrevocability

Deferral elections made under this Plan with respect to any calendar year will be final and, after the close of the Enrollment Period for such calendar year, may not be revoked or amended in any manner until the Enrollment Period for a succeeding calendar year. Any such revocation or amendment, as the case may be, shall be effective on the first day of such succeeding calendar year.

5.4 Elections

A deferred compensation form filed by a Participant during an Enrollment Period shall indicate: (1) the amount of the Cash Deferrable Amount to be deferred; and (2) the amount of the Stock Deferrable Amount to be deferred. Cash Deferrable Amounts that are deferred by a Participant will be credited to the Participant’s

Deferred Compensation Account. Stock Deferrable Amounts that are deferred by a Participant will be credited to the Participant's Stock Account.

Article 6. Hypothetical Investments

6.1 Deferred Compensation Account

Amounts in a Participant's Deferred Compensation Account are hypothetically invested in an interest bearing account which bears interest computed at the Interest Rate, compounded monthly.

6.2 Stock Account

Amounts in a Participant's Stock Account are hypothetically invested in units of Common Stock. Amounts transferred to a Stock Account are recorded as units of Common Stock, and fractions thereof, with one unit equating to a single share of Common Stock. Thus, the value of one unit shall be the Market Value of a single share of Common Stock. The use of units is merely a bookkeeping convenience; the units are not actual shares of Common Stock. Kodak will not reserve or otherwise set aside any Common Stock for or to any Stock Account.

6.3 Time Accounts are Credited

Amounts to be deferred shall be credited to the Participant's Accounts on the date such amounts would otherwise be payable.

6.4 Stock Account Crediting

If a Participant elects to defer into his or her Stock Account, the Stock Account of the Participant will, for so long as the election remains in effect, be credited with that number of units of Common Stock equal to the number of shares of Common Stock that would otherwise be paid to the Participant but for his or her election to defer.

Article 7. Investment Elections

7.1 Elections

A Participant may make an investment election to direct that all or any portion, designated as a whole percentage, of the existing balance of one of his or her Accounts be transferred to his or her other Account, effective as of the close of business on the last day of any calendar month (hereinafter the election's "Effective Date"), by filing a written election with the Administrator on or prior to such date.

7.2 Election into the Stock Account

If a Participant makes an investment election pursuant to Section 7.1 to transfer an amount from his or her Deferred Compensation Account to his or her Stock Account, effective as of the election's Effective Date, (i) his or her Stock Account shall be credited with that number of units of Common Stock, and fractions thereof, obtained by dividing the dollar amount elected to be transferred by the Market Value of the Common Stock on the Valuation Date immediately preceding or coincident with the election's Effective Date; and (ii) his or her Deferred Compensation Account shall be reduced by the amount elected to be transferred.

7.3 Election out of the Stock Account

If a Participant makes an investment election pursuant to Section 7.1 to transfer an amount from his or her Stock Account to his or her Deferred Compensation Account, effective as of the election's Effective Date, (i) his or her Deferred Compensation Account shall be credited with a dollar amount equal to the amount obtained by multiplying the number of units to be transferred by the Market Value of the Common Stock on the Valuation Date immediately preceding or coincident with the election's Effective Date; and (ii) his or her Stock Account shall be reduced by the number of units elected to be transferred.

7.4 Dividend Equivalents in the Stock Account

Effective as of the payment date for each cash dividend on the Common Stock, additional units of Common Stock shall be credited to the Stock Account of each Participant who has a balance in his or her Stock Account on the record date for such dividend. The number of units that shall be credited to the Stock Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of units of Common Stock held in the Participant's Stock Account on the record date for such dividend and dividing the product thereof by the Market Value of the Common Stock on the payment date for such dividend.

7.5 Stock Dividends in the Stock Account

Effective as of the payment date for each stock dividend (as defined in Code section 305) on the Common Stock, additional units of Common Stock shall be credited to the Stock Account of each Participant who has a balance in his or her Stock Account on the record date for such dividend. The number of units that shall be credited to the Stock Account of such a Participant shall equal the number of shares of Common

Stock which the Participant would have received as stock dividends had he or she been the owner on the record date for such stock dividend of the number of shares of Common Stock equal to the number of units credited to his or her Stock Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had he or she been the record owner of such shares for such stock dividend, then his or her Stock Account shall also be credited with that number of units, or fractions thereof, equal to such cash amount divided by the Market Value of the Common Stock on the payment date for such dividend.

7.6 Recapitalization in the Stock Account

If Kodak undergoes a reorganization as defined in Code section 368(a), the Administrator shall, in his or her sole and absolute discretion, take whatever action he or she deems necessary, advisable or appropriate with respect to the Stock Accounts in order to reflect such transaction, including, but not limited to, adjusting the number of units credited to a Participant's Stock Account. Any action taken shall comply with Code section 409A.

7.7 Distributions from the Stock Account

Amounts in respect of units of Common Stock shall be distributed in cash in accordance with Articles 8 and 11. For purposes of a distribution pursuant to Articles 8 or 11, the number of units to be distributed from a Participant's Stock Account shall be valued by multiplying the number of such units by the Market Value of the Common Stock as of the Valuation Date immediately preceding the date such distribution is to occur. Pending the complete distribution under Section 8.2 of the Stock Account of a Participant who is no longer a member of the Board, the Participant shall continue to be able to make elections pursuant to Sections 7.2 and 7.3 and his or her Stock Account shall continue to be credited with additional units of Common Stock pursuant to Sections 7.4, 7.5, and 7.6.

Article 8. Payment of Deferred Compensation

8.1 Background

No withdrawal may be made from a Participant's Accounts except as provided in this Article 8 and Article 11.

8.2 Manner of Payment

Payment of the Participant’s Accounts shall be made as set forth below.

A. Payment of the portion of a Participant's Accounts which consists of Grandfathered Benefits shall be made at the sole discretion of the Administrator in a single sum payment or in annual installments; provided, however, that payment in the event of death shall be made in accordance with Section 8.5 below. The maximum number of annual installments is ten. All payments from the Plan shall be made in cash. Nothing herein prohibits or requires payment of Grandfathered Benefits in the same manner as the remaining portion of the Participant's Accounts is paid in accordance with Section 8.2(B).

B. Payment of the portion of a Participant's Accounts which consists of benefits other than Grandfathered Benefits shall be made in accordance with the distribution election filed by the Participant at the time of such Participant's initial election to participate in the Plan. The distribution election shall comply with the following rules:

1) The election shall not apply to any Grandfathered Benefits. Such benefits shall be distributed as determined by the Administrator, in its sole discretion, in accordance with Section 8.2(A).

2) The Participant may elect payment in a single sum payment or in annual installments; provided, however, that payment in the event of death shall be made in accordance with Section 8.5 below. The maximum number of annual installments is ten. All payments from the Plan shall be made in cash.

For those Participants who were already Participants on January 1, 2005, distribution of benefits other than Grandfathered Benefits shall be determined as follows:

a) In accordance with such Participant's election, if the Participant filed an election by December 31, 2008, and such election complied with transition guidance issued by the Internal Revenue Service and the Plan's administrative procedures and deadlines.

b) If no such election was filed, in the form of a single sum payment.

A Participant who was not a Participant on January 1, 2005 but who fails to file a timely election shall receive payment in the form of a lump-sum payment.

Notwithstanding the foregoing, but without limitation of the Administrator's discretion to impose such earlier deadlines as he/she deems desirable for administrative purposes, the
Administrator may accept elections through December 31, 2008 in accordance with the Internal Revenue Service's transition guidance under Code section 409A.

3) Once filed, a distribution election is irrevocable and shall apply to all future contributions to the Plan (adjusted for earnings and losses thereon) except as stated in paragraph (4) below.

4) If a Participant experiences a Separation From Service and then rejoins the Board, payments of amounts accrued prior to the initial Separation From Service (adjusted for earnings and losses thereon) shall continue unaffected. However, the Participant may file a new distribution election at the time of his initial deferral election following reelection to the Board, which shall govern payments of amounts contributed thereafter (adjusted for earnings and losses thereon).

8.3 Timing

Payment of a Participant's Accounts shall be made as set forth below.

A. Payment of the portion of the Participant's Accounts which consists of Grandfathered Benefits shall be made (or commence to be made) as soon as administratively possible following the fifth business day in March and shall commence in any year designated by the Administrator up through the tenth year following the year in which the Participant for any reason ceases to be a member of the Board. Notwithstanding the immediately preceding sentence, payment in the event of death shall be made in accordance with Section 8.5. Nothing herein prohibits or requires payment of Grandfathered Benefits at the same time as the remaining portion of the Participant's Accounts is paid in accordance with Section 8.3(B).

B. Payment of the portion of the Participant's Accounts which consists of benefits other than Grandfathered Benefits shall be made (or commence to be made) in accordance with the distribution election filed by the Participant at the time of such Participant's initial election to participate in the Plan. Such distribution elections will be subject to the following rules:

1) The election shall not apply to any Grandfathered Benefits. Such benefits shall be distributed as determined by the Administrator, in its sole discretion, in accordance with Section 8.3(A).

2) The Participant may elect to have payments commence in any year following the year of such Participant's Separation From Service up through the tenth year. Payments shall be made in the appointed year, as soon as administratively possible following the fifth business day in March of such year, provided, however, that payments in the event of death will be made in accordance with Section 8.5.

For those Participants who were already Participants on January 1, 2005, distribution of benefits other than Grandfathered Benefits shall be determined as follows:

a) In accordance with such Participant's election, if the Participant filed an election by December 31, 2008, and such election complied with transition guidance issued by the Internal Revenue Service and the Plan's administrative procedures and deadlines.

b) If no such election was filed, in the first full calendar year following Separation From Service.

A Participant who was not a Participant on January 1, 2005 but who fails to file a timely election shall be paid in the first full calendar year following Separation From Service.

Notwithstanding the foregoing, but without limitation of the Administrator's discretion to impose such earlier deadlines as he/she deems desirable for administrative purposes, the Administrator may accept elections through December 31, 2008 in accordance with the Internal Revenue Service's transition guidance under Code section 409A.

Notwithstanding the terms of any election, if the Participant at the time of Separation From Service is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Code section 409A, and the payment date for the year in which payment is due is within the six-month waiting period, payment will be made as soon as practicable after the expiration of such period (and in any case within 90 days after such expiration).

3) Once filed, a distribution election is irrevocable and shall apply to all future contributions to the Plan (adjusted for earnings and losses thereon) except as stated in paragraph (4) below.

4) If a Participant experiences a Separation From Service and then rejoins the Board, payments of amounts accrued prior to the initial Separation From Service (adjusted for earnings and losses thereon) shall continue unaffected. However, the Participant may file a new distribution election at the time of his initial deferral election following reelection to the Board, which shall govern payments of amounts contributed thereafter (adjusted for earnings and losses thereon).

8.4 Valuation

The amount of each payment shall be equal to the value, as of the immediately preceding Valuation Date, of the Participant's Accounts, divided by the number of installments remaining to be paid. If payment of a Participant's Accounts is to be made in installments and the Participant has a balance in his or her Stock Account at the time of the payment of an installment, the amount that shall be distributed from his or her Stock Account shall be the amount obtained by multiplying the total amount of the installment determined in accordance with the immediately preceding sentence by the percentage obtained by dividing the balance in the Stock Account as of the immediately preceding Valuation Date by the total value of the Participant's Accounts as of such Valuation Date. Similarly, in such case, the amount that shall be distributed from the Participant's Deferred Compensation Account shall be the amount obtained by multiplying the total amount of the installment determined in accordance with the first sentence of this Section 8.4 by the percentage obtained by dividing the balance in the Deferred Compensation Account as of the immediately preceding Valuation Date by the total value of the Participant's Accounts as of such Valuation Date. The calculations described in this Section shall be performed separately for the portion of Accounts attributable to Grandfathered Benefits and for the other portion of the Accounts.

8.5 Payment of Deferred Compensation After Death

If a Participant dies prior to complete payment of his or her Accounts, the provisions of this Section 8.5 shall become operative.

A. **Stock Account**. Effective as of the date of a Participant's death, the entire balance of his or her Stock Account shall be transferred

to his or her Deferred Compensation Account. For purposes of valuing the units of Common Stock subject to such a transfer, the deceased Participant's Deferred Compensation Account shall be credited with a dollar amount equal to the amount obtained by multiplying the number of units in the deceased Participant's Stock Account at the time of his or her
death by the Market Value of the Common Stock on the date of his or her death. Thereafter, no amounts in the deceased Participant's Deferred Compensation Account shall be eligible for transfer to the deceased Participant's Stock Account by any person, including, but not by way of limitation, the deceased Participant's beneficiary or legal representative.

B. **Distribution**. The balance of the Participant's Accounts, valued as of the Valuation Date immediately preceding the date payment is made, shall be paid in a single, lump-sum payment to: (1) the beneficiary or contingent beneficiary designated by the Participant in accordance with Section 8.5(C); or, in the absence of a valid designation of a beneficiary or contingent beneficiary, (2) the Participant's estate within 30 days after appointment of a legal representative of the deceased Participant. In any event, payment will be made no later than the end of the taxable year of death (or, if later, the fifteenth day of the third month following the date of death).

C. **Beneficiary Designation**. Each Participant shall have the right, at any time, to designate any person or persons as his or her Beneficiary or Beneficiaries (both primary and contingent) to whom payment under this Plan shall be made in the event of his or her death prior to complete distribution to the Participant of the benefits due him or her under the Plan. Each Beneficiary designation shall become effective only when filed in writing with the Administrator during the Participant's lifetime on a form provided by the Administrator. The filing of a new Beneficiary designation form with the Administrator will cancel all Beneficiary designation(s) previously filed.

Article 9. Administration

9.1 Responsibility

The Administrator shall have total and exclusive responsibility to control, operate, manage and administer the Plan in accordance with its terms.

9.2 Authority of the Administrator

The Administrator shall have all the authority that may be necessary or helpful to enable him or her to discharge his or her responsibilities with respect to the Plan. Without limiting the generality of the preceding sentence, the Administrator shall have the exclusive right: to interpret the Plan, to decide all questions concerning the amount of benefits payable under the Plan, to construe any ambiguous provision of the Plan, to correct any default, to supply any omission, to reconcile any inconsistency, and to decide any and all questions arising in the administration, interpretation, and application of the Plan.

9.3 Discretionary Authority

The Administrator shall have full discretionary authority in all matters related to the discharge of his or her responsibilities and the exercise of his or her authority under the Plan including, without limitation, the construction of the terms of the Plan and the determination of benefits under the Plan. It is the intent of the Plan that the decisions of the Administrator and his or her actions with respect to the Plan shall be final and binding upon all persons having or claiming to have any right or interest in or under the Plan and that no such decision or action shall be modified upon judicial review unless such decision or action is proven to be arbitrary or capricious.

9.4 Delegation of Authority

The Administrator may delegate some or all of his or her authority under the Plan to any person or persons provided that any such delegation is in writing.

Article 10. Miscellaneous

10.1 Participant's Rights Unsecured

The amounts payable under the Plan shall be unfunded, and the right of any Participant or his or her estate to receive any payment under the Plan shall be an unsecured claim against the general assets of Kodak. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the units credited to his or her Stock Account.

10.2 Non-Assignability

The right of a Participant to the payment of deferred compensation as provided in this Plan shall not be subject in any manner to alienation, anticipation, sale, transfer (except by will or the laws of descent and distribution), assignment, pledge, or encumbrance.

10.3 Statement of Account

Statements will be sent no less frequently than annually to each Participant or his or her beneficiary or estate showing the value of the Participant's Accounts.

10.4 Amendment

The Plan may at any time or from time to time be amended, modified, suspended or terminated by resolution of the Board. However, no amendment, modification, or termination shall, without the consent of a Participant, adversely affect such Participant's accruals in his or her Accounts. No amendment, modification, suspension or termination will accelerate distributions unless such acceleration is approved by Kodak and permitted under Code section 409A and the Treasury regulations and interpretive guidance issued thereunder.

10.5 Governing Law

The Plan shall be construed, governed and enforced in accordance with the law of New York State, except as such laws are preempted by applicable federal law.

10.6 No Guarantee of Tax Consequences

No person connected with the Plan in any capacity, including, but not limited to, Kodak and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts deferred under the Plan, or paid to or for the benefit of a Participant or Beneficiary under the Plan, or that such tax treatment will apply to or be available to a Participant or Beneficiary on account of participation in the Plan.

10.7 Compliance with Securities Laws

Subject to the limitations imposed by Code section 409A, the Board may, from time to time, impose additional, or modify or eliminate existing, Plan terms, provisions, restrictions or requirements, including, but not by way of limitation, the provisions regarding a Participant's ability to elect into and out of his or her Stock Account under Sections 7.2 and 7.3 or the requirement of an automatic transfer pursuant to Section 8.5(A), as it deems necessary, advisable or appropriate in order to comply with applicable federal or state securities laws. All such restrictions shall be in compliance with Code section 409A and the Treasury regulations thereunder.

Article 11. Change in Control

11.1 Background

Upon a Change In Control: (i) the terms of this Section 11 shall immediately become operative, without further action or consent by any person or entity, (ii) all terms, conditions, restrictions, and limitations in effect on any deferred compensation shall immediately lapse as of the date of such event; and (iii) no other terms, conditions, restrictions, and/or limitations shall be imposed upon any deferred compensation on or after such date, and in no circumstance shall any Account be forfeited on or after such date. However, this Article affects the availability of distributions only to the extent expressly so stated herein.

11.2 Payment of Deferred Compensation

Upon a Change in Control, each Participant, whether or not he or she is still a member of the Board, shall be paid in a single, lump-sum cash payment the balance of his or her Accounts as of the Valuation Date immediately preceding the date payment is made, (except that the value of the Stock Account shall be determined as of the date of the Change in Control). Such payment shall be made as soon as practicable, but in any event no later than 90 days after the Change in Control.

11.3 Amendment On or After Change In Control

Upon a Change in Control, no action, including, but not by way of limitation, the amendment, modification, suspension or termination of the Plan, shall be taken which would affect the rights of any Participant or the operation of this Plan with respect to the balance in the Participant's Accounts, except to the extent Kodak's counsel, accountants or auditors identify such amendment or termination as necessary to bring the Plan into compliance with applicable law and/or avoid the imposition of penalties on Participants (provided that an amendment or termination shall not be permitted for the purpose of avoiding penalties imposed on Participants unless the adverse effect of such penalties would be worse than the adverse effect of any such amendment or termination).

Article 12. Retirement Plan Amounts

12.1 Background

Effective as of February 12, 1999, the Eastman Kodak Company Retirement Plan for Directors (the “Retirement Plan”) was amended and frozen. One of these amendments ceased the accrual of pension benefits for each Director serving as a member of the Board on February 12,

1999 (an "Incumbent Director") with regard to services rendered by the Incumbent Director after February 12, 1999. The Retirement Plan was also amended to direct that a one-time credit be made to each Incumbent Director's Account in an amount representing the present value of the Incumbent Director's accrued benefit under the Retirement Plan for all services rendered on or prior to February 12, 1999
(the "Accrued Benefit"). The terms of this Article 12 will apply to those amounts credited to a Participant's Account as required under the terms of the Retirement Plan.

12.2 Crediting of Accrued Benefit

Effective February 12, 1999, the Account of each Participant who is an Incumbent Director will be credited with an amount representing the Participant's Accrued Benefit. At the Participant's election, this amount will be credited to the Participant's Stock Account or Deferred Compensation Account. If the Accrued Benefit is credited to the Participant's Stock Account, the number of units that will be credited will equal the number of full shares of Common Stock that can be purchased with the dollar amount of the Participant's Accrued Benefit using the average of the Market Value of Common Stock for the period February 12, 1999 through May 12, 1999. Any fractional share will be rounded to the next whole share.

12.3 Dividend Equivalents

The units of Common Stock credited to a Participant's Stock Account under this Article 12 will accrue dividend equivalents in accordance with Section 7.4.

12.4 Stock Dividends, Recapitalization, and Distributions

The terms of Sections 7.5, 7.6 and 7.7 will apply to those units of Common Stock credited to a Participant's Stock Account under this Article 12.

12.5 Remaining Terms of Plan

All of the remaining terms of the Plan will apply to the Accrued Benefit credited to a Participant's Account under this Article 12, provided, however, they are not inconsistent with the terms of this Article 12.

Exhibit (10.4)

1982 EASTMAN KODAK COMPANY

EXECUTIVE DEFERRED COMPENSATION PLAN

Preamble.

The 1982 Eastman Kodak Company Executive Deferred Compensation Plan is an unfunded non-qualified deferred compensation arrangement for eligible executives of Eastman Kodak Company and certain of its subsidiaries effective for compensation earned in 1982 and later years. Under the Plan, each Eligible Employee is annually given an opportunity to elect to defer payment of part of his or her compensation earned during the year following his or her election.

This Plan is intended to satisfy Code section 409A with respect to benefits subject thereto, and the terms and conditions of this Plan shall be interpreted and construed accordingly. This Plan also provides for benefits not subject to Code section 409A by reason of having been earned and vested before January 1, 2005, and no amendment to this Plan that might constitute a "material modification" within the meaning of Code section 409A and the Treasury regulations thereunder shall apply to such benefits unless such amendment expressly provides for the loss of such benefits' grandfathered status.

From January 1, 2005 through December 31, 2008, this Plan was operated in good faith compliance with the requirements of Code section 409A, and the Treasury regulations and applicable guidance thereunder. Any administrative practices and interpretations established in order to enable the Plan to operate in good-faith compliance but contrary to the terms of such Plan as then in effect are hereby expressly ratified. Effective January 1, 2009, the terms and conditions of this amended and restated Plan have been adopted to reflect the final Treasury regulations under Code section 409A.

This Plan will be interpreted and administered in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance with respect to benefits subject to Code section 409A.

Article 1. Definitions.

1.1 Accelerated Distribution

The form of distribution permitted under Section 8.8.

1.2 Account

"Account" means the Deferred Compensation Account or the Stock Account.

1.3 Board

"Board" means Board of Directors of Kodak.

1.4 Change In Control

“Change in Control,” with respect to Grandfathered Dollars, means the occurrence of any one of the following events:

A. individuals who, on December 9, 1999, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to December 9, 1999, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of Kodak in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of Kodak as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) (“Election Contest”) or any other actual or threatened solicitation of proxies or consents by or on behalf of any “person” (as such term is defined in Section 3(a)(9) of the Act) other than the Board (“Proxy Contest”), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed to be an Incumbent Director;

B. any person is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of Kodak representing 25% or more of the combined voting power of Kodak’s then outstanding securities eligible to vote for the election of the Board (the “Kodak Voting Securities”); provided, however, that the event described in this paragraph (B) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (i) by Kodak or any subsidiary, (ii) by any employee benefit plan (or related trust) sponsored or maintained by Kodak or any subsidiary, or (iii) by any underwriter temporarily holding securities pursuant to an offering of such securities;

C. the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Kodak or any of its subsidiaries that requires the approval of Kodak's shareholders, whether for such transaction or the issuance of securities in the transaction (a “Reorganization”), or sale or other disposition of all or substantially all of Kodak’s assets to an entity that is not an affiliate of Kodak (a “Sale”), unless immediately following such Reorganization or Sale: (i) more than 60% of the total voting power of (x) the corporation resulting from such Reorganization or Sale (the “Surviving Company”), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Company (the “Parent Company”), is represented by Kodak Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Kodak Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Kodak Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Company or the Parent Company), is or becomes the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (iii) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a “Non-Qualifying Transaction”); or

D. the shareholders of Kodak approve a plan of complete liquidation or dissolution of Kodak.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of Kodak Voting Securities as a result of the acquisition of Kodak Voting Securities by Kodak which reduces the number of Kodak Voting Securities outstanding; provided that if after such acquisition by Kodak such person becomes the beneficial owner of additional Kodak Voting Securities that increases the percentage of outstanding Kodak Voting Securities beneficially owned by such person, a Change in Control shall then occur.

With respect to benefits other than Grandfathered Dollars, “Change in Control” means an event that both satisfies the above definition and qualifies as a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury regulations. Solely for the purpose of determining whether a “Change in Control” has occurred in connection with the payment of benefits other than Grandfathered Dollars, it is noted that the above definition of “Change in Control” shall be interpreted to require that in the case of director elections under A, the approval of the Incumbent Directors must be given prior to their election, and references to a “subsidiary” or “affiliate” of Kodak shall mean an entity in which Kodak possesses a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of the second entity entitled to vote generally in the election of directors or in which Kodak has the right to receive 50% or more of the distribution of profits or 50% of the assets on liquidation or dissolution.

1.5 Code

“Code” means the Internal Revenue Code of 1986, as amended.

1.6 Common Stock

"Common Stock" means the common stock of Kodak.

1.7 Company

"Company" means Kodak and its United States subsidiaries listed on Schedule A. A subsidiary must be a member of the same “controlled group” as Kodak within the meaning of Section 414(b) or (c) of the Code in order for its employees to be active participants in the Plan.

1.8 Consolidated Group

“Consolidated Group” means Kodak and all Subsidiaries.

1.9 Compensation Committee

"Compensation Committee" shall mean the Executive Compensation and Development Committee of the Board.

1.10 Deferrable Amount

"Deferrable Amount" means an amount equal to the excess of the Eligible Employee's individual annual salary rate as of October 1 of any year over the Minimum Compensation Level.

1.11 Deferred Compensation Account

"Deferred Compensation Account" means the account established by the Company for each Participant for compensation deferred pursuant to this Plan. The maintenance of individual Deferred Compensation Accounts is for bookkeeping purposes only.

1.12 Eligibility Compensation Level

“Eligibility Compensation Level” means the dollar amount used to determine whether a person is an Eligible Employee. The Eligibility Compensation Level for a given Plan year will be determined by the Chief Human Resources Officer and Senior Vice President, Eastman Kodak Company, who will select a threshold that will maintain this Plan’s status as a “top-hat” plan.

1.13 Eligible Employee

"Eligible Employee" means for a particular Plan year: (1) the corporate officers of Kodak; and (2) any other employee of the Company whose individual annual salary rate as of October 1 of the prior year is equal to or greater than the Eligibility Compensation Level. In addition, any Participant with an Account balance who does not qualify as an Eligible Employee for a particular Plan year solely because his or her individual annual salary rate as of October 1 of the prior year is less than the Eligibility Compensation Level for such Plan year, will nevertheless be an Eligible Employee for such Plan year; provided, however, he or she is a full-time employee and provided further that such Participant’s continued eligibility will not endanger this Plan’s status as a “top-hat” plan. Also, solely for the 2001 Plan year, any Employee of the Company who was eligible to participate in the Plan for the 2000 Plan year, but elected not to participate, will be an Eligible Employee for the 2001 Plan Year. Notwithstanding the foregoing, a non-resident alien will not be an Eligible Employee unless he or she is paid on United States payroll.

1.14 Enrollment Period

"Enrollment Period" means the period of consecutive days designated by the Director, Executive Compensation each year, provided however, that such period shall begin no earlier than October 15 and shall end no later than December 15 of each year.

1.15 Grandfathered Dollars

“Grandfathered Dollars” shall mean benefits payable under this Plan that are not subject to Code section 409A by reason of having been earned and vested as of December 31, 2004, provided that benefits shall cease to be Grandfathered Dollars if the Plan is "materially modified" with respect to such Grandfathered Dollars after October 3, 2004. Grandfathered Dollars shall be accounted for separately.

1.16 Interest Rate

"Interest Rate" means the base rate, as reported in the “Money Rates” section of the Wall Street Journal, on corporate loans posted by at least 75% of the nation’s 30 largest banks (known as the “Prime Rate”).

1.17 Kodak

"Kodak" means Eastman Kodak Company.

1.18 Market Value

"Market Value" means the mean between the high and low at which the Common Stock trades as quoted in the New York Stock Exchange Composite Transactions as published in the Wall Street Journal on the day for which the determination is to be made, or if such day is not a trading day, the immediately preceding day.

1.19 Minimum Compensation Level

“Minimum Compensation Level” means the dollar amount used to determine the amount of an Eligible Employee’s Deferrable Amount. The Minimum Compensation Level is $50,000.

1.20 Plan

"Plan" means the 1982 Eastman Kodak Company Executive Deferred Compensation Plan as adopted by the Board and subsequently amended.

1.21 Participant

"Participant" means an Eligible Employee who elects for one or more years to defer compensation pursuant to this Plan. All SOG Participants are Participants.

1.22 Separation from Service

With respect to Grandfathered Dollars, “Separation from Service” means separation from service with the Consolidated Group.

With respect to benefits other than Grandfathered Dollars, “Separation from Service” means separation from service within the meaning of Code section 409A (taking into account section 1.409A-1(h) of the Treasury regulations and other guidance of general applicability issued thereunder), administered in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance, provided that this Plan shall utilize the 50% common control standard described in the Treasury regulations rather than the 80% rule normally applied under the Policy.

1.23 SOG Participant

"SOG Participant" means a Participant who either: (1) is subject to the Guidelines for Senior Management Ownership of Eastman Kodak Company Stock as approved by the Compensation Committee; or (2) was subject to the Guidelines for Senior Management Ownership of Eastman Kodak Company Stock as approved by the Compensation Committee and still has a balance in his or her Stock Account in accordance with the terms of the Plan.

1.24 Stock Account

"Stock Account" means the account established by the Company for each SOG Participant, the performance of which is measured by reference to the Market Value of Common Stock. The maintenance of individual Stock Accounts is for bookkeeping purposes only.

1.25 Subsidiary

"Subsidiary" means any corporation or other entity in which Kodak has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors or in which Kodak has the right to receive 50% or more of the distribution of profits or 50% of the assets on liquidation or dissolution.

1.26 Valuation Date

"Valuation Date" means, with regards to a Participant's Deferred Compensation Account, the last business day of each calendar month and, with regards to a SOG Participant's Stock Account, the last business day of each calendar month.

Article 2 Participation

Only Eligible Employees are eligible to participate in the Plan.

Article 3 Deferral of Compensation

3.1 In General

All Eligible Employees, other than those Eligible Employees who are SOG Participants, may elect, in accordance with the time requirements established under Article 4 below, to defer receipt of one or more of the following to his or her Deferred Compensation Account:

1) all or any portion of his or her Deferrable Amount to be earned during the immediately succeeding calendar year;

2) up to a maximum of 75% of his or her cash award, if any, under the Executive Compensation for Excellence and Leadership plan (EXCEL) payable in the second immediately succeeding calendar year; and

3) all or any portion of any other compensation identified by the Compensation Committee prior to the end of the Enrollment Period preceding the year in which such compensation is earned.

3.2 SOG Participants

All SOG Participants may elect, in accordance with the requirements established under Article 4 below, to defer receipt of one or more of the following to his or her Deferred Compensation Account:

1) all or any portion of his or her Deferrable Amount to be earned during the immediately succeeding calendar year;

2) up to a maximum of 75% of his or her cash award, if any, under the Executive Compensation for Excellence and Leadership plan (EXCEL) payable in the second immediately succeeding calendar year; and

3) all or any portion of any other compensation identified by the Compensation Committee prior to the end of the Enrollment Period preceding the year in which such compensation is earned.

3.3 Eastman Kodak Employees' Savings and Investment Plan (SIP)

A Participant in this Plan need not participate in the Eastman Kodak Employees' Savings and Investment Plan.

3.4 Post Termination Deferrals

No deferral shall be made of any compensation payable after Separation from Service.

Article 4 Deferral Elections

4.1 Elections

An Eligible Employee may make a deferral election to defer compensation by executing and returning to the Compensation Committee in accordance with this Article 4 a deferred compensation form provided by Kodak. An Eligible Employee may only make a deferral election into his or her Deferred Compensation Account; deferral elections into the Stock Account are not permitted under the Plan.

An otherwise-Eligible Employee who received an Accelerated Distribution under Section 8.8 may not make a deferral election for the calendar year following the calendar year of the Accelerated Distribution, in accordance with Section 8.8. Deferrals by an otherwise-Eligible Employee who received a hardship distribution under the Eastman Kodak Employees' Savings and Investment Plan or another 401(k) plan, or who received a distribution due to an unforeseeable emergency under Section 8.7, shall be restricted as required by the relevant 401(k) plan or Section 8.7, as applicable. The Compensation Committee or its designee may impose such restrictions or prohibitions on deferral elections for subsequent calendar years as it deems appropriate.

4.2. Timing

An Eligible Employee who wishes to defer compensation under the Plan must irrevocably elect to do so during the Enrollment Period immediately preceding the calendar year for which such compensation is earned. Elections made during the Enrollment Period shall be effective the first day of the calendar year immediately following the Enrollment Period. Elections shall be made annually. An Employee who would qualify as an Eligible Employee but who is hired after the close of the Enrollment Period must wait until the next Enrollment Period to file an election.

4.3 Irrevocability

Deferral elections made under this Plan with respect to any calendar year will be final and, after the close of the Enrollment Period for such calendar year, may not be revoked or amended in any manner.

Notwithstanding the foregoing, deferrals under this Plan will be cancelled in the event that a hardship distribution is made under the Eastman Kodak Employees' Savings and Investment Plan or another 401(k) plan to the extent required by such plan, or in the event of a distribution due to an unforeseeable emergency under Section 8.7.

4.4 Deferral Elections by Eligible Employees Other Than SOG Participants

In the case of all Eligible Employees, other than SOG Participants, the deferred compensation form shall indicate: (1) the dollar amount of the Deferrable Amount to be deferred; (2) whether the deferral is to be at the same rate throughout the year, or at one rate for part of the year and at a second rate for the remainder of the year; (3) the amount, in terms of such percentages as Kodak shall determine, of the cash EXCEL award, if any, to be deferred; and (4) the portion to be deferred of any other compensation that the Compensation Committee determines is eligible for deferral under the Plan.

4.5 Deferral Elections by SOG Participants

The deferred compensation form of all SOG Participants shall indicate: (1) the dollar amount of the Deferrable Amount to be deferred; (2) whether the deferral is to be at the same rate throughout the year, or at one rate for part of the year and at a second rate for the remainder of the year; (3) the amount, in terms of such percentages as Kodak shall determine, of the cash EXCEL award, if any, to be deferred; and (4) the portion to be deferred of any other compensation that the Compensation Committee determines is eligible for deferral under the Plan.

Article 5 Hypothetical Investments

5.1 Deferred Compensation Account

Amounts in a Participant's Deferred Compensation Account are hypothetically invested in an interest bearing account which bears interest computed at the Interest Rate, compounded monthly.

5.2 Stock Account

Amounts in a SOG Participant's Stock Account are hypothetically invested in units of Common Stock. Amounts transferred to a Stock Account are recorded as units of Common Stock, and fractions thereof, with one unit equating to a single share of Common Stock. Thus, the value of one unit shall be the Market Value of a single share of Common Stock. The use of units is merely a bookkeeping convenience; the units are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Stock Account.

5.3 Time Accounts Are Credited

Amounts to be deferred by a Participant shall be credited to the Participant's Account as follows:

1) Deferrable Amount shall be credited each pay period on the date such amount is otherwise payable;

2) EXCEL award shall be credited on the date such amount is otherwise payable; and

3) any other compensation shall be credited on the date such amount is otherwise payable.

Article 6 Elections to Defer For a Fixed Period During Employment

6.1 In General

A Participant may elect to defer receipt of his or her compensation for a fixed number of years, no less than 5, provided that he or she neither incurs a Separation from Service nor dies during the period of deferral. Any such election shall be made during the Enrollment Period on the deferred compensation form referenced in Article 4 above. If such Participant incurs a Separation From Service or dies prior to the end of the fixed period, Article 8 shall govern the payment of his or her Accounts.

6.2 Form of Payment

If a Participant has elected to defer receipt of his or her compensation for a fixed number of years, payment of such amount shall be made in cash in a single lump-sum.

6.3 Valuation

The amount of the lump-sum due the Participant shall be valued as of the Valuation Date in August in the year following the termination of the deferral period.

6.4 Time of Payment

Payment shall be made in the year following the termination of the deferral period on a date selected by the Chief Human Resources Officer and Senior Vice President, Eastman Kodak Company.

Article 7 Investment Elections

The provisions of this Article 7 shall only apply to SOG Participants.

7.1 Elections

A. **In General**. Subject to Section 7.1(B), a SOG Participant may make an investment election to direct that all or any portion, designated as a whole percentage, of the existing balance of one of his or her Accounts be transferred to his or her other Account, effective as of the close of business on the last day of any calendar month (hereinafter the election's "Effective Date"), by filing a written election with the Compensation Committee on or prior to such date.

B. **Elections to Defer For A Fixed Period During Employment**. A SOG Participant may not transfer to his or her Stock Account any amount subject to an election to defer for a fixed number of years pursuant to Article 6, nor may he or she transfer to his or her Stock Account any interest that has accrued on such amount.

7.2 Election into the Stock Account

If a SOG Participant makes an investment election pursuant to Section 7.1 to transfer an amount from his or her Deferred Compensation Account to his or her Stock Account, effective as of the election's Effective Date, (i) his or her Stock Account shall be credited with that number of units of Common Stock, and fractions thereof, obtained by dividing the dollar amount elected to be transferred by the Market Value of the Common Stock on the Valuation Date coincident with or immediately preceding the election's Effective Date; and (ii) his or her Deferred Compensation Account shall be reduced by the amount elected to be transferred.

7.3 Election out of the Stock Account

If a SOG Participant makes an investment election pursuant to Section 7.1 to transfer an amount from his or her Stock Account to his or her Deferred Compensation Account, effective as of the election's Effective Date, (i) his or her Deferred Compensation Account shall be credited with a dollar amount equal to the amount obtained by multiplying the number of units to be transferred by the Market Value of the Common Stock on the Valuation Date coincident with or immediately preceding the election's Effective Date; and (ii) his or her Stock account shall be reduced by the number of units elected to be transferred.

7.4 Dividend Equivalents in the Stock Account

Effective as of the payment date for each cash dividend on the Common Stock, additional units of Common Stock shall be credited to the Stock Account of each SOG Participant who had a balance in his or her Stock Account on the record date for such dividend. The number of units that shall be credited to the Stock Account of such a SOG Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of units of Common Stock held in the SOG Participant's Stock Account on the record date for such dividend and dividing the product thereof by the Market Value of the Common Stock on the payment date for such dividend.

7.5 Stock Dividends in the Stock Account

Effective as of the payment date for each stock dividend (as defined in Code section 305) on the Common Stock, additional units of Common Stock shall be credited to the Stock Account of each SOG Participant who had a balance in his or her Stock Account on the record date for such dividend. The number of units that shall be credited to the Stock Account of such a SOG Participant shall equal the number of shares of Common Stock which the SOG Participant would have received as stock dividends had he or she been the owner on the record date for such stock dividend of the number of shares of Common Stock equal to the number of units credited to his or her Stock Account on such record date. To the extent the SOG Participant would have also received cash, in lieu of fractional shares of Common Stock, had he or she been the record owner of such shares for such stock dividend, then his or her Stock Account shall also be credited with that number of units, or fractions thereof, equal to such cash amount divided by the Market Value of the Common Stock on the payment date for such dividend.

7.6 Recapitalization in the Stock Account

If Kodak undergoes a reorganization as defined in Code section 368(a), the Compensation Committee shall, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Stock Accounts in order to reflect such transaction, including, but not limited to, adjusting the number of units credited to a SOG Participant's Stock Account. Any action taken shall comply with Code section 409A.

7.7 Distributions from the Stock Account

Amounts in respect of units of Common Stock shall be distributed in cash in accordance with Articles 6, 8 and 11. For purposes of a distribution pursuant to Article 6, 8, or 11, the number of units to be distributed from a SOG Participant's Stock Account shall be valued by multiplying the number of such units by the Market Value of the Common Stock as of the Valuation Date coincident with or immediately preceding the date such distribution is to occur. Pending the complete distribution under Section 8.2 or liquidation under Section 7.8 of the Stock Account of a SOG Participant who has terminated his or her employment with the Company, the SOG Participant shall continue to be able to make elections pursuant to Sections 7.2 and 7.3 and his or her Stock Account shall continue to be credited with additional units of Common Stock pursuant to Sections 7.4, 7.5, and 7.6.

7.8 Liquidation of Stock Account

The provisions of this Section 7.8 shall be applicable if on the second anniversary of the SOG Participant's retirement or, if earlier, Separation From Service with the Company, the SOG Participant has a balance remaining in his or her Stock Account. In such case, effective as of the first day of the first calendar month immediately following the date of such second anniversary, the entire balance of the SOG Participant's Stock Account shall automatically be transferred to his or her Deferred Compensation Account and, he or she shall thereafter be ineligible to transfer any amounts to his or her Stock Account. For purposes of valuing the units of Common Stock subject to such a transfer, the method described in Section 7.3 shall be used.

Article 8 Payment of Deferred Compensation

8.1 Background

No withdrawal may be made from a Participant's Accounts except as provided in this Article 8 and Articles 6 and 11.

8.2 Manner of Payment

A. With respect to Grandfathered Dollars, payment of a Participant's Accounts shall be made at the sole discretion of the Compensation Committee in a single sum or in annual installments; provided, however, that payment in the event of death shall be made in accordance with Section 8.6. The maximum number of installments is ten. All payments from the Plan shall be made in cash. Nothing herein prohibits or requires payment of Grandfathered Dollars in the same manner as the remaining portion of the Participant’s Accounts is paid under (B) below.

B. With respect to benefits other than Grandfathered Dollars, a Participant shall be permitted to file a distribution election, and distributions of such deferred compensation amounts shall be made in accordance with the Participant’s election (provided that death benefits shall be distributed as provided in Section 8.6). A Participant may elect to have such deferred compensation amounts paid in the form of a lump sum, or in the form of annual installment payments to be paid over a period not to exceed ten years. Participants must file such elections upon commencement of participation in the Plan. For those Participants who were already Participants on January 1, 2005, distribution of benefits other than Grandfathered Dollars shall be determined as follows:

1) In accordance with such Participant's election, if the Participant filed an election by December 31, 2008, and such election complied with transition guidance issued by the Internal Revenue Service and the Plan's administrative procedures and deadlines.

2) If no such election was filed, in the form of a lump-sum payment in accordance with Section 8.3.

For those Participants who were not already Participants on January 1, 2005, but who fail to file a timely election, payment will be made in the form of a lump-sum payment in accordance with Section 8.3.

Distribution elections under this Section do not apply to amounts which are payable under Article 6 rather than under this Article.

8.3 Timing

Payments shall commence in accordance with the following on a date selected by the Chief Human Resources Officer and Senior Vice President, Eastman Kodak Company, within the specified payment year:

A. With respect to Grandfathered Dollars, payments shall commence in any year designated by the Compensation Committee up through the tenth year following the year of the Participant’s Separation from Service, provided that if a Participant has incurred a Separation from Service prior to the beginning of the year in which he reaches age 71, payments must commence no later than the year the Participant reaches age 71, and if a Participant has not incurred a Separation from Service as of the beginning of the year he reaches age 71, payments must commence in the year after the year in which the Participant incurs a Separation from Service. Nothing herein prohibits or requires payment of Grandfathered Dollars in the same manner as the remaining portion of the Participant’s Accounts is paid under (B) below. Notwithstanding the preceding sentence of this Section 8.3, payment in the event of death shall be made in accordance with Section 8.6.

If a Participant is reemployed while receiving benefits, the Committee shall determine whether benefits will continue during reemployment or be suspended.

B. With respect to benefits other than Grandfathered Dollars, payments shall commence in the year selected by the Participant pursuant to the election filed under Section 8.2(B). The Participant may select any year following the year of his or her Separation from Service up through the tenth year following the year of the Participant's Separation from Service, provided that if a Participant has incurred a Separation from Service prior to the beginning of the year in which he reaches age 71, payments must commence as of the earlier of the selected year or the year the Participant reaches age 71, and if a Participant has not incurred a Separation from Service as of the beginning of the year in which he reaches age 71, payments must commence in the year after the year in which the Participant incurs a Separation from Service. Notwithstanding the foregoing, distribution elections under this Section do not apply to amounts which are payable under Article 6 rather than under this Article, and payment in the event of death shall be made in accordance with Section 8.6.

By way of clarification, a Participant's election of payment in the form of installments pursuant to Section 8.2 may provide that payment of the benefits governed by such election will commence in any of years one through ten after Separation from Service, provided that payments must commence no later than the year in which the Participant reaches age 71 (or the year after the year the Participant incurs a Separation from Service, if later).

A Participant's reemployment shall not affect the timing of payment of the portion of his Account payable on account of his original Separation From Service. The Participant may file a new election for future contributions upon his commencement of participation following his re-employment.

For those Participants who were already Participants on January 1, 2005, distribution of benefits other than Grandfathered Dollars shall be determined as follows:

1) In accordance with such Participant's election, if the Participant filed an election by December 31, 2008, and such election complied with transition guidance issued by the Internal Revenue Service and the Plan's administrative procedures and deadlines.

2) If no such election was filed, in the first full calendar year following Separation from Service.

For those Participants who were not already Participants on January 1, 2005, but who fail to file a timely election, payment will be made in the first full calendar year following Separation from Service.

The Chief Human Resources Officer and Senior Vice President, Eastman Kodak Company, shall designate the actual date by which payment is to be made within a year, provided that payment must in all cases be made no earlier than January 1st and no later than December 31st of the year in which payment becomes due. However, if the Participant at the time of Separation from Service is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Code section 409A and the selected payment date for the year in which payment is due is within the six-month waiting period, payment instead will be made as soon as practicable after the expiration of such period (and in any case within 90 days after such expiration).

8.4 Valuation

The amount of each payment shall be equal to the value, as of the immediately preceding Valuation Date, of the Participant's Accounts, divided by the number of installments remaining to be paid. If payment of a Participant’s Accounts is determined by the Compensation Committee (with respect to Grandfathered Dollars) and/or required under a distribution election (with respect to benefits other than Grandfathered Dollars) to be paid in installments and the Participant has a balance in his or her Stock Account at the time of the payment of an installment, the amount that shall be distributed from his or her Stock Account shall be the amount obtained by multiplying the total amount of the installment determined in accordance with the immediately preceding sentence by the percentage obtained by dividing the balance in the Stock Account as of the immediately preceding Valuation Date by the total value of the Participant’s Accounts as of such date. Similarly, in such case, the amount that shall be distributed from the Participant’s Deferred Compensation Account shall be the amount obtained by multiplying the total amount of the installment determined in accordance with the first sentence of this Section 8.4 by the percentage obtained by dividing the balance in the Deferred Compensation Account as of the immediately preceding Valuation Date by the total value of the Participant’s Accounts as of such date. The calculations described in this Section shall be performed separately for the portion of Accounts attributable to Grandfathered Dollars and for the other portion of the Accounts.

8.5 Termination of Employment with Respect to Eastman Chemical Company Spin-Off

Anything herein to the contrary notwithstanding, Participants who ceased to be employed by Kodak or any Subsidiary of Kodak and were employed by Eastman Chemical Company or one of its subsidiaries in connection with the distribution of the common stock of Eastman Chemical Company to the shareholders of Kodak in 1994, were not considered to have terminated employment for purposes of this Plan.

8.6 Payment of Deferred Compensation After Death

If a Participant dies prior to complete payment of his or her Accounts, the provisions of this Section 8.6 shall become operative.

A. **Stock Account**. Effective as of the date of a SOG Participant's death, the entire balance of his or her Stock Account shall be transferred to his or her Deferred Compensation Account. For purposes of valuing the units of Common Stock subject to such a transfer, the deceased SOG Participant's Deferred Compensation Account shall be credited with a dollar amount equal to the amount obtained by multiplying the number of units in the deceased SOG Participant's Stock Account at the time of his or her death by the Market Value of the Common Stock on the date of his or her death. Thereafter, no amounts in the deceased SOG Participant's Deferred Compensation Account shall be eligible for transfer to the deceased SOG Participant's Stock Account by any person, including, but not by way of limitation, the deceased SOG Participant's beneficiary or legal representative.

B. **Distribution**. The balance of the Participant's Accounts, valued as of the Valuation Date immediately preceding the date payment is made, shall be paid in a single, lump-sum payment to: (1) the beneficiary or contingent beneficiary designated by the Participant on forms supplied by the Compensation Committee; or, in the absence of a valid designation of a beneficiary or contingent beneficiary, (2) the Participant's estate within 30 days after appointment of a legal representative of the deceased Participant. In any event, payment will be made no later than the end of the taxable year of death (or, if later, the fifteenth day of the third month following the date of death).

8.7 Acceleration of Payment for Hardship

Upon written approval from Kodak's Chairman of the Board (the Compensation Committee, in the case of a request from the Chairman of the Board) a Participant, whether or not he or she is still employed by Kodak or any Subsidiary, may be permitted to receive all or part of his or her Accounts if the Chairman of the Board (or the Compensation Committee, when applicable) determines that an emergency event beyond the Participant's control exists which would cause such Participant severe financial hardship if the payment of his or her Accounts were not approved. By way of clarification, regardless of whether a Participant’s Accounts consist of Grandfathered Dollars, benefits other than Grandfathered Dollars, or both, distribution shall be permitted only to the extent that the emergency event constitutes an “unforeseeable emergency” within the meaning of Code section 409A. An “unforeseeable emergency” is a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s beneficiary or the Participant’s dependent(s) (as defined in Code section 152 without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B)) or loss of the Participant’s property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant (as contemplated by Code section 409A and the Treasury regulations).

Any such distribution for hardship shall be limited to the amount needed to meet such emergency. If such a distribution occurs while the Participant is employed by Kodak or any Subsidiary, any election to defer compensation for the year in which the Participant receives a hardship withdrawal shall be ineffective as to compensation earned for the pay period following the pay period during which the withdrawal is made and thereafter for the remainder of such year and shall be ineffective as to any wage dividend or any other compensation elected to be deferred for such year.

8.8 Accelerated Distribution

A. **In General**. Notwithstanding any other provision of the Plan, a Participant may elect an Accelerated Distribution from the portion of his or her Deferred Compensation Account attributable to Grandfathered Dollars, subject to the restrictions set forth in this Section 8.8.

B. **Accounts**. An Accelerated Distribution may only be made from a Participant’s Deferred Compensation Account, not from the Participant’s Stock Account. Amounts in a Participant’s Accounts which are not attributable to Grandfathered Dollars cannot be distributed under this Section 8.8 under any circumstances.

C. **Election Form**. The election to take an Accelerated Distribution will be made by filing a form provided by and filed with Kodak.

D. **Time of Election**. To be processed in the same year in which an election is made, an Accelerated Distribution election must be received by Kodak on or prior to November 30. Elections made after this date will not be processed until the immediately following year.

E. **Amount**. The amount of the Accelerated Distribution election will be not less than 25% of the portion of a Participant's Deferred Compensation Account attributable to Grandfathered Dollars as of the date Kodak processes the Participant's election.

F. **Date of Distribution**. Subject to Section 8.8(D), the amount of theAccelerated Distribution will be paid in a single payment within 30days of Kodak's receipt of the election or as soon thereafter as is administratively possible.

G. **Early Distribution Penalty.** All Accelerated Distributions will be subject to a 10% penalty. Consequently, if a Participant requests an Accelerated Distribution of the entire amount of Grandfathered Dollars in his or her Deferred Compensation Account, 10% of the amount will be permanently forfeited and Kodak will have no obligation to either the Participant or his or her beneficiary with respect to such forfeited amount. If a Participant receives an Accelerated Distribution of 25% or more of the Grandfathered Dollars in his or her Deferred Compensation Account, the Participant will forfeit 10% of the gross amount to be distributed from the Participant's Deferred Compensation Account and Kodak will have no obligatin to either the Participant or his or her beneficiary with respect to such forfeited amount.

H. **Limit on Accelerated Distributions.** A Participant may not receive more than one Accelerated Distribution in any calendar year.

I. **Further Deferrals**. A Participant who receives an AcceleratedDistribution will not be eligible to make deferrals under the Plan forthe calendar year commencing after his or her receipt of theAccelerated Distribution. The Participant may file a new election during the Enrollment Period for any subsequent calendar year, if the Participant is otherwise eligible to participate in the Plan.

J. **Rules Adopted by the Compensation Committee.** The Compensation Committee will have the authority to adopt additional rules relating to Accelerated Distributions.

K. **Tax Withholding.** Accelerated Distribution payments will be paid subject to all withholding taxes required under applicable law.

Article 9 Administration

9.1 Responsibility

The Compensation Committee shall have total and exclusive responsibility to control, operate, manage and administer the plan in accordance with its terms.

9.2 Authority of the Compensation Committee

The Compensation Committee shall have all the authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the preceding sentence, the Compensation Committee shall have the exclusive right: to interpret the Plan, to determine eligibility for participation in the Plan, to decide all questions concerning eligibility for and the amount of benefits payable under the Plan, to construe any ambiguous provision of the Plan, to correct any default, to supply any omission, to reconcile any inconsistency, and to decide any and all questions arising in the administration, interpretation, and application of the Plan.

9.3 Discretionary Authority

The Compensation Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan including, without limitation, its construction of the terms of the Plan and its determination of eligibility for participation and benefits under the Plan. It is the intent of the Plan that the decisions of the Compensation Committee and its actions with respect to the Plan shall be final and binding upon all persons having or claiming to have any right or interest in or under the Plan and that no such decision or action shall be modified upon judicial review unless such decision or action is proven to be arbitrary or capricious.

9.4 Delegation of Authority

The Compensation Committee may delegate some or all of its authority under the Plan to any person or persons provided that any such delegation be in writing.

Article 10 Miscellaneous

10.1 Non-Competition Provision

If a Participant, without the written consent of Kodak, engages either directly or indirectly, in any manner or capacity, as principal, agent, partner, officer, director, employee, or otherwise, in any business or activity competitive with the business conducted by Kodak or any Subsidiary, while a balance remains credited to his or her Account, the Company may, in its sole discretion, pay to the Participant the balance of Grandfathered Dollars credited to his or her Deferred Compensation Account and/or Stock Account. This provision shall not apply to benefits other than Grandfathered Dollars.

10.2 Participant's Rights Unsecured

The amounts payable under the Plan shall be unfunded, and the right of any Participant or his or her estate to receive any payment under the Plan shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the units credited to his or her Stock Account.

10.3 No Right to Continued Employment

Participation in the Plan shall not give any employee any right to remain in the employ of the Company. The Company reserves the right to terminate any Participant at any time.

10.4 Statement of Account

Statements will be sent no less frequently than annually to each Participant or his or her estate showing the value of the Participant's Accounts.

10.5 Assignability

Neither the Participant nor the Company shall have the right to assign any rights or obligations under the Plan. However, the Plan shall inure to the benefit of and be binding upon the successors of the Company.

10.6 Deductions

The Company will withhold to the extent required by law all applicable income and employment taxes from amounts paid under the Plan.

10.7 Amendment

The Plan may at any time or from time to time be amended, modified, or terminated by the Compensation Committee. However, no amendment, modification, or termination shall, without the consent of a Participant, adversely affect the amount of such Participant's accruals in his or her Accounts. No amendment, modification, suspension or termination will accelerate distributions unless such acceleration is approved by Kodak and permitted under Code section 409A and the Treasury regulations and interpretive guidance issued thereunder.

10.8 Governing Law

The Plan shall be construed, governed and enforced in accordance with the law of New York State, except as such laws are preempted by applicable federal law.

10.9 Compliance with Securities Laws

Subject to the limitations imposed by Code section 409A, the Compensation Committee may, from time to time, impose additional, or modify or eliminate existing, Plan restrictions and requirements, including, but not by way of limitation, the restrictions regarding a SOG Participant's ability to elect into and out of his or her Stock Account under Sections 7.2 and 7.3 or the requirement of an automatic transfer pursuant to Section 8.6(A), as it deems necessary, advisable or appropriate in order to comply with applicable federal and state securities laws. All such restrictions shall be accomplished by way of written administrative guidelines adopted by the Compensation Committee, and shall be in compliance with Code section 409A and the Treasury regulations thereunder.

10.10 Diconix Deferred Compensation

The deferred compensation accounts maintained by Research Boulevard Realty Co., Inc. (formerly Diconix, Inc.) pursuant to the Diconix, Inc. Deferred Compensation Plan shall be treated as Deferred Compensation Accounts under this Plan and shall be subject to all the terms and conditions of this Plan.

10.11 NexPress Solutions, Inc. Deferred Compensation Accounts

Deferred Compensation Accounts shall be established under the Plan for each person whose benefit obligation under the NexPress Solutions, LLC Nonqualified Deferred Compensation Plan (sponsored by NexPress Solutions, Inc.) (the “NexPress Plan”) is assumed by Kodak as of the date the NexPress Plan terminated in 2005 and who does not receive payment in full at the time of termination of the NexPress Plan.

A. Any such person’s Deferred Compensation Account shall be credited with the amount of the benefit obligation not paid to the person upon termination of the NexPress Plan. Notwithstanding any provision in the Plan to the contrary, such a person shall be considered a Participant or beneficiary, as applicable, under the Plan for purposes of the Deferred Compensation Account established pursuant to this Section, regardless of whether such person is otherwise eligible to be a Participant in the Plan. However, no person may make additional deferrals under the Plan unless he or she is eligible to do so in accordance with the terms of the Plan.

B. Deferred Compensation Accounts established pursuant to this Section shall be subject to all the terms and conditions of this Plan and valid Participant elections under this Plan as well as the requirements of Code section 409A. Participants are authorized to make distribution elections with respect to such Deferred Compensation Accounts on or before December 31, 2005 and otherwise in accordance with the terms of the Plan and Code section 409A.

C. Benefit obligations assumed by Kodak as described in this Section and the Deferred Compensation Accounts reflecting such obligations shall be subject to Code section 409A.

D. It is acknowledged that the NexPress Plan permitted its participants to elect to receive all or part of their benefits in 2005, pursuant to the transition rule of Q & A – 20 of IRS Notice 2005-1, as reflected by timely amendments to such plan. For the avoidance of doubt, no such election rights shall apply to Deferred Compensation Accounts under the Plan.

Article 11 Change in Control

11.1 Background

The terms of this Article 11 shall immediately become operative, without further action or consent by any person or entity, upon a Change in Control, and once operative shall supersede and control over any other provisions of this Plan.

11.2 Payment of Deferred Compensation

Upon a Change in Control, each Participant, whether or not he or she is still employed by Kodak or any Subsidiary, shall be paid in a single, lump-sum cash payment the balance of his or her Accounts as of the Valuation Date immediately preceding the date payment is made, (except that the value of the Stock Account shall be determined as of the date of the Change in Control). Such payment shall be made as soon as practicable, but in any event no later than 90 days after the Change in Control.

11.3 Amendment On or After Change In Control

On or after a Change in Control, no action, including, but not by way of limitation, the amendment, suspension or termination of the Plan, shall be taken which would affect the rights of any Participant or the operation of this Plan with respect to the balance in the Participant's Accounts, except to the extent Kodak's counsel, accountants or auditors identify such amendment or termination as necessary to bring the Plan into compliance with applicable law and/or avoid the imposition of penalties on Participants (provided that an amendment or termination shall not be permitted for the purpose of avoiding penalties imposed on Participants unless the adverse effect of such penalties would be worse than the adverse effect of any such amendment or termination).

<u>Schedule A</u>

Eastman Gelatine Corporation
Eastman Kodak International Capital Company, Inc.

Exhibit (10.5)

2005 Omnibus Long-Term

Compensation Plan

of

Eastman Kodak Company

As Amended Effective January 1, 2009

Table of Contents

ARTICLE 1

PURPOSE AND TERM OF PLAN

1.1 Purpose

The purpose of the Plan is to provide motivation to selected Employees and Directors to put forth maximum efforts toward the continued growth, profitability, and success of the Company by providing equity- and cash-based incentives to such Employees and Directors.

1.2 Term

The Plan will become effective on January 1, 2005, subject to its approval by Kodak's shareholders, at the 2005 Annual Meeting of the shareholders, and unless sooner terminated by the Board pursuant to Section 16.6, the Plan shall have a term of 10 years. Awards may not be granted after December 31, 2014; except that the Committee may grant Awards after this date in recognition of performance for Performance Cycles commencing prior to such date.

ARTICLE 2

DEFINITIONS

In any necessary construction of a provision of this Plan, the masculine gender may include the feminine, and the singular may include the plural, and vice versa.

2.1 Award

"Award" means grants of both equity-, and cash-based awards, including Performance Awards, Stock Options, SARs, Restricted Stock Awards, Restricted Stock Unit Awards, Other Stock-Based Awards, or any form of award established by the Committee pursuant to Subsection 4.2(o), whether singly, in combination, or in tandem, to a Participant by the Committee pursuant to such terms, conditions, restrictions and/or limitations, if any, as the Committee may establish by the Award Notice or otherwise.

2.2 Award Notice

"Award Notice" means the written document establishing the terms, conditions, restrictions, and/or limitations of an Award in addition to those established by this Plan and by the Committee's exercise of its administrative powers. The Committee shall establish the form of the written document in the exercise of its sole and absolute discretion. The Committee may, but need not, require a Participant to sign a copy of the Award Notice as a precondition to receiving an Award.

2.3 Board

"Board" means the board of directors of Kodak.

2.4 CEO

"CEO" means the Chief Executive Officer of Kodak.

2.5 Change in Control

"Change in Control" means the occurrence of any one of the following events:

(a) within any twenty-four (24) month period, the Incumbent Directors shall cease to constitute at least a majority of the Board or the board of directors of any successor to the Company;

(b) any person is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Kodak representing 25% or more of the combined voting power of Kodak's then outstanding securities eligible to vote for the election of the Board (the “Kodak Voting Securities”); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (1) by Kodak or any Subsidiary, (2) by any employee benefit plan (or related trust) sponsored or maintained by Kodak or any Subsidiary, (3) by any underwriter temporarily holding securities pursuant to an offering of such securities, (4) pursuant to a Non-Qualifying Transaction (as defined in paragraph (c) below), or (5) a transaction (other than one described in paragraph (c) below) in which Kodak Voting Securities are acquired from Kodak, if a majority of the Incumbent Directors approve a resolution providing expressly that the acquisition pursuant to this clause (5) does not constitute a Change in Control under this paragraph (b);

(c) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Kodak or any of its Subsidiaries that requires the approval of Kodak’s shareholders, whether for such transaction or the issuance of securities in the transaction (a “Reorganization”), unless immediately following such Reorganization: (1) more than 60% of the total voting power of (x) the corporation resulting from such Reorganization (the “Surviving Company”), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Company (the “Parent Company”), is represented by Kodak Voting Securities that were outstanding immediately prior to such Reorganization (or, if applicable, is represented by shares into which such Kodak Voting Securities were converted pursuantto such Reorganization), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Kodak Voting Securities among the holders thereof immediately prior to the Reorganization, (2) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Company or the Parent Company), is or becomes the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company), and (3) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Reorganization were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Reorganization (any Reorganization which satisfies all of the criteria specified in (1), (2) and (3) above shall be deemed to be a “Non-Qualifying Transaction”);

(d) the shareholders of Kodak approve a plan of complete liquidation or dissolution of Kodak; or

(e) the consummation of a sale of all or substantially all of Kodak’s assets to an entity that is not an affiliate of Kodak.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of 25% or more of Kodak Voting Securities as a result of the acquisition of Kodak Voting Securities by Kodak which reduces the number of Kodak Voting Securities outstanding; provided that if after such acquisition by Kodak such person becomes the beneficial owner of additional Kodak Voting Securities that increases the percentage of outstanding Kodak Voting Securities beneficially owned by such person, a Change in Control shall then occur.

2.6 Change in Control Price

“Change in Control Price” means, for events described in clause (c) of the definition of Change in Control, the consideration received by shareholders of the Company in respect of a share of Common Stock in connection with the transaction, or, for events described in clauses (a), (b), (d) or (e) of the definition of Change in Control, the average of the closing prices for the five (5) days preceding the date of the Change in Control.

2.7 Code

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and any successor provisions and regulations thereto.

2.8 Committee

“Committee” means the Executive Compensation and Development Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan; provided that the Committee shall consist of three or more directors, each of whom is (1) an “independent” director under the New York Stock Exchange’s listing requirements, (2) a “Non-Employee Director” within the meaning of Rule 16b-3 under the Exchange Act, and (3) an “outside director” within the meaning of Section 162(m) of the Code and the applicable regulation thereunder. However, if a member of the Committee does not meet each of the foregoing requirements, the Committee may delegate some or all of its functions under the Plan to a committee or subcommittee composed of members that meet the relevant requirements. The term "Committee" includes any such committee or subcommittee, to the extent of the Executive Compensation and Development Committee's delegation.

2.9 Common Stock

"Common Stock" means the common stock, $2.50 par value per share, of Kodak that may be newly issued or treasury stock.

2.10 Company

"Company" means Kodak and its Subsidiaries.

2.11 Covered Employee

"Covered Employee" means an Employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

2.12 Director

"Director" means a non-employee member of the Board.

2.13 Disability

"Disability" means a disability as defined under the terms of the long-term disability plan maintained by the Participant's employer, or in the absence of such a plan, the Kodak Long-Term Disability Plan.

2.14 Effective Date

"Effective Date" means the date an Award is determined to be effective by the Committee upon its grant of such Award.

2.15 Employee

"Employee" means any person employed by Kodak or any Subsidiary on a full or part time basis.

2.16 Exchange Act

"Exchange Act" means the Securities and Exchange Act of 1934, as amended from time to time, including rules thereunder and any successor provisions and rules thereto.

2.17 Fair Market Value

"Fair Market Value" means the mean of the high and low sales prices of a share of Common Stock on a particular date on the New York Stock Exchange. In the event that the Common Stock is not traded on the New York Stock Exchange on the relevant date, the Fair Market Value will be determined on the next preceding day on which the Common Stock was traded.

2.18 Freestanding SAR

"Freestanding SAR" shall have the meaning as set forth in Section 9.1.

2.19 Incentive Stock Options

"Incentive Stock Option" means incentive stock options within the meaning of Section 422 of the Code.

2.20 Incumbent Director

"Incumbent Directors" means the persons who were members of the Board as of January 1, 2005 plus, any person becoming a director subsequent to January 1, 2005 whose election or nomination for election was approved by a vote of at least two thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval for the proxy statement of Kodak in which such person is named as a nominee for director, without written objection to such nomination); provided, however, that no individual initially elected or nominated as a director of Kodak as a result of an actual or threatened election contest with respect to directors ("Election Contest") or any other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Exchange Act) other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed to be an Incumbent Director until twenty-four (24) months after such election.

2.21 Indemnified Person

"Indemnified Person" shall have the meaning as set forth in Section 4.7.

2.22 Kodak

"Kodak" means Eastman Kodak Company.

2.23 Non-Qualified Option

"Non-Qualified Option" shall have the meaning as set forth in Section 8.1.

2.24 Option Proceeds

"Option Proceeds" means the cash (or equivalents) received by the Company for the option price in connection with the exercise of Stock Options plus the maximum tax benefit that could be realized by the Company as a result of the exercise of such Stock Options, which tax benefit shall be determined by multiplying (a) the amount that is deductible for federal income tax purposes as a result of any such Stock Option exercise, times (b) the maximum federal corporate income tax rate for the year of exercise. To the extent that a Participant pays the option price and/or withholding taxes with shares of Common Stock, Option Proceeds shall not be calculated with respect to the amounts so paid in shares of Common Stock.

2.25 Other Stock-Based Award

"Other Stock-Based Award" means the unrestricted shares, deferred share units, or such other form as the Committee may determine, granted pursuant to Article 11 of the Plan.

2.26 Parent Company

"Parent Company" shall have the meaning set forth in Section 2.5.

2.27 Participant

"Participant" means either an Employee or Director to whom an Award has been granted by the Committee under the Plan.

2.28 Performance Awards

"Performance Awards" means the equity- and cash-based Awards that vest on satisfying the Performance Criteria granted pursuant to Article 7.

2.29 Performance Criteria

“Performance Criteria” means the one or more criteria that the Committee shall select for a Performance Cycle.

2.30 Performance Cycle

“Performance Cycle” means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of the Performance Criteria will be measured for the purpose of determining a Participant’s right to and the payment of a Performance Award.

2.31 Performance Formula

"Performance Formula" means, for a Performance Cycle, the one or more objective formulas applied against the relevant Performance Criteria to determine, with regard to the Award of a particular Participant, whether all, some portion but less than all, or none of the Award has been earned for the Performance Cycle. The formula may exclude the impact of charges for restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring items, and the cumulative effects of accounting changes each as defined by generally accepted accounting principles and as identified in the financial statements, notes to the financial statements, management's discussion and analysis or other SEC filings.

2.32 Plan

"Plan" means the 2005 Omnibus Long-Term Compensation Plan, including all attachments thereto.

2.33 Restricted Stock Award

"Restricted Stock Award" means the equity-based awards in actual shares granted pursuant to Article 10 of the Plan.

2.34 Restricted Stock Unit Award

"Restricted Stock Unit Award" means the equity-based awards in share units granted pursuant to Article 10 of the Plan.

2.35 Retirement

"Retirement" means, in the case of a Participant employed by Kodak, voluntary termination of employment on or after age 55 with 10 or more years of service or on or after age 65. In the case of a Participant employed by a Subsidiary, "Retirement" means early or normal retirement under the terms of the Subsidiary's retirement plan, or if the Subsidiary does not have a retirement plan, termination of employment on or after age 60. A Participant must voluntarily terminate his or her employment in order for his or her termination of employment to be for "Retirement."

2.36 SARs

"SARs" means the stock appreciation rights granted pursuant to Article 9 of the Plan.

2.37 Section 409A

"Section 409A" means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

2.38 Section 409A Change in Control

"Section 409A Change in Control" means an event that qualifies as a "change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury regulations.

2.39 Stock Option

"Stock Option" means any right granted to a Participant to purchase Common Stock at such price or prices and during such periods established pursuant to Article 8 of the Plan.

2.40 Subsidiary

"Subsidiary" means a corporation or other business entity in which Kodak directly or indirectly has an ownership interest of 50 percent or more, except that with respect to Incentive Stock Options, "Subsidiary" shall mean "subsidiary corporation" as defined in Section 424(f) of the Code.

2.41 Substitute Awards

"Substitute Awards" means Awards granted or shares issued by the Company in assumption of, or in substitution or exchange for, Awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

2.42 Surviving Company

"Surviving Company" shall have the meaning set forth in Section 2.5.

2.43 Tandem SAR

"Tandem SAR" shall have the meaning set forth in Section 9.1.

2.44 Year

"Year" means Kodak's fiscal year.

ARTICLE 3

ELIGIBILITY

All Employees and Directors are eligible to participate in the Plan. The Committee may select, from time to time, Participants from those Employees who, in the opinion of the Committee, can further the Plan's purposes. In addition, the Committee may select, from time to time, Participants from those Directors (who may or may not be Committee members) who, in the opinion of the Committee, can further the Plan's purposes. Once a Participant is so selected, the Committee shall determine the type(s) of Awards to be made to the Participant and shall establish in the related Award Notice(s) the terms, conditions, restrictions and/or limitations, if any, applicable to the Award(s) in addition to those set forth in this Plan and the administrative rules and regulations issued by the Committee.

ARTICLE 4

PLAN ADMINISTRATION

4.1 Responsibility

The Committee shall have total and exclusive responsibility to control, operate, manage and administer the Plan in accordance with its terms.

4.2 Authority of the Committee

The Committee shall have all the authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the preceding sentence, the Committee shall have the exclusive right to: (a) select the Participants and determine the type of Awards to be made to Participants, the number of shares or amount of cash (or equivalents) subject to Awards and the terms, conditions, restrictions and limitations of the Awards; (b) interpret the Plan; (c) determine eligibility for participation in the Plan; (d) decide all questions concerning eligibility for and the amount of Awards payable under the Plan; (e) construe any ambiguous provision of the Plan; (f) correct any defect; (g) supply any omission; (h) reconcile any inconsistency; (i) issue administrative guidelines or sub-plans as an aid to administer the Plan and make changes in such guidelines or sub-plans as it from time to time deems proper; (j) prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing its own operation; (k) amend the Plan in accordance with Section 16.6; (l) determine whether Awards should be granted singly, in combination or in tandem; (m) to the extent permitted under the Plan and, if applicable, by Section 409A, grant waivers of Plan terms, conditions, restrictions, and limitations; (n) accelerate the vesting, exercise or payment of an Award or the Performance Cycle of an Award when such action or actions would be in the best interests of the Company and in compliance with Section 409A and other applicable tax law; (o) establish such other types of Awards, besides those specifically enumerated in Article 5 hereof, which the Committee determines are consistent with the Plan's purpose; (p) establish and administer Performance Formula and certify whether, and to what extent, the goals have been attained; (q) determine the terms and provisions of any Award Notice or other agreements entered into hereunder; (r) take any and all other action it deems necessary or advisable for the proper operation or administration of the Plan; (s) make all other determinations it deems necessary or advisable for the administration of the Plan, including factual determinations; and (t) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash or shares of Common Stock or cancelled, forfeited or suspended and the method or methods by which Awards may be settled, cancelled, forfeited or suspended.

4.3 Discretionary Authority

The Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan including, without limitation, its construction of the terms of the Plan and its determination of eligibility for participation and Awards under the Plan. It is the intent of the Plan that the decisions of the Committee and its actions with respect to the Plan shall be final, binding and conclusive upon all persons having or claiming to have any right or interest in or under the Plan.

4.4 Section 162 (m) of the Code and Covered Employees

The terms set forth in Appendix A shall apply to all Awards granted to any Covered Employee, other than Awards of Stock Options or SARs.

4.5 Action by the Committee

The Committee may act only by a majority of its members. Any determination of the Committee may be made, without a meeting, by a writing or writings signed by all of the members of the Committee and action so taken shall be fully effective as if it had been taken by a vote at a meeting. In addition, the Committee may authorize any one or more of its number to execute and deliver documents on behalf of the Committee.

4.6 Allocation and Delegation of Authority

The Committee may allocate all or any portion of its responsibilities and powers under the Plan to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it, provided that any such allocation or delegation be in writing; provided, however, that only the Committee may select and grant Awards to Participants who are subject to Section 16 of the Exchange Act. The Committee may revoke any such allocation or delegation at any time for any reason with or without prior notice.

4.7 Liability

No member of the Board or the Committee or any employee of the Company (each such person an "Indemnified Person") shall have any liability to any person (including, without limitation, any Participant) for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award. Each Indemnified Person shall be indemnified and held harmless by Kodak against and from any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnified Person in connection with or resulting from any action, suit or proceeding to which such Indemnified Person may be a party or in which such Indemnified Person may be involved by reason of any action taken or omitted to be taken under the Plan and against and from any and all amounts paid by such Indemnified Person, with Kodak's prior approval, in settlement thereof, or paid by such Indemnified Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnified Person, provided that Kodak shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once Kodak gives notice of its intent to assume the defense, Kodak shall have sole control over such defense with counsel of Kodak's choice. The foregoing right of indemnification shall not be available to an Indemnified Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Indemnified Person giving rise to the indemnification claim resulted from such Indemnified Person's bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Indemnified Persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

4.8 Interim Decision Making

Notwithstanding anything to the contrary contained herein: (i) until the Board shall appoint the members of the Committee, the Plan shall be administered by the Board and (ii) the Board may, in its sole discretion, at any time and from time to time, grant Awards or resolve to administer the Plan. In either of the foregoing events, the Board shall have all of the authority and responsibility granted to the Committee herein.

ARTICLE 5

FORM OF AWARDS

5.1 In General

Awards may, at the Committee's sole discretion, be paid in the form of Performance Awards pursuant to Article 7, Stock Options pursuant to Article 8, SARs pursuant to Article 9, Restricted Stock Awards and Restricted Stock Unit Awards pursuant to Article 10, Other Stock-Based Awards pursuant to Article 11 and any form established by the Committee pursuant to Subsection 4.2(o), or a combination thereof. All Awards shall be subject to the terms, conditions, restrictions and limitations of the Plan. The Committee may, in its sole judgment, subject an Award to such other terms, conditions, restrictions and/or limitations (including, but not limited to, the time and conditions of exercise and restrictions on transferability, termination and vesting), provided that they are not inconsistent with the terms of the Plan. Awards under a particular Article of the Plan need not be uniform and Awards under two or more Articles may be combined into a single Award Notice. Any combination of Awards may be granted at one time and on more than one occasion to the same Participant. For purposes of the Plan, the value of any Award granted in the form of Common Stock shall be the Fair Market Value as of the grant's Effective Date.

5.2 Foreign Jurisdictions

(a) **Special Terms**. In order to facilitate the making of any Award to Participants who are employed by the Company outside the United States (or who are foreign nationals temporarily within the United States), the Committee may provide for such modifications and additional terms and conditions ("special terms") in Awards as the Committee may consider necessary or appropriate to accommodate differences in local law, policy or custom or to facilitate administration of the Plan. The special terms may provide that the grant of an Award is subject to (1) applicable governmental or regulatory approval or other compliance with local legal requirements and/or (2) the execution by the Participant of a written instrument in the form specified by the Committee, and that in the event such conditions are not satisfied, the grant shall be void. The Committee may adopt or approve sub-plans, appendices or supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for purposes of implementing any special terms, without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, no such sub-plans, appendices or supplements to, or amendments, restatements, or alternative versions of, the Plan shall: (a) increase the limitations contained in Sections 7.5, 8.6 and 9.5; (b) increase the number of available shares under Section 6.1; or (c)cause the Plan to cease to satisfy any conditions of Rule 16b-3 under the Exchange Act or, with respect to Covered Employees, Section 162(m) of the Code.

(b) **Currency Effects**. Unless otherwise specifically determined by the Committee, all Awards and payments pursuant to such Awards shall be determined in U.S. currency. The Committee shall determine, in its discretion, whether and to the extent any payments made pursuant to an Award shall be made in local currency, as opposed to U.S. dollars. In the event payments are made in local currency, the Committee may determine, in its discretion and without liability to any Participant, the method and rate of converting the payment into local currency.

(c) **Modifications to Awards**. The Committee shall have the right at any time and from time to time and without prior notice to modify outstanding Awards to comply with or satisfy local laws and regulations, to avoid costly governmental filings or to implement administrative changes to the Plan that are deemed necessary or advisable by the Committee for compliance with laws. By means of illustration but not limitation, the Committee may restrict the method of exercise of an Award to avoid securities laws or exchange control filings, laws or regulations. Notwithstanding the foregoing, the Committee may not modify an outstanding Award without the consent of the affected Participant if such modification would cause the Award to violate Section 409A.

(d) **Acquired Rights**. No Employee in any country shall have any right to receive an Award, except as expressly provided for under the Plan. All Awards made at any time are subject to the prior approval of the Committee.

ARTICLE 6

SHARES SUBJECT TO PLAN

6.1 Available Shares

(a) **Aggregate Limits**. The aggregate number of shares of the Company's Common Stock that shall be available for grant under this Plan shall be eleven million (11,000,000), plus any shares subject to awards made under the 1990 Omnibus Long-Term Compensation Plan, the 1995 Omnibus Long-Term Compensation Plan and the 2000 Omnibus Long-Term Compensation Plan, in each case that are outstanding upon the expiration of such plan and become available pursuant to Section 6.1(b). The aggregate number of shares available for grant under this Plan and the number of shares subject to outstanding Awards shall be subject to adjustment as provided by Section 6.2. The shares issued pursuant to Awards granted under this Plan may be shares that either were reacquired by the Company, including shares purchased in the open market, or authorized but unissued shares.

(b) For purpose of this Section 6.1, the aggregate number of shares available for Awards under this Plan shall be increased by, (i) shares subject to Awards that have been canceled, expired, forfeited or settled in cash, without the issuance of substitute shares, (ii) shares subject to Awards that have been retained by the Company in payment or satisfaction of the purchase price or tax withholding obligation of an Award, (iii) shares issued in connection with reinvestment of dividends or dividend equivalents (iv) shares that have been delivered (either actually or constructively by attestation) to the Company in payment or satisfaction of the purchase price or tax withholding obligationof an Award, (v) shares reacquired by the Company on the open market using Option Proceeds; provided, however, that the aggregate number of shares that may be added back to the aggregate limit shall not be greater than the amount of such Option Proceeds divided by the Fair Market Value on the date of exercise of the Stock Option giving rise to such Option Proceeds, and (vi) shares subject to Awards that otherwise do not result in the issuance of shares in connection with payment or settlement of an Award. In addition, the aggregate number of shares available for grant under this Plan shall not be reduced by shares granted as Substitute Awards.

6.2 Adjustment to Shares

If there is any change in the number of outstanding shares of Common Stock through the declaration of stock dividends, stock splits or the like, the number of shares available for Awards, the shares subject to any Award and the option prices or exercise prices of Awards shall be automatically adjusted. If there is any change in the number of outstanding shares of Common Stock through any change in the capital account of Kodak, or through a merger, consolidation, separation (including a spin-off or other distribution of stock or property), reorganization (whether or not such reorganization comes within the meaning of such term in Section 368(a) of the Code) or partial or complete liquidation, the Committee shall make appropriate adjustments in the maximum number of shares of Common Stock which may be granted under the Plan and any adjustments and/or modifications to outstanding Awards as it, in its sole discretion, deems appropriate. In the event of any other change in the capital structure or in the Common Stock of Kodak, the Committee shall also be authorized to make such appropriate adjustments in the maximum number of shares of Common Stock available for grant under the Plan and any adjustments and/or modifications to outstanding Awards as it, in its sole discretion, deems appropriate. The maximum number of shares available for grant under the Plan shall be automatically adjusted to the extent necessary to reflect any dividend equivalents paid in the form of Common Stock.

ARTICLE 7

PERFORMANCE AWARDS

7.1 In General

Awards may be granted to Participants in the form of Performance Awards under the Plan.

7.2 Performance Criteria

The Performance Criteria to be measured during any Performance Cycle selected by the Committee may be on a corporate-wide basis based on aggregate Company performance or performance at the Subsidiary or business unit level. The performance goals under the Performance Criteria may be measured against absolute targets or relative to the performance of one or more comparable companies or an index covering multiple companies.

7.3 Discretion of Committee with Respect to Performance Awards

With regard to a particular Performance Cycle, the Committee shall have full discretion to select the length of such Performance Cycle, the type(s) of Performance Awards to be issued, the Performance Criteria that will be used to establish the Performance Formula, the kind(s) and/or level(s) of the goals under the Performance Formula, whether the Performance Criteria shall apply to the Company, Kodak, a Subsidiary, or any one or more subunits of the foregoing, and the Performance Formula.

7.4 Payment of Performance Awards

(a) **Condition to Receipt of Performance Award**. Unless otherwise provided in the relevant Award Notice or administrative guide, a Participant must be employed by the Company on the last day of a Performance Cycle to be eligible for a Performance Award for such Performance Cycle.

(b) **Limitation**. Unless otherwise determined by the Committee, a Participant shall be eligible to receive a Performance Award for a Performance Cycle only to the extent that achievement of the goals under the Performance Formula for such period is measured and as a result, all or some portion of such Participant's Performance Award has been earned for the Performance Cycle.

(c) **Timing of Award Payments**. The Awards granted for a Performance Cycle shall be paid to Participants as soon as administratively possible following determination of achievement of the goals under the Performance Formula and satisfaction of any applicable vesting periods or other terms and conditions. Unless otherwise provided in the relevant Award Notice or administrative guide, such payment shall be made no earlier than January 1 of the calendar year following the end of the applicable Performance Cycle and no later than December 31 of such calendar year.

7.5 Maximum Award Payable

The maximum Performance Award payable to any one Participant under the Plan for a Performance Cycle is five hundred thousand (500,000) shares of Common Stock. In the event that the Performance Award is denominated in cash rather than shares of Common Stock, the maximum individual cash award paid in respect of any Performance Cycle shall be five million dollars ($5,000,000).

ARTICLE 8

STOCK OPTIONS

8.1 In General

Awards may be granted in the form of Stock Options. These Stock Options may be Incentive Stock Options or non-qualified stock options (i.e., Stock Options which are not Incentive Stock Options) ("Non-Qualified Stock Options"), or a combination of both.

8.2 Terms and Conditions of Stock Options

(a) **In General**. A Stock Option shall be exercisable in accordance with such terms and conditions and at such times and during such periods as may be determined by the Committee in its sole discretion and as set forth in an individual Award Notice; provided, however, no Stock Option shall be exercisable after the expiration of 7 years from the Effective Date of the Stock Option. The price at which Common Stock may be purchased upon exercise of a Stock Option shall be not less than 100% of the Fair Market Value of the Common Stock on the Effective Date of the Stock Option's grant except for grants of Substitute Awards. Moreover, all Stock Options shall have a vesting schedule not less than one year from the date of grant, except under certain circumstances contemplated by Section 12.2 or Article 15.

(b) Other than pursuant to Section 6.2 or as a result of a grant of a Substitute Award, the Committee shall not be permitted to (i) lower the option price per share of a Stock Option after it is granted, (ii) cancel a Stock Option when the option price per share exceeds the Fair Market Value of the underlying shares in exchange for another Award, or (iii) take any other action with respect to a Stock Option that may be treated as a repricing under the rules and regulations of the New York Stock Exchange, without shareholder approval.

8.3 Restrictions Relating to Incentive Stock Options

Stock Options issued in the form of Incentive Stock Options shall, in addition to being subject to the terms and conditions of Section 8.2, comply with Section 422 of the Code. Accordingly, the aggregate Fair Market Value (determined at the time the Incentive Stock Option was granted) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under this Plan or any other plan of the Company) shall not exceed one hundred thousand dollars ($100,000) (or such other limit as may be required by the Code).

8.4 Additional Terms and Conditions

The Committee may, by way of the Award Notice or otherwise, establish such other terms, conditions, restrictions and/or limitations, if any, of any Stock Option Award, provided that they are not inconsistent with the Plan.

8.5 Exercise

Upon exercise, the option price of a Stock Option may, at the Committee's discretion, be paid in cash (or equivalents), or by tendering, by either actual delivery of shares or by attestation, shares of Common Stock, a combination of the foregoing, or such other consideration as the Committee may deem appropriate. Any shares of Common Stock tendered by a Participant upon exercise of a Stock Option must, if acquired by the Participant pursuant to a previous Stock Option exercise, be owned by the Participant for at least six months prior to the date of exercise of the Stock Option. The Committee shall establish appropriate methods for accepting Common Stock, whether restricted or unrestricted, and may impose such conditions as it deems appropriate on the use of such Common Stock to exercise a Stock Option.

8.6 Maximum Award Payable

Notwithstanding any provision contained in the Plan to the contrary, the maximum number of shares for which Stock Options may be granted under the Plan to any one Participant in any thirty-six (36) month period is two million (2,000,000) shares of Common Stock.

ARTICLE 9

STOCK APPRECIATION RIGHTS

9.1 In General

Awards may be granted in the form of SARs. SARs entitle the Participant to receive a payment equal to the appreciation in a stated number of shares of Common Stock from the exercise price to the Fair Market Value of the Common Stock on the date of exercise. An SAR may be granted in tandem with all or a portion of a related Stock Option under the Plan ("Tandem SARs"), or may be granted separately ("Freestanding SARs"). A Tandem SAR may be granted either at the time of the grant of the related Stock Option or at any time thereafter during the term of the Stock Option.

9.2 Terms and Conditions of SARs

(a) **Tandem SARs**. A Tandem SAR shall be exercisable to the extent, and only to the extent, that the related Stock Option is exercisable, and the "exercise price" of such an SAR (the base from which the value of the SAR is measured at its exercise) shall be the option price under the related Stock Option. If a Tandem SAR is added to an outstanding option, the exercise price shall be the same as the earlier granted option which may be less than 100% of the Fair Market Value on the date the SAR is granted. If a related Stock Option is exercised as to some or all of the shares covered by the Award, the related Tandem SAR, if any, shall be canceled automatically to the extent of the number of shares covered by the Stock Option exercise. Upon exercise of a Tandem SAR as to some or all of the shares covered by the Award, the related Stock Option shall be canceled automatically to the extent of the number of shares covered by such exercise. Moreover, all Tandem SARs shall expire not later than the earlier of (1) seven years from the Effective Date of the SAR's grant or (2) the expiration of the related Stock Option.

(b) **Freestanding SARs**. Freestanding SARs shall be exercisable in accordance with such terms and conditions and at such times and during such periods as may be determined by the Committee. The exercise price of a Freestanding SAR shall be not less than 100% of the Fair Market Value of the Common Stock, as determined by the Committee, on the Effective Date of the Freestanding SAR's grant. Moreover, all Freestanding SARs shall expire not later than seven years from the Effective Date of theFreestanding SAR's grant and generally have the same terms and conditions as Stock Options.

(c) Other than pursuant to Section 6.2 or as a result of a grant of a Substitute Award, the Committee shall not be permitted to (i) lower the exercise price of an SAR after it is granted, (ii) cancel an SAR when the exercise price exceeds the Fair Market Value of the underlying shares of Common Stock in exchange for another Award or (iii) take any other action with respect to an SAR that may be treated as a repricing under the rules and regulations of the New York Stock Exchange, in each case without shareholder approval.

9.3 Intentionally Omitted

9.4 Additional Terms and Conditions

The Committee may, by way of the Award Notice or otherwise, determine such other terms, conditions, restrictions and/or limitations, if any, of any SAR Award, provided that they are not inconsistent with the Plan.

9.5 Maximum Award Payable

Notwithstanding any provision contained in the Plan to the contrary, the maximum number of shares for which SARs may be granted under the Plan to any one Participant for a thirty-six (36) month period is two million (2,000,000) shares of Common Stock.

9.6 Payments of SARS

In the event that the SAR is paid in cash, the corresponding cash (or equivalents) thereof shall be paid as of the date that the SAR is exercised.

ARTICLE 10

RESTRICTED STOCK AWARDS

10.1 Grants

Awards under this Article 10 may be granted to Participants, either alone or in addition to other Awards granted under the Plan as Restricted Stock Awards or Restricted Stock Unit Awards. Awards may be granted in the form of (i) freestanding grants that vest based on the passage of time, or (ii) grants in payment of earned Performance Awards or other incentive compensation under another plan maintained by the Company.

10.2 Award Restrictions

Restricted Stock Awards or Restricted Stock Unit Awards shall be subject to such terms, conditions, restrictions, and/or limitations, if any, as the Committee deems appropriate including, but not by way of limitation, restrictions on transferability and continued employment; provided, however, they are not inconsistent with the Plan. The Committee may modify or accelerate the delivery of a Restricted Stock Award or Restricted Stock Unit Award under such circumstances as it deems would be in the best interest of the Company; provided, however, such action would not cause a violation of Section 409A.

10.3 Vesting Period for Awards to Employees

Except as provided in Section 12.2 or Article 15, the period to achieve full vesting for Restricted Stock Awards and Restricted Stock Unit Awards granted to Employees in the form of freestanding grants shall not be shorter than three years.
Vesting under the Plan can be on a pro rata or graded basis over the period or cliff at the end of the period; provided, however, that grants made to new hires to replace forfeited awards from a prior employer and grants in payment of earned Performance Awards (or other incentive compensation) are not subject to the minimum vesting period.

10.4 Evidence of Award

Any Restricted Stock Award or Restricted Stock Unit Award granted under the Plan may be evidenced in such manner as the Committee deems appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates.

ARTICLE 11

OTHER STOCK-BASED AWARDS

11.1 Grants

Awards under this Article 11 may be granted to Participants, either alone or in addition to the Awards granted under the Plan, in the form of Other Stock-Based Awards. Awards may be granted either as freestanding grants or payments of earned Performance Awards or other incentive compensation under another plan maintained by the Company.

11.2 Conditions and Terms of Other Stock-Based Grants

The Committee may by way of the Award Notice or otherwise, determine such other terms, conditions, restrictions and/or limitations, if any, of any Other Stock-Based Award, provided that they are not inconsistent with the Plan. Other Stock-Based Awards in the form of deferred stock units shall not be subject to a minimum vesting period.

ARTICLE 12

PAYMENT OF AWARDS

12.1 In General

Absent a Plan provision to the contrary, payment of Awards may, at the discretion of the Committee, be made in cash (or equivalents), Common Stock, or a combination of cash and Common Stock. In addition, payment of Awards may include such terms, conditions, restrictions and/or limitations, if any, as the Committee deems appropriate, including, in the case of Awards paid in the form of Common Stock, restrictions on transfer and forfeiture provisions; provided, however, such terms, conditions, restrictions and/or limitations are not inconsistent with the Plan. Further, payment of Awards may be made in the form of a lump sum or installments, as determined by the Committee, in accordance with the requirements of Section 409A, to the extent applicable.

12.2 Termination of Employment

Subject to the requirements of Section 409A, the Committee shall determine the treatment of a Participant’s Award under the Plan in the event of the Participant’s termination of employment, either in an individual Award Notice or at the time of termination.

12.3 Inimical Conduct

If a Participant performs any act or engages in any activity which the CEO, in the case of an Employee or former Employee, or the Committee, in the case of the CEO, a Director, or a former Director, determines is inimical to the best interests of the Company, the Participant shall, effective as of the date the Participant engages in such conduct, forfeit all unexercised, unearned and/or unpaid Awards, including, but not by way of limitation, Awards earned but not yet paid, all unpaid dividends and dividend equivalents, and all interest, if any, accrued on the foregoing.

12.4 Breach of Employee's Agreement

(a) **In General**. A Participant who engages in conduct described in Section 12.4(c) below shall immediately: (1) forfeit, effective as of the date the Participant engages in such conduct, all unexercised, unearned, and/or unpaid Awards, including, but not by way of limitation, Awards earned but not yet paid, all unpaid dividends and dividend equivalents, and all interest, if any, accrued on the foregoing; and (2) pay to the Company the amount of any gain realized or payment received as a result of any Stock Option or SAR exercised by the Participant under the Plan within the two year period immediately preceding the date the Participant engages in such conduct.

(b) **Set-Off**. By accepting an Award under this Plan, a Participant consents to a deduction from any amounts the Company owes the Participant from time to time (including, but not limited to, amounts owed to the Participant as wages or other compensation, fringe benefits, or vacation pay), to the extent of the amounts the Participant owes the Company under Section 12.4(a). If the Company elects to make an off-set in whole or in part, the Company will not off-set amounts owed by a Participant tothe Company against amounts subject to Section 409A that are payable by the Company until the time that payment would have been made, except as permitted by Section 409A. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount the Participant owes the Company, the Participant shall immediately pay the unpaid balance to the Company.

(c) **Conduct**. The following conduct shall result in the consequences described in Section 12.4(a):

(i) Kodak. In the case of a Participant who has signed a Kodak company employee's agreement that has restrictive covenants similar to those in Section (iii) below (an "Eastman Kodak Company Employee's Agreement"), the Participant's breach of the Eastman Kodak Company Employee's Agreement.

(ii) Subsidiary. In the case of a Participant who is employed by a Subsidiary and has signed a written agreement with the Subsidiary that contains restrictive covenants similar to those in the Eastman Kodak Company Employee's Agreement, the Participant's breach of such written agreement.

(iii) Other Participants. In the case of a Participant other than a Participant described in Subsection 12(c)(i) or (ii) above, the Participant without the prior written consent of Kodak, in the case of an Employee or former Employee, or the Committee, in the case of a Director or former Director: (A) engages directly or indirectly in any manner or capacity as principal, agent, partner, officer, director, stockholder, employee, or otherwise, in any business or activity competitive with the business conducted by Kodak or any Subsidiary; or (B) at any time divulges to any person or any entity other than the Company any trade secrets, methods, processes or the proprietary or confidential information of the Company. For purposes of this Section 12.4(c)(iii), a Participant shall not be deemed a stockholder if the Participant's record and beneficial ownership amount to not more than 1% of the outstanding capital stock of any company subject to the periodic and other reporting requirements of the Exchange Act.

ARTICLE 13

DIVIDEND AND DIVIDEND EQUIVALENT

The Committee may choose, at the time of the grant of an Award or any time thereafter up to the time of the Award's payment, to include as part of such Award an entitlement to receive cash dividends or dividend equivalents, subject to such terms, conditions, restrictions and/or limitations, if any, as the Committee may establish. Dividends and dividend equivalents shall be paid in such form and manner (i.e., lump sum or installments), and at such time(s) as the Committee shall determine in accordance with Section 409A, to the extent applicable. All dividends or dividend equivalents, which are not paid currently, may, at the Committee's discretion, accrue interest or be reinvested into additional shares of Common Stock subject to the same vesting or performance conditions as the underlying Award.

ARTICLE 14

DEFERRAL OF AWARDS

At the discretion of the Committee, payment of any Award, dividend, or dividend equivalent, or any portion thereof, may be deferred by a Participant until such time as the Committee may establish in accordance with Section 409A and other applicable federal income tax requirements. All such deferrals shall be accomplished by the delivery of a written, irrevocable election by the Participant prior to the time established by the Committee for such purpose, on a form provided by the Company. Further, all deferrals shall be made in accordance with administrative guidelines established by the Committee to ensure that such deferrals comply with Section 409A and all other applicable requirements of the Code. Deferred payments shall be paid in a lump sum or installments, as determined by the Committee in accordance with the requirements of Section 409A. Deferred Awards may also be credited with interest, at such rates to be determined by the Committee, and, with respect to those deferred Awards denominated in the form of Common Stock, with dividends or dividend equivalents.

ARTICLE 15

CHANGE IN CONTROL

15.1 Treatment of Non-Continued Awards

Notwithstanding any provision contained in the Plan, including, but not limited to, Section 4.4, the provisions of this Article 15 shall control over any contrary provision. Except as otherwise set forth in Section 15.6, upon a Change in Control: (i) the terms of this Article 15 shall immediately become opertive, without further action or consent by any person or entity unless otherwise expressly set forth in an Award Notice, (ii) all terms, conditions, restrictions, and limitations in effect on any unexercised, unearned, unpaid, and/or deferred Award in each case, other than Performance Awards, or any other outstanding Award, shall immediately lapse as of the date of such event; (iii) no other terms, conditions, restrictions and/or limitations shall be imposed upon any Awards on or after such date, and in no circumstance shall an Award be forfeited on or after such date; and (iv) except in those instances where a prorated Award is required to be paid under this Article 15, all unexercised, unvested, unearned, and/or unpaid Awards or any other outstanding Awards shall automatically become one hundred percent (100%) vested immediately. Notwithstanding the foregoing, the treatment described in this Section 15.1 shall not apply to any Award to the extent that such treatment would violate Section 409A unless the Change in Control event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 15.1 shall further apply to such Award to the extent such treatment would not violate Section 409A.

15.2 Dividends and Dividend Equivalents

Except as otherwise set forth in Section 15.6, upon a Change in Control, all unpaid dividends and dividend equivalents and all interest accrued thereon, if any, shall be treated and paid under this Article 15 in the identical manner and time as the Award under which such dividends or dividend equivalents have been credited. For example, if upon a Change in Control, an Award under this Article 15 is to be paid in a prorated fashion, all unpaid dividends and dividend equivalents with respect to such Award shall be paid according to the same formula used to determine the amount of such prorated Award. Notwithstanding the foregoing, if such dividends or dividend equivalents are subject to Section 409A and the treatment described by this Section 15.2 would violate Section 409A, then the treatment described in this Section 15.2 shall not apply to the extent such treatment would violate Section 409A unless the Change in Control event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 15.2 shall further apply to such dividends and dividend equivalents to the extent such treatment would not violate Section 409A. Any payment of unpaid dividends and dividend equivalents pursuant to this Section 15.2 shall be made as soon as practicable following the Change in Control event, but in no event later than ninety (90) days thereafter.

15.3 Valuation and Payment of Awards; Treatment of Performance Awards

Except as otherwise set forth in Section 15.6, upon a Change in Control, any Participant, whether or not he or she is still employed by the Company, shall be paid, in a single lump-sum cash payment, as soon as practicable but in no event later than ninety (90) days after the Change in Control, in exchange for all of his or her Freestanding SARs, Stock Options (including Incentive Stock Options), Other Stock-Based Awards, Restricted Stock Awards and Restricted Stock Unit Awards, and all other outstanding Awards (including those granted by the Committee pursuant to its authority under Subsection 4.2(o) hereof), other than Performance Awards, a cash payment (or the delivery of shares of stock, other securities or a combination of cash, stock and securities equivalent to such cash payment) equal to the difference, if any, between the Change in Control Price and the purchase price per share, if any, under the Award multiplied by the number of shares of Common Stock subject to such Award; provided that if such product is zero or less, the Awards will be cancelled and terminated without payment therefor. For Performance Awards, regardless of Section 15.6, (A) if at the time of the Change in Control more than fifty percent (50%) of the applicable Performance Cycle has elapsed, the Performance Award granted to the Participant shall vest and Awards shall be paid out as soon as practicable, but in no event later than ninety (90) days after the Change in Control event, in an amount equal to the greater of (i) the target performance set out in the Performance Formula or (ii) actual performance to date, and (B) if at the time of the Change in Control fifty percent (50%) or less of the applicable Performance Cycle has elapsed, the Performance Award granted to the Participant shall vest and Awards shall be paid out as soon as practicable, but in no event later than ninety (90) days after the Change in Control event, in an amount equal to fifty percent (50%) of target performance set out in the Performance Formula without consideration of actual performance to date. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 15.3 would violate Section 409A, then the treatment described in this Section 15.3 shall not apply to the extent such treatment would violate Section 409A unless the Change in Control event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 15.3 shall further apply to such Award to the extent such treatment would not violate Section 409A.

15.4 Deferred Awards

Upon a Change in Control, all Awards deferred by a Participant under Article 14 hereof, but for which he or she has not received payment as of such date, shall be paid in a single lump-sum cash payment as soon as practicable, but in no event later than ninety (90) days after the Change in Control. For purposes of making such payment, the value of all Awards that are equity-based shall be determined by the Change in Control Price. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 15.4 would violate Section 409A, then the treatment described in this Section 15.4 shall not apply to the extent such treatment would violate Section 409A unless the Change in Control event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 15.4 shall further apply to such Award to the extent such treatment would not violate Section 409A.

15.5 Miscellaneous

Upon a Change in Control, the provisions of Sections 12.2, 12.3, 12.4 and 16.3 hereof shall become null and void and of no further force and effect and no action, including, but not by way of limitation, the amendment, suspension or termination of the Plan, shall be taken which would affect the rights of any Participant or the operation of the Plan with respect to any Award to which the Participant may have become entitled hereunder on or prior to the date of such action or as a result of such Change in Control.

15.6 Continuation of Awards

Unless otherwise determined by the Committee, upon a Change in Control pursuant to which the Surviving Company or Parent Company, as applicable, assumes (or substitutes) all outstanding Awards (other than Performance Awards) pursuant to the terms hereof, then the provisions of Sections 15.1 through 15.3 shall not apply to any Award; provided, however, that if the Award is subject to Section 409A and the treatment described by this Section 15.6 would violate Section 409A, then the treatment described in this Section 15.6 shall not apply to the extent such treatment would violate Section 409A. The Committee shall determine in its sole discretion whether an Award shall be considered "assumed" or "substituted." Without limiting the foregoing, for the purposes of this Article, a Stock Option or SAR shall be considered "assumed" or "substituted" if in the reasonable determination of the Committee, (i) the aggregate intrinsic value (the difference between the then Fair Market Value and the exercise price per share of Common Stock multiplied by the number of shares of Common Stock subject to such award) of the assumed (or substituted) Award immediately after the Change in Control is substantially the same as the aggregate intrinsic value of such Award immediately before such transaction, (ii) the ratio of the exercise price per assumed (or substituted) Award to the fair market value per share of successor corporation stock immediately after the Change in Control is substantially the same as such ratio for such Award immediately before such transaction, (iii) the Award is exercisable for the consideration approved by the Committee (including shares of stock, other securities or property or a combination of cash, stock, securities and other property), and (iv) the other terms and conditions of the Stock Options or SARs remain substantially the same. For the purposes of this Article, Restricted Stock Awards and Restricted Stock Unit Awards shall be considered an assumed (or substituted) Award if in the reasonable determination of the Committee, the value and terms and conditions of the assumed (or substituted) Award immediately after the Change in Control are substantially the same as the value and terms and conditions of such Award immediately before such transaction.

15.7 Termination of Employment Following A Change in Control

(a) **Eligibility**. Notwithstanding any provision contained in the Plan, including, but not limited to, Sections 4.4, and 12.2, the provisions of this Section 15.7 shall control over any contrary provision. All Participants shall be eligible for the treatment afforded by this Section 15.7 if their employment by the Company terminates within two years following a Change in Control, unless the termination is due to (i) death, (ii) Disability, (iii) one of the following reasons (A) the willful and continued failure by the Participant to substantially perform his or her duties with his or her employer after a written warning identifying the lack of substantial performance is delivered to the Participant by his or her employer to specifically identify the manner in which the employer believes that Participant has not substantially performed his or her duties, or (B) the willful engaging by the Participant in illegal conduct which is materially and demonstrably injurious to Kodak or a Subsidiary, (iv) resignation other than (A) a resignation from a declined reassignment to a job that is not reasonably equivalent in responsibility or compensation (as would be determined under Kodak's Termination Allowance Plan), or that is not in the same geographic area (as would be determined under Kodak's Termination Allowance Plan), or (B) a resignation within 30 days following a reduction in base pay, or (v) Retirement.

(b) If a Participant is eligible for treatment under this Section 15.7, (i) all of the terms, conditions, restrictions, and limitations in effect on any of his or her unexercised, unearned, unpaid and/or deferred Awards shall immediately lapse as of the date of his or her termination of employment; (ii) no other terms, conditions, restrictions and/or limitations shall be imposed upon any of his or her Awards on or after such date, and in no event shall any of his or her Awards be forfeited on or after such date; and (iii) except in those instances where a prorated Award is required to be paid under this Article 15, all of his or her unexercised, unvested, unearned and/or unpaid Awards shall automatically become one hundred percent (100%) vested immediately upon his or her termination of employment; <u>provided</u>, <u>however</u>, the treatment described in this Section 15.7 shall not apply to any Award subject to Section 409A to the extent such treatment would violate Section 409A unless (A) the Change in Control event also qualifies as a Section 409A Change in Control, and (B) the termination of employment qualifies as a "separation from service" for purposes of Section 409A, in which event the treatment described in this Section 15.7 shall further apply to such Award to the extent such treatment would not violate Section 409A. Payment of Awards shall be made as soon as practicable following the Participant's termination of employment, but in no event later than ninety (90) days thereafter, unless the Participant at the time of his or her termination of employment is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Section 409A, in which event payment instead will be made as soon as practicable after the expiration of such period, but in no event later than ninety (90) days thereafter.

(c) If a Participant is eligible for treatment under this Section 15.7, all of his or her unpaid dividends and dividend equivalents and all interest accrued thereon, if any, shall be treated and paid under this Article 15 in the identical manner and time as the Award under which such dividends or dividend equivalents have been credited. Notwithstanding the foregoing, if such dividends or dividend equivalents are subject toSection 409A and the treatment described by this Section 15.7(c) would violate Section 409A, then the treatment described in this Section 15.7(c) shall not apply to the extent such treatment would violate Section 409A unless (A) the Change in Control event also qualifies as a Section 409A Change in Control, and (B) the termination of employment qualifies as a "separation from service" for purposes of Section 409A, in which event the treatment described in this Section 15.7(c) shall further apply to such dividends and dividend equivalents to the extent such treatment would not violate Section 409A. Any payment of unpaid dividends and dividend equivalents pursuant to this Section 15.7(c) shall be made as soon as practicable following the Participant's termination of employment, but in no event later than ninety (90) days thereafter, unless the Participant at the time of his or her termination of employment is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Section 409A, in which event payment instead will be made as soon as practicable after the expiration of such period, but in no event later than ninety (90) days thereafter.

15.8 Legal Fees

Kodak shall pay all reasonable legal fees and related expenses incurred by a Participant in seeking to obtain or enforce any payment, benefit or right he or she reasonably may be entitled to under the Plan in connection with a Change in Control; <u>provided, however</u>, the Participant shall be required to repay any such amounts to Kodak to the extent a court of competent jurisdiction issues a final and non-appealable order setting forth the determination that the position taken by the Participant was frivolous or advanced in bad faith. Any reimbursement by Kodak under this section shall be made in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance.

ARTICLE 16

MISCELLANEOUS

16.1 Nonassignability

(a) **In General**. Except as otherwise determined by the Committee or as otherwise provided in Subsection (b) below, no Awards or any other payment under the Plan shall be subject to any manner to alienation, anticipation, sale, transfer (except by will, the laws of descent and distribution, or domestic relations order), assignment, pledge, or encumbrance, nor shall any Award be payable to or exercisable by anyone other than the Participant to whom it was granted.

(b) **Non-Qualified Stock Options**. The Committee shall have the discretionary authority to grant Awards of Non-Qualified Stock Options or amend outstanding Awards of Non-Qualified Stock Options to provide that they be transferable, subject to such terms and conditions as the Committee shall establish. In addition to any such terms and conditions, the following terms and conditions shall apply to all transfers of Non-Qualified Stock Options:

(i) **Permissible Transferors**. The only Participants permitted to transfer their Non-Qualified Stock Options are those Participants who are, on the date of the transfer of their Non-Qualified Stock Option, either in wage grade 56 or above, or the equivalent thereof, a corporate officer of Kodak, or a Director.

(ii) **Permissible Transferees**. Transfers shall only be permitted to: (i) the Participant's "Immediate Family Members," as that term is defined in Subsection (b)(9) below; (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members; or (iii) a family partnership or family limited partnership in which each partner is, at the time of transfer and all times subsequent thereto, either an Immediate Family Member or a trust for the exclusive benefit of one or more Immediate Family Members.

(iii) **No Consideration**. All transfers shall be made for no consideration.

(iv) **Subsequent Transfers**. Once a Participant transfers a Non-Qualified Stock Option, any subsequent transfer of such transferred option shall, notwithstanding Section 16.1(b)(i) to the contrary, be permitted provided, however, such subsequent transfer complies with all of the terms and conditions of this Section 16.1(b), with the exception of Section 16.1(b)(i).

(v) **Transfer Agent**. In order for a transfer to be effective, the Committee's designated transfer agent must be used to effectuate the transfer. The costs of such transfer agent shall be borne solely by the transferor.

(vi) **Withholding**. In order for a transfer to be effective, a Participant must agree in writing prior to the transfer on a form provided by Kodak to pay any and all payroll and withholding taxes due upon exercise of the transferred option. In addition, prior to the exercise of a transferred option by a transferee, arrangements must be made by the Participant with Kodak for the payment of all payroll and withholding taxes.

(vii) **Terms and Conditions of Transferred Option**. Upon transfer, a Non-Qualified Stock Option continues to be governed by and subject to the terms and conditions of the Plan and the Stock Option's applicable administrative guide and Award Notice. A transferee of a Non-Qualified Stock Option is entitled to the same rights as the Participant to whom such Non-Qualified Stock Options were awarded, as if no transfer had taken place. Accordingly, the rights of the transferee are subject to the terms and conditions of the original grant to the Participant, including provisions relating to expiration date, exercisability, option price and forfeiture.

(viii) **Notice to Transferees**. Kodak shall be under no obligation to provide a transferee with any notice regarding the transferred options held by the transferee upon forfeiture or any other circumstance.

(ix) **Immediate Family Member**. For purposes of this Section 16.1, the term "Immediate Family Member" shall mean the Participant and his or her spouse, children or grandchildren, whether natural, step or adopted children or grandchildren.

16.2 Withholding Taxes

In connection with any payments to a Participant or other event under the Plan that gives rise to a federal, state, local or other tax withholding obligation relating to the Plan (including, without limitation, FICA tax), the Company shall be entitled to deduct from any payment under the Plan, regardless of the form of such payment, the amount of all applicable income and employment taxes required by law to be withheld (or cause to be withheld) with respect to such payment or may require the Participant to
pay to the Company such tax prior to and as a condition of the making of such payment. In accordance with any applicable administrative guidelines it establishes, the Committee may allow a Participant to pay the amount of taxes required to be withheld from an Award by withholding from any payment of Common Stock due as a result of such Award at minimum statutory tax rates, or by permitting the Participant to tender (actually or through attestation) to the Company, shares of Common Stock having a Fair Market Value, as determined by the Committee, equal to the amount of such required withholding taxes up to the maximum marginal tax rate.

16.3 Amendments to Awards

The Committee may at any time unilaterally amend any unexercised, unearned or unpaid Award, including, but not by way of limitation, Awards earned but not yet paid, to the extent it deems appropriate; provided, however, that (a) any such amendment which, in the opinion of the Committee, materially impairs the rights or materially increases the obligation of a Participant under an outstanding Award shall be made only with the consent of the Participant (or, upon the Participant's death, the person having the right to exercise the Award), except that amendments to implement administrative changes to the Plan that are deemed necessary or advisable by the Committee for compliance with laws shall not require Participant consent, and (b) no such amendment shall cause a violation of Section 409A. By means of illustration but not limitation, the Committee may restrict the method of exercise of an Award to avoid securities laws or exchange control filings, laws or regulations.

16.4 Regulatory Approvals and Listings

Notwithstanding anything contained in this Plan to the contrary, the Company shall have no obligation to issue or deliver certificates of Common Stock evidencing any Award resulting in the payment of Common Stock prior to (a) the obtaining of any approval from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable, (b) the admission of such shares to listing on the stock exchange on which the Common Stock may be listed, and (c) the completion of any registration or other qualification of said shares under any state or federal law or ruling of any governmental body which the Company shall, in its sole discretion, determine to be necessary or advisable.

16.5 No Right to Continued Employment or Grants

Participation in the Plan shall not give any Employee any right to remain in the employ of Kodak or any Subsidiary. Kodak or, in the case of employment with a Subsidiary, the Subsidiary, reserves the right to terminate any Employee at any time for any or no reason. Further, the adoption of this Plan shall not be deemed to give any Employee or any other individual any right to be selected as a Participant or to be granted an Award. In addition, no Employee having been selected for an Award, shall have at any time the right to receive any additional Awards.

16.6 Amendment/Termination

The Committee may suspend or terminate the Plan at any time for any reason with or without prior notice. In addition, the Committee may, from time to time for any reason and with or without prior notice, amend the Plan in any manner, but may not (a) without shareholder approval adopt any amendment which would require the vote of the shareholders of Kodak required under the New York Stock Exchange's shareholder approval rules, or (b) adopt any amendment to the Plan which would cause any Award outstanding under the Plan at the time of the amendment to violate Section 409A.

16.7 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the State of New York, except as superseded by applicable federal law, without giving effect to its conflicts of law provisions.

16.8 No Right, Title or Interest in Company Assets; No Rights as a Shareholder

No Participant shall have any rights as a shareholder, including the right to vote, as a result of participation in the Plan until the date of issuance of a stock certificate in his or her name or such other evidence of ownership as may be determined by the Committee and, in the case of Restricted Stock Awards such rights as are granted to the Participant under the Plan. To the extent any person acquires a right to receive payments from the Company under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company and the Participant shall not have any rights in or against any specific assets of the Company. All of the Awards granted under the Plan shall be unfunded.

16.9 Section 16 of the Exchange Act

In order to avoid any Exchange Act violations, the Committee may, from time to time, impose additional restrictions upon an Award, including but not limited to, restrictions regarding tax withholdings.

16.10 No Guarantee of Tax Consequences

No person connected with the Plan in any capacity, including, but not limited to, Kodak and its Subsidiaries and their directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts deferred under the Plan, or paid to or for the benefit of a Participant under the Plan, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

16.11 Other Benefits

No Award granted under the Plan shall be considered compensation for purposes of computing benefits under any retirement plan of the Company nor affect any benefits or compensation under any other benefit or compensation plan of the Company now or subsequently in effect.

16.12 Section Headings

The section headings contained herein are for the purpose of convenience only and are not intended to define or limit the contents of the sections.

16.13 Severability; Entire Agreement

If any of the provisions of this Plan or any Award Notice is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby; provided, that if any of such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Plan, any administrative guidelines or sub-plans issued pursuant to Section 4.2(i), and any Award Notices contain the entire agreement of the parties with respect to the subject matter thereof and supersede all prior agreements, promises, covenants, arrangements, communications, representations and warranties between them, whether written or oral with respect to the subject matter thereof.

16.14 No Third Party Beneficiaries

Except as expressly provided therein, neither the Plan nor any Award Notice shall confer on any person other than the Company and the grantee of any Award any rights or remedies thereunder.

16.15 Successors and Assigns

The terms of this Plan shall be binding upon and inure to the benefit of the Company and its successors and assigns.

16.16 Waiver of Claims

Each Participant recognizes and agrees that prior to being selected by the Committee to receive an Award he or she has no right to any benefits hereunder. Accordingly, in consideration of the Participant's receipt of any Award hereunder, he or she expressly waives any right to contest the amount of any Award, the terms of any Award Notice, any determination, action or omission hereunder or under any Award Notice by the Committee, the Company or the Board, or any amendment to the Plan or any Award Notice (other than an amendment to this Plan or an Award Agreement to which his or her consent is expressly required by the express terms of the Plan or an Award Notice).

16.17 Section 409A

The Plan and the Awards granted thereunder are intended to be exempt from or comply with the requirements of Section 409A, and the Plan, and Award Notices and administrative guides issued thereunder, shall be administered and interpreted consistent with such intention. In addition, the Plan, Award Notices and administrative guidelines will be interpreted and administered in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance with respect to benefits subject to Section 409A.

APPENDIX A

EASTMAN KODAK COMPANY 2005 OMNIBUS LONG TERM COMPENSATION PLAN

(a) **Introduction**. The terms of this Appendix A apply to all Awards, other than Stock Options or SARs, that are intended by the Committee to satisfy the requirements for deductibility as "performance-based compensation" under Section 162(m)(4)(C) of the Code.

(b) Definitions

The capitalized terms used in this Appendix shall have the same meaning as set forth in the Plan, unless otherwise defined below.

(i) Committee

"Committee" means the Executive Compensation and Development Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan; provided that the Committee shall consist of at least two directors, each of whom is an "outside director" within the meaning of Section 162(m) of the Code and the applicable regulations thereunder.

(ii) Performance Criteria

"Performance Criteria," shall mean any of the following for the Company on a consolidated basis and/or for any subsidiary, division, business unit or one or more business segments: return on net assets ("RONA"), return on shareholders' equity, return on assets, return on capital, shareholder returns, total shareholder return, return on invested capital, profit margin, earnings per share, net earnings, operating earnings, Common Stock price per share, sales or market share, unit manufacturing cost, working capital, productivity, days sales in inventory, days sales outstanding, revenue, revenue growth, cash flow and investable cash flow.

(c) Awards

(i) Eligible Employees. All Employees are eligible to be selected for a Performance Award during a Performance Cycle.

(ii) Performance Cycle. For purposes of this Appendix A, a Performance Cycle shall be at least twelve (12) calendar months.

(iii) Committee Discretion. To the extent required by Section 162(m) of the Code, the Committee shall have full discretion, within the first ninety (90) days of a Performance Cycle (or, if longer, within the maximum period allowed under Section 162(m) of the Code), to designate the Employees who will be Participants for the Performance Cycle, the length of such Performance Cycle, the type(s) of Awards to be issued, the Performance Criteria that will be used to calculate, in an objective manner, the Performance Formula, the kind(s) and/or level(s) of the goals under the Performance Formula, whether the Performance Criteria shall apply to the Company, Kodak, a Subsidiary, or any one or more subunits of the foregoing, and the Performance Formula.

(iv) Adjustment of Awards. The Committee is authorized at any time during the first ninety (90) days of a Performance Cycle, or at any time thereafter (but only to the extent the exercise of such authority after the first ninety (90) days of a Performance Cycle would not cause the Awards granted to the Participant for the Performance Cycle to fail to qualify as "performance-based compensation" under Section 162(m) of the Code), in its sole and absolute discretion, to adjust or modify the Performance Formula for such Performance Cycle in order to prevent the dilution or enlargement of the rights of Participants, (A) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development; (B) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; and (C) in view of the Committee's assessment of the business strategy of the Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant. In no event shall the Award of any Participant who is a Covered Employee be adjusted pursuant to Section 6.2 of the Plan to the extent it would cause such Award to fail to qualify as "performance-based compensation" under Section 162(m) of the Code.

(v) Determination of Awards. Following the completion of a Performance Cycle, the Committee shall review and certify in writing whether, and to what extent, the goals under the Performance Formula for the Performance Cycle have been achieved and, if so, to calculate and certify in writing the amount of the Awards earned for the period. The Committee shall then determine the actual size of each Participant's Award for the Performance Cycle. In determining the actual size of an individual Award for a Performance Cycle, the Committee may reduce (but not increase) or eliminate the amount of the Award earned under the Performance Formula for the Performance Cycle, if in the Committee's sole judgment, such reduction or elimination is appropriate.

EXHIBIT (10.6)

EASTMAN KODAK COMPANY

Administrative Guide for the 2006-2007 Performance Cycle
of the Leadership Stock Program
under Article 7 (Performance Awards) of the
2005 OMNIBUS LONG-TERM COMPENSATION PLAN

As amended 01-01-2009

EASTMAN KODAK COMPANY

Administrative Guide for the 2006-2007 Performance Cycle
of the Leadership Stock Program
under Article 7 (Performance Awards) of the
2005 Omnibus Long-Term Compensation Plan

ARTICLE 1. INTRODUCTION

1.1 Background

Under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan (the "**Plan**"), the Executive Compensation and Development Committee of Kodak's Board of Directors (the "**Committee**") may, among other things, award the opportunity to earn shares of Common Stock to those Participants as the Committee in its discretion may determine, subject to such terms, conditions and restrictions as it deems appropriate. This Administrative Guide was originally adopted by the Committee at its March 27, 2006 meeting, and was amended and restated by the Committee at its October 17, 2006 meeting, effective January 1, 2006.

1.2 Purpose

This Administrative Guide governs the Committee's grant of Awards under Article 7 of the Plan pursuant to a subprogram that is hereinafter referred to as the "Leadership Stock Program," to be effective as of January 1, 2006, by which the Committee will award the opportunity to earn shares of Common Stock for the Cycle to (a) all executives employed by Kodak world-wide in wage grades 48 and higher, and (b) certain designated senior-level executives employed by Kodak Subsidiaries, with the objectives of improving the relationship between controllable performance and realized compensation and enhancing the focus on long-term operating goals. It is expected that improvement in these areas will have a corollary effect upon the price of the Common Stock.

In addition, this Administrative Guide is intended to establish those requirements necessary to ensure that the Cycle's Awards will be treated as performance-based compensation for the purposes of Section 162(m) of the Code. These requirements include establishment of the Cycle's Performance Criteria, performance goals under the Performance Criteria and Performance Formula.

1.3 Administration

The Leadership Stock Program shall be administered by the Committee. The Committee is authorized to issue this Administrative Guide and to make changes in this Administrative Guide as it from time to time deems proper. The Committee is authorized to interpret and construe the

Leadership Stock Program and this Administrative Guide, to prescribe, amend, and rescind rules and regulations relating to each, and to make all other determinations necessary, appropriate or advisable for the administration of the Leadership Stock Program. If there are any inconsistencies between the terms of this Administrative Guide and the terms of the Plan, the terms of the Plan will control. Any determination by the Committee in carrying out, administering or construing the Leadership Stock Program will be final and binding for all purposes and upon all interested persons and their heirs, successors and personal representatives. The Committee is authorized to suspend or terminate the Leadership Stock Program, at any time, for any reason, with or without prior notice. Notwithstanding any provision herein to the contrary, the Company's Director, Human Resources is authorized to round fractional shares arising in any way under the Plan either up or down with respect to any or all Participants, for ease of administration or some other reasonable purpose.

ARTICLE 2. DEFINITIONS

Any defined term used in this Administrative Guide, other than those set forth in this Article 2 or defined within another Article of this Administrative Guide, will have the same meaning for purposes of this document as that ascribed to it under the terms of the Plan.

2.1 Approved Reason

"Approved Reason" means, with regard to all Participants other than a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, a reason for terminating employment which, in the opinion of the CEO, is in the best interests of the Company. With regard to a Participant who is subject to Section 16 of the Exchange Act or is a Covered Employee, "Approved Reason" means a reason for terminating employment which, in the opinion of the Committee, is in the best interests of the Company.

2.2 Award Payment Date

"Award Payment Date" is the date payment of an Award in the form of shares of Common Stock is credited to the Participant's account with Kodak's transfer agent pursuant to Section 9.3.

2.3 Cycle

"Cycle" or "Performance Cycle" means the two-year period commencing on January 1, 2006 and ending December 31, 2007.

2.4 Digital Earnings from Operations

"Digital Earnings from Operations" or "DEFO" means, as calculated in accordance with generally accepted accounting principles consistently applied, total earnings of the Company's digital strategic product groups included within segment earnings from continuing operations, before (i) interest, (ii) other income (charges), net, and (iii) income taxes.

2.5 Enrollment Period

"Enrollment Period" means the single period of consecutive days, designated by the Committee.

2.6 Interest Rate

Intentionally Omitted

2.7 Joint Venture

"Joint Venture" means a corporation or other business entity in which the Company has an ownership interest of fifty percent (50%).

2.8 Participant Account

"Participant Account" means the account established by the Company for each Participant who is granted an Award under the Leadership Stock Program to record and account for the grant of the Award and any dividend equivalents that are to be credited to the Account pursuant to Article 10, until such time as the balance in the Account is paid, canceled, forfeited or terminated, as the case may be.

2.9 Performance Criteria

"Performance Criteria" means, with respect to the Leadership Stock Program, the criteria of Digital Earnings from Operations that will be used to establish the Performance Goal for the Performance Cycle, as described in Article 6.

2.10 Performance Cycle

"Performance Cycle" has the meaning specified in Section 2.3.

2.11 Performance Goal

"Performance Goal" means, with respect to the Performance Cycle of the Leadership Stock Program, the goal based upon the Performance Criteria and established by the Committee, as more particularly described in Article 6.

2.12 Target Allocation

"Target Allocation" means, for the Performance Cycle of the Leadership Stock Program, the target allocation amount, expressed as a number of units of Common Stock, allocated to a Participant prior to the start of the Performance Cycle pursuant to Section 5.2.

2.13 Target Allocation Range

"Target Allocation Range" has the meaning, for the Performance Cycle of the Leadership Stock Program, set forth in Section 5.1.

2.14 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the amount of an Award granted to a Participant and any dividend equivalents that are to be credited to the Participant's Account pursuant to Article 10, even though such Award and dividend equivalents have not yet been earned, until such time as the balance in the Account is paid, canceled, forfeited, or terminated, as the case may be. Units are expressed in terms of one Unit being the equivalent of one share of Common Stock.

2.15 Vesting Date

"Vesting Date" shall mean the date that is one (1) year following the end of the Performance Cycle, except that the Vesting Date may be an earlier date with respect to any particular Participant under the circumstances described in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason) and 8.4 (Divestiture to an Unrelated Third Party) below.

ARTICLE 3. PARTICIPATION

3.1 In General

The Participants who are eligible to participate in this Cycle of the Leadership Stock Program are those executives who, as of the first day of the Cycle, are either employed by Kodak world-wide in wage grades 48 and higher, or are senior-level executives employed by Kodak Subsidiaries. The CEO will make recommendations for participation for this Cycle of the Leadership Stock Program from among those eligible Participants. Participants for this Cycle of the Leadership Stock Program will be designated by the Committee from those recommended by the CEO. A schedule of such Participants is maintained by Kodak's Worldwide Total Compensation Group.

3.2 New Participants

No person may become eligible to participate in this Cycle of the Leadership Stock Program after the first day of the Cycle, whether as a result of a job change or otherwise.

3.3 Termination of Participation

A Participant's participation in this Cycle of the Leadership Stock Program is subject to immediate termination upon the Participant's termination of employment from the Company. In the case of the Participant's termination of employment on or before the Vesting Date, the Participant will no longer be eligible to receive an Award for the Cycle and consequently, will forfeit any and all rights to receive payment on account of an Award for the Cycle, except as specified in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason), Section 8.3 (Divestiture to a Joint Venture) and Section 8.4 (Divestiture to an Unrelated Third Party).

ARTICLE 4. FORM OF AWARDS

4.1 Form of Awards

Awards granted under the Leadership Stock Program provide Participants with the opportunity to earn shares of Common Stock, subject to the terms and conditions contained in this Administrative Guide and the Plan. Each Award granted under the Leadership Stock Program shall be expressed as a fixed number of Units that will be equivalent to an equal number of shares of Common Stock. The fixed number of Units that are allocated to a Participant by the Committee prior to the start of the Performance Cycle is referred to herein and in the Plan as the Target Allocation.

4.2 Participant Account

The Company will establish a Participant Account for each Participant who is granted an Award.

4.3 Participant's Account Unfunded

The maintenance of individual Participant Accounts is for bookkeeping purposes only; the Units recorded in the account are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Participant Account. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account. As more specifically described in Article 11, until the Committee has certified the Award earned by a Participant pursuant to the procedure referred to in Article 7 of this Guide, no additional Units will be credited for dividends that may be paid on the Company's Common Stock.

ARTICLE 5. AWARD ALLOCATION

5.1 Target Allocation Range

The attached Exhibit "A" shows by wage grade the range of the number of Units that an eligible Participant could be allocated with respect to the Performance Cycle (the "**Target Allocation Range**"). Exhibit "A" also shows the midpoint for the Target Allocation Range for each wage grade.

5.2 Establishing the Target Allocation

No later than November 9, 2005, each Participant's unit management will review the Participant's most recent GOLD relative leadership assessment and, based upon that assessment, recommend the fixed percentage (from 0% – 150%) to be applied to the midpoint of the Target Allocation Range applicable to that Participant to determine the fixed number of Units that will be allocated to that Participant.

The unit management's recommendation will be made to the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the recommendation is to be made to the Committee.

Prior to the first day of the Cycle, the fixed number of Units that are allocated to a Participant will be established by the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the fixed number of Units that are allocated to a Participant will be established by the Committee. No change will be made to the fixed number of Units allocated to a Participant as a result of a promotion or demotion that occurs after the Units are allocated, provided the Participant remains eligible as of the first day of the Cycle. Participants who become newly eligible after November 9, 2005 will be allocated the fixed number of Units that is equal to the midpoint of the Target Allocation Range applicable to that Participant.

The fixed number of Units allocated to a Participant prior to the start of the Performance Cycle is referred to herein as the "**Target Allocation**."

ARTICLE 6. ESTABLISING PERFORMANCE FACTORS

6.1 Performance Criteria

The Committee has selected Digital Earnings from Operations as the "**Performance Criteria**" for purposes of establishing the Performance Goal for the Performance Cycle.

6.2 Performance Goal

No later than its regularly scheduled meeting for the month of February in the first year of the Performance Cycle, the Committee shall establish the target amount of Digital Earnings from Operations for each of the two calendar years of the Performance Cycle that, when aggregated, will serve as the "**Performance Goal**" for purposes of assessing the Company's performance during the entire Performance Cycle.

The Committee will also establish the minimum aggregate amount of Digital Earnings from Operations for the two calendar years of the Performance Cycle (the "**Minimum Performance Goal"**) that will serve as the minimum actual Digital Earnings from Operations for the entire Performance Cycle that will be necessary in order for any amount of an Award to be considered to have been earned by the Participants for the Performance Cycle.

The Committee will cause the Performance Goal and the Minimum Performance Goal to be documented in an Exhibit "B" to this Administrative Guide.

6.3 Performance Formula

The "**Performance Formula**," which will determine the amount of an Award that will be considered to have been earned by a Participant, is as follows:

Award Earned = Target Allocation x Applicable Performance Percentage

The Company's actual Digital Earnings from Operations for the entire Performance Cycle in relation to the Performance Goal shall be used to determine the Applicable Performance Percentage.

No later than its regularly scheduled meeting for the month of February in the first year of the Performance Cycle, the Committee shall establish the specific formula by which the Applicable Performance Percentage will be determined.

The Committee will cause the Performance Formula that is to be used to establish the Applicable Performance Percentage to be documented in an Exhibit “B” to this Administrative Guide.

ARTICLE 7. DETERMINATION OF EARNED AWARDS

7.1 Certification

Following the completion of the Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goal for the Performance Cycle has been achieved. If the Committee certifies that the Minimum Performance Goal has been achieved, it shall, based upon application of the Performance Formula to the Performance Goal for this Cycle, also calculate and certify in writing the Applicable Performance Percentage. The Committee shall then determine and certify the actual amount of each Participant's Award that has been earned for the Performance Cycle, with any fractional shares being rounded up to a whole share.

7.2 Negative Discretion

Notwithstanding any provision contained herein to the contrary, in determining the actual amount of an individual Award to be deemed earned for the Cycle, the Committee may, through the use of Negative Discretion, reduce or eliminate the amount of the Award that would otherwise be earned by application of the Performance Formula, if, in its sole judgment, such reduction or elimination is appropriate.

ARTICLE 8. PRECONDITIONS TO RECEIPT OF AN EARNED AWARD

8.1 Continuous Employment Until Payment

A Participant must remain continuously employed with the Company (in any wage grade) at all times from the first day of the Cycle through the Vesting Date in order to remain eligible for an Award. If a Participant's employment with the Company ceases during this period for any reason, the Participant will forfeit the entire number of Units that have been allocated to him or her for the Cycle (including any Units that are earned but not vested) and any dividend equivalents that have been credited to the Account pursuant to Article 10 hereof. The limited exceptions to the requirements of this Section 8.1 are specified in Sections 8.2, 8.3 and 8.4 below.

8.2 Death, Disability, Retirement, or Termination for an Approved Reason before the Vesting Date

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases for an Approved Reason or as a result of his or her death, Disability or Retirement, and if such Participant had been employed with the Company for the entire first year of the two years in the Performance Cycle, such Participant shall be entitled to receive a pro-rata Award calculated according to the formula set forth in Section 8.5 below.

In the event a Participant's employment with the Company ceases at any time during the first of the two years in the Performance Cycle (whether for an Approved Reason or as a result of his or her death, Disability or Retirement), the Participant will no longer be eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

For purposes of Section 9.1, the Vesting Date of a Participant entitled to receive a pro-rata Award pursuant to Section 8.2 shall be deemed to be the date the Committee has certified the Company's performance for the entire Performance Cycle as provided in Section 7.1.

8.3 Divestiture to a Kodak Joint Venture

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, such Participant will be entitled to receive a pro-rata Award, calculated according to the formula set forth in Section 8.5 below, provided that (a) his or her employment with the Company ceases after the first of the two years in the Performance Cycle, and (b) such Participant is employed by either the Company or such Joint Venture at all times from the first day of the Cycle through the Vesting Date.

If either of the conditions (a) or (b) set forth in the prior paragraph are not met, a Participant whose employment with the Company ceases at any time prior to the Vesting Date as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

8.4 Divestiture to an Unrelated Third Party

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, such Participant will be entitled to receive a pro-rata Award, calculated according to the formula set forth in Section 8.5 below, provided that his or her employment with the Company ceases after the first of the two years in the Performance Cycle.

A Participant whose employment with the Company ceases at any time during the first of the two years in the Performance Cycle as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

For purposes of Section 9.1, the Vesting Date of a Participant entitled to receive a pro-rata Award pursuant to Section 8.4 shall be deemed to be the date the Committee has certified the Company's performance for the entire Performance Cycle as provided in Section 7.1.

8.5 Pro-rata Award

The pro-rata Award to which a Participant may become entitled pursuant to the provisions of Sections 8.2, 8.3 or 8.4 shall be determined by applying a percentage to the amount of the Award that the Committee certifies according to Section 7.2 as the amount that would have been earned by the Participant after application of the Performance Formula for the entire Performance Cycle. The percentage to be applied shall be determined by dividing the number of full months in the Performance Cycle prior to the Participant's cessation of employment with the Company by the total number of full months in the Performance Cycle. For purposes of this calculation, a partial month shall be treated as a full month to the extent of 15 or more days in such month have elapsed.

ARTICLE 9. PAYMENT OF AWARDS

9.1 Timing of Award Payments

Awards that have been earned for this Cycle and any dividend equivalents that are credited to the Account pursuant to Article 10 shall be paid as soon as is administratively practicable after the Vesting Date, but in no event later than 90 days thereafter, by the procedure described in Section 9.3. Participants cannot defer Awards.

9.2 Form of Payment of Awards

Awards for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 11 shall be paid in the form of shares of Common Stock in accordance with the procedure described in Section 9.3, subject to the terms, restrictions and conditions of the Plan and those set forth in this Administrative Guide.

9.3 Issuance of Shares of Common Stock

On the Award Payment Date, Kodak will subtract from a Participant's account the number of Units that are withheld for taxes under Section 11.6 below, and then, with respect to the remaining Units, promptly instruct its transfer agent to reflect, in an account of the Participant on the books of the transfer agent, the shares of Common Stock that are to be delivered to the Participant. Upon the Participant's request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares of Common Stock held in that account of the Participant.

9.4 Non-Assignable

No Awards or any other payment under the Leadership Stock Program shall be subject in any manner to alienation, sale, transfer (except by will of the laws of descent and distribution), assignment, pledge or encumbrance, nor shall any Award by payable to any one other than the Participant to whom it was granted.

ARTICLE 10. DIVIDEND EQUIVALENTS

10.1 Dividend Equivalents

In the event of the payment of any cash dividend on the Common Stock or any stock dividend (as defined in Section 305 of the Code) on the Common Stock with a record date occurring during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, a Participant's Account shall be credited with additional Units.

The amount of such additional Units to be credited to each Participant who has earned an Award for this Cycle is as set forth in Section 10.2 and Section 10.3. Any such additional Units will be credited as of the payment date for each such dividend.

10.2 Stock Dividends

The number of Units that shall be credited to the Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of the Common Stock equal to the number of Units credited to the Participant's Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares, for such stock dividend, then his or her Account shall also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.3 Cash Dividends

The number of Units that shall be credited to the Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units credited to the Participant's Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.4 Reorganization

If the Company undergoes a reorganization (as defined in Section 368(a) of the Code) during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, the Committee may, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Account of each Participant that has earned an Award in order to reflect such transaction, including, but not limited to, adjusting the number of Units credited to each such Participant's Account.

ARTICLE 11. MISCELLANEOUS

11.1 Compliance with Laws

The obligations of the Company to issue Common Stock awarded pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933, as amended, and the Exchange Act, and all rules promulgated thereunder.

11.2 Termination/Amendment

The Committee may suspend or terminate the Leadership Stock Program in whole or in part at any time. In addition, the Committee may, at any time and from time to time, amend this Administrative Guide in any manner.

11.3 Section 162(m) of the Code

If any provision of this Administrative Guide would cause the Awards granted to a Covered Person not to constitute "qualified performance-based compensation" under Section 162(m) of the Code, that provision, insofar as it pertains to the Covered Person, shall be severed from, and shall be deemed not to be a part of, this Administrative Guide, but the other provisions hereof shall remain in full force and effect. Further, if this Administrative Guide fails to contain any provision required under Section 162(m) in order to make the Awards granted hereunder to a Covered Employee be "qualified performance-based compensation," then this Administrative Guide shall be deemed to incorporate such provision, effective as of the date of this Administrative Guide's adoption by the Committee.

11.4 Participant's Rights Unsecured

The amounts payable under this Administrative Guide shall be unfunded, and the right of any Participant or his or her estate to receive payment under this Administrative Guide shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

11.5 No Guarantee of Tax Consequences

No person connected with the Leadership Stock Program or this Administrative Guide in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts paid to or for the benefit of a Participant or Beneficiary under the Leadership Stock Program, or that such tax treatment will apply to or be available to a Participant or Beneficiary on account of participation in the Leadership Stock Program.

11.6 Tax Withholding

Kodak will pay the taxes required to be withheld with respect to an Award under the Leadership Stock Program by reducing a portion of the Units otherwise due the Participant as a result of an Award. The portion of the Units withheld will equal in amount the taxes required to be withheld. The Units which are so withheld will be valued at the Fair Market Value of the Common Stock on the date of the payment of the Award.

11.7 Section 409A Compliance

The Awards described in this Administrative Guide are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law, and this Administrative Guide shall be interpreted and administered consistent with such intention, and in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance. The Company may unilaterally amend this Administrative Guide for purposes of compliance if, in its sole discretion, Kodak determines that such amendment would not have a material adverse effect with respect to Participants' rights under the Administrative Guide.

EXHIBIT A - TARGET ALLOCATION RANGE (SECTION 5.1)

Intentionally Omitted

EXHIBIT B - PERFORMANCE GOAL (SECTION 6.2) AND PERFORMANCE FORMULA (SECTION 6.3)

Intentionally Omitted

Exhibit (10.7)

Eastman Kodak Company

Administrative Guide for the 2007 Performance Cycle of the Leadership Stock Program under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan

ARTICLE 1. INTRODUCTION

1.1 Background

Under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan (the "Plan"), the Executive Compensation and Development Committee of Kodak's Board of Directors (the "Committee") may, among other things, award the opportunity to earn shares of Common Stock to those Participants as the Committee in its discretion may determine, subject to such terms, conditions and restrictions as it deems appropriate.

1.2 Purpose

This Administrative Guide governs the Committee's grant of Awards under Article 7 of the Plan pursuant to a subprogram that is hereinafter referred to as the "Leadership Stock Program," to be effective as of January 1, 2007, by which the Committee will award the opportunity to earn shares of Common Stock for the Cycle to eligible Participants described in Article 3, with the objectives of improving the relationship between controllable performance and realized compensation and enhancing the focus on operating goals. It is expected that improvement in these areas will have a corollary effect upon the price of the Common Stock. Unless otherwise noted in this Administrative Guide or determined by the Committee, the terms of the Plan shall apply to Awards granted under this Leadership Stock Program.

In addition, this Administrative Guide is intended to establish those requirements necessary to ensure that the Cycle's Awards will be treated as performance-based compensation for the purposes of Section 162(m) of the Code. These requirements include establishment of the Cycle's Performance Criteria, performance goals under the Performance Criteria and Performance Formula.

1.3 Administration

The Leadership Stock Program shall be administered by the Committee. The Committee is authorized to issue this Administrative Guide and to make changes in this Administrative Guide as it from time to time deems proper. The Committee is authorized to interpret and construe the Leadership Stock Program and this Administrative Guide, to prescribe, amend, and rescind rules and regulations relating to each, and to make all other determinations necessary, appropriate or advisable for the administration of the Leadership Stock Program, including without limitation, whether or not to pay fractional shares, whether and how to round fractional shares, and any issues regarding valuation, withholding and international considerations. If there are any inconsistencies between the terms of this Administrative Guide and the terms of the Plan, the terms of the Plan will control.   Any determination by the Committee in carrying out, administering or construing the Leadership Stock Program will be final and binding for all purposes and upon all interested persons and their heirs, successors and personal representatives. The Committee is authorized to suspend or terminate the Leadership Stock Program, at any time, for any reason, with or without prior notice. Notwithstanding any provision herein to the contrary, the Company's Director, Human Resources is authorized to round fractional shares arising in any way under the Plan either up or down with respect to any or all Participants, for ease of administration or some other reasonable purpose.

ARTICLE 2. DEFINITIONS

Any defined term used in this Administrative Guide, other than those set forth in this Article 2 or defined within another Article of this Administrative Guide, will have the same meaning for purposes of this document as that ascribed to it under the terms of the Plan.

2.1 Approved Reason

“Approved Reason” means, with regard to all Participants other than a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, a reason for terminating employment which, in the opinion of the CEO, is in the best interests of the Company. With regard to a Participant who is subject to Section 16 of the Exchange Act or is a Covered Employee, “Approved Reason” means a reason for terminating employment which, in the opinion of the Committee, is in the best interests of the Company.

2.2 Award Payment Date

“Award Payment Date” is the date payment of an Award in the form of shares of Common Stock is credited to the Participant’s account with Kodak’s transfer agent pursuant to Section 9.3, which shall be as soon as is administratively practicable after the Vesting Date, but in no event later than 90 days thereafter.

2.3 Cycle

“Cycle” or “Performance Cycle” means the one-year period commencing on January 1, 2007 and ending December 31, 2007.

2.4 Consumer Inkjet Printer Revenue

“Consumer Inkjet Printer Revenue” means total net revenue of the Consumer Inkjet Equipment strategic product group (SPU) within the Consumer Digital Group, excluding revenue from ink or other consumables.

2.5 GCG Digital Revenue

“GCG Digital Revenue” means YOY growth in total net revenue of the Graphics Communication Group’s digital products.

2.6 (intentionally omitted)

2.7 Joint Venture

“Joint Venture” means a corporation or other business entity in which the Company has an ownership interest of fifty percent (50%).

2.8 Participant Account

“Participant Account” means the account established by the Company for each Participant who is granted an Award under the Leadership Stock Program to record and account for the grant of the Award and any dividend equivalents that are to be credited to the Account pursuant to Article 10, until such time as the balance in the Account is paid, canceled, forfeited or terminated, as the case may be.

2.9 Performance Criteria

“Performance Criteria” means, with respect to the Leadership Stock Program, the criteria that will be used to establish the Performance Goal for the Performance Cycle, as described in Article 6.

2.10 Performance Cycle

“Performance Cycle” has the meaning specified in Section 2.3.

2.11 Performance Goals

“Performance Goals” means, with respect to the Performance Cycle of the Leadership Stock Program, the goals based upon the Performance Criteria and established by the Committee, as more particularly described in Article 6.

2.12 Target Allocation

"Target Allocation" means, for the Performance Cycle of the Leadership Stock Program, the target allocation amount, expressed as a number of units of Common Stock, allocated to a Participant prior to the start of the Performance Cycle pursuant to Section 5.2.

2.13 Target Allocation Range

"Target Allocation Range" has the meaning, for the Performance Cycle of the Leadership Stock Program, set forth in Section 5.1.

2.14 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the amount of an Award granted to a Participant and any dividend equivalents that are to be credited to the Participant's Account pursuant to Article 10, even though such Award and dividend equivalents have not yet been earned, until such time as the balance in the Account is paid, canceled, forfeited, or terminated, as the case may be. Units are expressed in terms of one Unit being the equivalent of one share of Common Stock.

2.15 Vesting Date

"Vesting Date" shall mean the date that is two (2) years following the end of the Performance Cycle.

ARTICLE 3. PARTICIPATION

3.1 In General

The Participants who are eligible to participate in this Cycle of the Leadership Stock Program are those executives who, as of the first day of the Cycle, are either employed by Kodak world-wide in wage grades 48 and higher, or are senior-level executives employed by Kodak Subsidiaries. The CEO will make recommendations for participation for this Cycle of the Leadership Stock Program from among those eligible Participants. Participants for this Cycle of the Leadership Stock Program will be designated by the Committee from those recommended by the CEO. A schedule of such Participants is maintained by Kodak's Worldwide Total Compensation Group.

3.2 New Participants

No person may become eligible to participate in this Cycle of the Leadership Stock Program after the first day of the Cycle, whether as a result of a job change or otherwise.

3.3 Termination of Participation

A Participant's participation in this Cycle of the Leadership Stock Program is subject to immediate termination upon the Participant's termination of employment from the Company during the Performance Cycle. In the case of the Participant's termination of employment after the end of the Performance Cycle but prior to the Vesting Date, the Participant will forfeit any and all rights to receive payment on account of an Award for the Cycle, except as specified in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason), Section 8.3 (Divestiture to a Joint Venture) and Section 8.4 (Divestiture to an Unrelated Third Party).

ARTICLE 4. FORM OF AWARDS

4.1 Form of Awards

Awards granted under the Leadership Stock Program provide Participants with the opportunity to earn shares of Common Stock, subject to the terms and conditions contained in this Administrative Guide and the Plan. Each Award granted under the Leadership Stock Program shall be expressed as a fixed number of Units that will be equivalent to an equal number of shares of Common Stock. The fixed number of Units that are allocated to a Participant by the Committee prior to the start of the Performance Cycle is referred to herein and in the Plan as the Target Allocation.

4.2 Participant Account

The Company will establish a Participant Account for each Participant who is granted an Award.

4.3 Participant's Account Unfunded

The maintenance of individual Participant Accounts is for bookkeeping purposes only; the Units recorded in the account are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Participant Account. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account. As more specifically described in Article 10, until the Committee has certified the Award earned by a Participant pursuant to the procedure referred to in Article 7 of this Guide, no additional Units will be credited for dividends that may be paid on the Company's Common Stock.

ARTICLE 5. AWARD ALLOCATION

5.1 Target Allocation Range

The attached Exhibit “A” shows by wage grade the range of the number of Units that an eligible Participant could be allocated with respect to the Performance Cycle (the “Target Allocation Range”). Exhibit “A” also shows the midpoint for the Target Allocation Range for each wage grade.

5.2 Establishing the Target Allocation

No later than the cut-off date of the allocation period in 2006, each Participant’s unit management will review the Participant’s most recent GOLD relative leadership assessment and, based upon that assessment, recommend the fixed percentage (from 0% – 150%) to be applied to the midpoint of the Target Allocation Range applicable to that Participant to determine the fixed number of Units that will be allocated to that Participant.

The unit management’s recommendation will be made to the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the recommendation is to be made to the Committee.

Prior to the first day of the Cycle, the fixed number of Units that are allocated to a Participant will be established by the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the fixed number of Units that are allocated to a Participant will be established by the Committee. No change will be made to the fixed number of Units allocated to a Participant as a result of a promotion or demotion that occurs after the Units are allocated, provided the Participant remains eligible as of the first day of the Cycle. Participants who become newly eligible after the cut-off date of the allocation period in 2006 will be allocated the fixed number of Units that is equal to the midpoint of the Target Allocation Range applicable to that Participant.

The fixed number of Units allocated to a Participant prior to the start of the Performance Cycle is referred to herein as the “Target Allocation.”

ARTICLE 6. ESTABLISING PERFORMANCE FACTORS

6.1 Performance Criteria

The Committee has selected “Consumer Inkjet Printer Revenue” and “GCG Digital Revenue” as the Performance Criteria for purposes of establishing the Performance Goals for the Performance Cycle.

6.2 Performance Goals

The Committee has established the target amounts of Consumer Inkjet Printer Revenue" and "GCG Digital Revenue" for the Performance Cycle that will serve as the "Performance Goals" for purposes of assessing the Company's performance during the Performance Cycle.

The Committee has also established the minimum amounts of Consumer Inkjet Printer Revenue" and "GCG Digital Revenue" for the Performance Cycle (the "Minimum Performance Goals") that will serve as the minimum actual amounts for the Performance Cycle that will be necessary in order for any amount of an Award to be considered to have been earned by the Participants for the Performance Cycle.

The Committee will cause the Performance Goals and the Minimum Performance Goals to be documented in an Exhibit "B" to this Administrative Guide.

6.3 Performance Formula

The "Performance Formula," which will determine the amount of an Award that will be considered to have been earned by a Participant, is as follows, with any fractional shares being rounded down to a whole share:

Award Earned = Target Allocation x Applicable Performance Percentage

The "Applicable Performance Percentage" will be determined from the performance matrix attached to this Administrative Guide as Exhibit "B". For purposes of the performance matrix, results between the amounts shown will be interpolated to derive an Applicable Performance Percentage. The maximum Applicable Performance Percentage is 200%.

ARTICLE 7. DETERMINATION OF EARNED AWARDS

7.1 Certification

Following the completion of the Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved. If the Committee certifies that the Minimum Performance Goals have been achieved, it shall also calculate and certify in writing the Applicable Performance Percentage. By applying the Performance Formula, the Committee shall then determine and certify the actual amount of each Participant's Award that has been earned for the Performance Cycle, with any fractional shares being rounded up to a whole share.

7.2 Negative Discretion

Notwithstanding any provision contained herein to the contrary, in determining the actual amount of an individual Award to be deemed earned for the Cycle, the Committee may, through the use of Negative Discretion, reduce or eliminate the amount of the Award that would otherwise be earned by application of the Performance Formula, if, in its sole judgment, such reduction or elimination is appropriate.

ARTICLE 8. PRECONDITIONS TO RECEIPT OF AN EARNED AWARD

8.1 Continuous Employment Until Payment

A Participant must remain continuously employed with the Company (in any wage grade) at all times from the first day of the Cycle through the Vesting Date in order to remain eligible for an Award. If a Participant's employment with the Company ceases during this period for any reason, the Participant will forfeit the entire number of Units that have been allocated to him or her for the Cycle (including any Units that are earned but not vested) and any dividend equivalents that have been credited to the Account pursuant to Article 10 hereof. The limited exceptions to the requirements of this Section 8.1 are specified in Sections 8.2, 8.3 and 8.4 below.

8.2 Death, Disability, Retirement, or Termination for an Approved Reason before the Vesting Date

Notwithstanding any provision contained in this Article 8 to the contrary, if after the end of the Performance Cycle but prior to the Vesting Date, a Participant's employment with the Company ceases for an Approved Reason or as a result of his or her death, Disability or Retirement, and if such Participant had been employed with the Company for the entire Performance Cycle, such Participant shall be entitled to receive an Award.

In the event a Participant's employment with the Company ceases at any time during the Performance Cycle (whether for an Approved Reason or as a result of his or her death, Disability or Retirement), the Participant will no longer be eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

8.3 Divestiture to a Kodak Joint Venture

Notwithstanding any provision contained in this Article 8 to the contrary, if after the end of the Performance Cycle but prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, such Participant will be entitled to receive an Award, provided that (a) his or her employment with the Company ceases after the end of the Performance Cycle, and (b) such Participant is employed by either the Company or such Joint Venture at all times from the first day of the Cycle through the Vesting Date.

If either of the conditions (a) or (b) set forth in the prior paragraph are not met, a Participant whose employment with the Company ceases at any time prior to the Vesting Date as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

8.4 Divestiture to an Unrelated Third Party

Notwithstanding any provision contained in this Article 8 to the contrary, if after the end of the Performance Cycle but prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, such Participant will be entitled to receive an Award, provided that his or her employment with the Company ceases after the end of the Performance Cycle.

A Participant whose employment with the Company ceases at any time during the Performance Cycle as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

ARTICLE 9. PAYMENT OF AWARDS

9.1 Timing of Award Payments

Awards that have been earned for this Cycle and any dividend equivalents that are credited to the Account pursuant to Article 10 shall be paid on the Award Payment Date by the procedure described in Section 9.3. Participants cannot defer Awards.

9.2 Form of Payment of Awards

All awards for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 10 shall be paid in the form of shares of Common Stock in accordance with the procedure described in Section 9.3, subject to the terms, restrictions and conditions of the Plan and those set forth in this Administrative Guide.

9.3 Issuance of Shares of Common Stock

On the Award Payment Date, Kodak will subtract from a Participant's account the number of Units that are withheld for taxes under Section 11.6 below, and then, with respect to the remaining Units, promptly instruct its transfer agent to reflect, in an account of the Participant on the books of the transfer agent, the shares of Common Stock that are to be delivered to the Participant. Upon the Participant's request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares of Common Stock held in that account of the Participant.

9.4 Non-Assignable

No Awards or any other payment under the Leadership Stock Program shall be subject in any manner to alienation, sale, transfer (except by will of the laws of descent and distribution), assignment, pledge or encumbrance, nor shall any Award by payable to any one other than the Participant to whom it was granted.

ARTICLE 10. DIVIDEND EQUIVALENTS

10.1 Dividend Equivalents

In the event of the payment of any cash dividend on the Common Stock or any stock dividend (as defined in Section 305 of the Code) on the Common Stock with a record date occurring during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, a Participant's Account shall be credited with additional Units.

The amount of such additional Units to be credited to each Participant who has earned an Award for this Cycle is as set forth in Section 10.2 and Section 10.3. Any such additional Units will be credited as of the payment date for each such dividend.

10.2 Stock Dividends

The number of Units that shall be credited to the Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of the Common Stock equal to the number of Units credited to the Participant's Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares, for such stock dividend, then his or her Account shall also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.3 Cash Dividends

The number of Units that shall be credited to the Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units credited to the Participant's Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.4 Reorganization

If the Company undergoes a reorganization (as defined in Section 368(a) of the Code) during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, the Committee may, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Account of each Participant that has earned an Award in order to reflect such transaction, including, but not limited to, adjusting the number of Units credited to each such Participant's Account.

ARTICLE 11. MISCELLANEOUS

11.1 Compliance with Laws

The obligations of the Company to issue Common Stock awarded pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933, as amended, and the Exchange Act, and all rules promulgated thereunder.

11.2 Termination/Amendment

The Committee may amend, suspend or terminate the Leadership Stock Program in whole or in part at any time, for any reason, with or without prior notice. In addition, the Committee, or any person to whom the Committee has delegated the requisite authority, may, at any time and from time to time, amend this Administrative Guide in any manner.

11.3 Section 162(m) of the Code

If any provision of this Administrative Guide would cause the Awards granted to a Covered Person not to constitute "qualified performance-based compensation" under Section 162(m) of the Code, that provision, insofar as it pertains to the Covered Person, shall be severed from, and shall be deemed not to be a part of, this Administrative Guide, but the other provisions hereof shall remain in full force and effect. Further, if this Administrative Guide fails to contain any provision required under Section 162(m) in order to make the Awards granted hereunder to a Covered Employee be "qualified performance-based compensation," then this Administrative Guide shall be deemed to incorporate such provision, effective as of the date of this Administrative Guide's adoption by the Committee.

11.4 Participant's Rights Unsecured

The amounts payable under this Administrative Guide shall be unfunded, and the right of any Participant or his or her estate to receive payment under this Administrative Guide shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

11.5 No Guarantee of Tax Consequences

No person connected with the Leadership Stock Program or this Administrative Guide in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts paid to or for the benefit of a Participant or Beneficiary under the Leadership Stock Program, or that such tax treatment will apply to or be available to a Participant or Beneficiary on account of participation in the Leadership Stock Program.

11.6 Tax Withholding

Kodak will pay the taxes required to be withheld with respect to an Award under the Leadership Stock Program by reducing a portion of the Units otherwise due the Participant as a result of an Award. The portion of the Units withheld will equal in amount the taxes required to be withheld. The Units which are so withheld will be valued at the Fair Market Value of the Common Stock on the date of the payment of the Award.

11.7 Section 409A Compliance

The Awards described in this Administrative Guide are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law, and this Administrative Guide shall be interpreted and administered consistent with such intention, and in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance. The Company may unilaterally amend this Administrative Guide for purposes of compliance if, in its sole discretion, Kodak determines that such amendment would not have a material adverse effect with respect to Participants' rights under the Administrative Guide.

EXHIBIT A - TARGET ALLOCATION RANGE (SECTION 5.1)

EXHIBIT B - PERFORMANCE GOALS (SECTION 6.2) AND PERFORMANCE FORMULA (SECTION 6.3)

Exhibit (10.8)

Eastman Kodak Company

**Administrative Guide for the 2008 Performance Cycle
of the Leadership Stock Program
under Article 7 (Performance Awards) of the
2005 Omnibus Long-Term Compensation Plan**

ARTICLE 1. INTRODUCTION

1.1 Background

Under Article 7 (Performance Awards) of the 2005 Omnibus Long-Term Compensation Plan (the "Plan"), the Executive Compensation and Development Committee of Kodak's Board of Directors (the "Committee") may, among other things, award the opportunity to earn shares of Common Stock to those Participants as the Committee in its discretion may determine, subject to such terms, conditions and restrictions as it deems appropriate.

1.2 Purpose

This Administrative Guide governs the Committee's grant of Awards under Article 7 of the Plan pursuant to a subprogram that is hereinafter referred to as the "Leadership Stock Program," to be effective as of January 1, 2008, by which the Committee will award the opportunity to earn shares of Common Stock for the Cycle to eligible Participants described in Article 3, with the objectives of improving the relationship between controllable performance and realized compensation and enhancing the focus on operating goals. It is expected that improvement in these areas will have a corollary effect upon the price of the Common Stock. Unless otherwise noted in this Administrative Guide or determined by the Committee, the terms of the Plan shall apply to Awards granted under this Leadership Stock Program.

In addition, this Administrative Guide is intended to establish those requirements necessary to ensure that the Cycle's Awards will be treated as performance-based compensation for the purposes of Section 162(m) of the Code. These requirements include establishment of the Cycle's Performance Criteria, performance goals under the Performance Criteria and Performance Formula.

1.3 Administration

The Leadership Stock Program shall be administered by the Committee. The Committee is authorized to issue this Administrative Guide and to make changes in this Administrative Guide as it from time to time deems proper. The Committee is authorized to interpret and construe the

Leadership Stock Program and this Administrative Guide, to prescribe, amend, and rescind rules and regulations relating to each, and to make all other determinations necessary, appropriate or advisable for the administration of the Leadership Stock Program, including without limitation, whether or not to pay fractional shares, whether and how to round fractional shares, and any issues regarding valuation, withholding and international considerations. If there are any inconsistencies between the terms of this Administrative Guide and the terms of the Plan, the terms of the Plan will control. Any determination by the Committee in carrying out, administering or construing the Leadership Stock Program will be final and binding for all purposes and upon all interested persons and their heirs, successors and personal representatives. The Committee is authorized to suspend or terminate the Leadership Stock Program, at any time, for any reason, with or without prior notice. Notwithstanding any provision herein to the contrary, the Company's Chief Human Resources Officer is authorized to round fractional shares arising in any way under the Plan either up or down with respect to any or all Participants, for ease of administration or some other reasonable purpose.

ARTICLE 2. DEFINITIONS

Any defined term used in this Administrative Guide, other than those set forth in this Article 2 or defined within another Article of this Administrative Guide, will have the same meaning for purposes of this document as that ascribed to it under the terms of the Plan.

2.1 Approved Reason

"Approved Reason" means, with regard to all Participants other than a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, a reason for terminating employment which, in the opinion of the CEO, is in the best interests of the Company. With regard to a Participant who is subject to Section 16 of the Exchange Act or is a Covered Employee, "Approved Reason" means a reason for terminating employment which, in the opinion of the Committee, is in the best interests of the Company.

2.2 Award Payment Date

"Award Payment Date" is the date payment of an Award in the form of shares of Common Stock is credited to the Participant's account with Kodak's transfer agent pursuant to Section 9.3, which shall be as soon as is administratively practicable after the Vesting Date, but in no event later than 90 days thereafter.

2.3 Cycle

"Cycle" or "Performance Cycle" means the one-year period commencing on January 1, 2008 and ending December 31, 2008.

2.4 Total segment Earnings from Operations (EFO)

Total EFO means Total earnings of all the Company's segments included within earnings from continuing operations, before (a) restructuring/rationalization, (b) interest, (c) other income and charges, and (d) income taxes
Excludes the EFO impact of acquisitions and new strategic alliances having an annualized revenue of greater than $100M, along with the associated deal and integration costs.

2.5 Joint Venture

"Joint Venture" means a corporation or other business entity in which the Company has an ownership interest of fifty percent (50%).

2.6 Participant Account

"Participant Account" means the account established by the Company for each Participant who is granted an Award under the Leadership Stock Program to record and account for the grant of the Award and any dividend equivalents that are to be credited to the Account pursuant to Article 10, until such time as the balance in the Account is paid, canceled, forfeited or terminated, as the case may be.

2.7 Performance Criteria

"Performance Criteria" means, with respect to the Leadership Stock Program, the criteria that will be used to establish the Performance Goal for the Performance Cycle, as described in Article 6.

2.8 Performance Cycle

"Performance Cycle" has the meaning specified in Section 2.3.

2.9 Performance Goals

"Performance Goals" means, with respect to the Performance Cycle of the Leadership Stock Program, the goals based upon the Performance Criteria and established by the Committee, as more particularly described in Article 6.

2.10 Target Allocation

"Target Allocation" means, for the Performance Cycle of the Leadership Stock Program, the target allocation amount, expressed as a number of units of Common Stock, allocated to a Participant prior to the start of the Performance Cycle pursuant to Section 5.2.

2.11 Target Allocation Range

"Target Allocation Range" has the meaning, for the Performance Cycle of the Leadership Stock Program, set forth in Section 5.1.

2.12 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the amount of an Award granted to a Participant and any dividend equivalents that are to be credited to the Participant's Account pursuant to Article 10, even though such Award and dividend equivalents have not yet been earned, until such time as the balance in the Account is paid, canceled, forfeited, or terminated, as the case may be. Units are expressed in terms of one Unit being the equivalent of one share of Common Stock.

2.13 Vesting Date

"Vesting Date" shall mean the date that is two (2) years following the end of the Performance Cycle.

ARTICLE 3. PARTICIPATION

3.1 In General

The Participants who are eligible to participate in this Cycle of the Leadership Stock Program are those executives who, as of the first day of the Cycle, are either employed by Kodak globally in wage grades 48 and higher, or are senior-level executives employed by Kodak Subsidiaries. The CEO will make recommendations for participation for this Cycle of the Leadership Stock Program from among those eligible Participants. Participants for this Cycle of the Leadership Stock Program will be designated by the Committee from those recommended by the CEO. A schedule of such Participants is maintained by Kodak's Global Compensation Organization.

3.2 New Participants

No person may become eligible to participate in this Cycle of the Leadership Stock Program after the first day of the Cycle, whether as a result of a job change or otherwise.

3.3 Termination of Participation

A Participant's participation in this Cycle of the Leadership Stock Program is subject to immediate termination upon the Participant's termination of employment from the Company during the Performance Cycle. In the case of the Participant's termination of employment after the end of the Performance Cycle but prior to the Vesting Date, the Participant will forfeit any and all rights to receive payment on account of an Award for the Cycle, except as specified in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason), Section 8.3 (Divestiture to a Joint Venture) and Section 8.4 (Divestiture to an Unrelated Third Party).

ARTICLE 4. FORM OF AWARDS

4.1 Form of Awards

Awards granted under the Leadership Stock Program provide Participants with the opportunity to earn shares of Common Stock, subject to the terms and conditions contained in this Administrative Guide and the Plan. Each Award granted under the Leadership Stock Program shall be expressed as a fixed number of Units that will be equivalent to an equal number of shares of Common Stock. The fixed number of Units that are allocated to a Participant by the Committee prior to the start of the Performance Cycle is referred to herein and in the Plan as the Target Allocation.

4.2 Participant Account

The Company will establish a Participant Account for each Participant who is granted an Award.

4.3 Participant's Account Unfunded

The maintenance of individual Participant Accounts is for bookkeeping purposes only; the Units recorded in the account are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Participant Account. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account. As more specifically described in Article 10, until the Committee has certified the Award earned by a Participant pursuant to the procedure referred to in Article 7 of this Guide, no additional Units will be credited for dividends that may be paid on the Company's Common Stock.

ARTICLE 5. AWARD ALLOCATION

5.1 Target Allocation Range

The attached Exhibit "A" shows by wage grade the typical range of the number of Units that an eligible Participant could be allocated with respect to the Performance Cycle (the "Target Allocation Range"). Exhibit "A" also shows the midpoint for the Target Allocation Range for wage grades 48-56. Wage grades 57 and above have individualized targets.

5.2 Establishing the Target Allocation

No later than the cut-off date of the allocation period in 2007, each Participant's unit management will review the Participant's most recent GOLD relative leadership assessment and, based upon that assessment, recommend the fixed percentage to be applied to the midpoint of the Target Allocation Range applicable to that Participant to determine the fixed number of Units that will be allocated to that Participant. In addition, management also has the opportunity to include additional allocations for participants under a one-time Chairman's allocation for the 2008 performance cycle.

The unit management's recommendation will be made to the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the recommendation is made to the Committee.

Prior to the first day of the Cycle, the fixed number of Units that are allocated to a Participant will be established by the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the fixed number of Units that are allocated to a Participant will be established by the Committee. No change will be made to the fixed number of Units allocated to a Participant as a result of a promotion or demotion that occurs after the Units are allocated, provided the Participant remains eligible as of the first day of the Cycle. Participants who become newly eligible after the cut-off date of the allocation period in 2007 will be allocated the fixed number of Units that is equal to the midpoint of the Target Allocation Range applicable to that Participant.

The fixed number of Units allocated to a Participant prior to the start of the Performance Cycle is referred to herein as the "Target Allocation."

ARTICLE 6. ESTABLISING PERFORMANCE FACTORS

6.1 Performance Criteria

The Committee has selected Total segment Earnings from Operations (EFO)
as the Performance Criteria for purposes of establishing the Performance Goal for the Performance Cycle.

As amended 01-01-2009

6.2 Performance Goal

The Committee has established the target amounts of Total segment Earnings from Operations (EFO) for the Performance Cycle that will serve as the "Performance Goal" for purposes of assessing the Company's performance during the Performance Cycle.

The Committee has also established the minimum amounts of Total segment Earnings from Operations (EFO) for the Performance Cycle (the "Minimum Performance Goals") that will serve as the minimum actual amounts for the Performance Cycle that will be necessary in order for any amount of an Award to be considered to have been earned by the Participants for the Performance Cycle.

The Committee will cause the Performance Goals and the Minimum Performance Goals to be documented in an Exhibit "B" to this Administrative Guide.

6.3 Performance Formula

The "Performance Formula," which will determine the amount of an Award that will be considered to have been earned by a Participant is as follows:

Award Earned = Target Allocation x Applicable Performance Percentage

The "Applicable Performance Percentage" will be determined from the performance matrix attached to this Administrative Guide as Exhibit "B". For purposes of the performance matrix, results between the amounts shown will be interpolated to derive an Applicable Performance Percentage. The maximum Applicable Performance Percentage is 200%.

ARTICLE 7. DETERMINATION OF EARNED AWARDS

7.1 Certification

Following the completion of the Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved. If the Committee certifies that the Minimum Performance Goals have been achieved, it shall also calculate and certify in writing the Applicable Performance Percentage. By applying the Performance Formula, the Committee shall then determine and certify the actual amount of each Participant's Award that has been earned for the Performance Cycle, keeping any fractional shares in the Participant's Account.

7.2 Discretion

Notwithstanding any provision contained herein to the contrary, in determining the actual amount of an individual Award to be deemed earned for the Cycle, the Committee may, through the use of Positive or Negative Discretion, increase or reduce the amount of the Award that would otherwise be earned by application of the Performance Formula, if, in its sole judgment, such increase or reduction is appropriate. Positive discretion will not apply to Named Executive Officers.

ARTICLE 8. PRECONDITIONS TO RECEIPT OF AN EARNED AWARD

8.1 Continuous Employment Until Payment

A Participant must remain continuously employed with the Company (in any wage grade) at all times from the first day of the Cycle through the Vesting Date in order to remain eligible for an Award. If a Participant's employment with the Company ceases during this period for any reason, the Participant will forfeit the entire number of Units that have been allocated to him or her for the Cycle (including any Units that are earned but not vested) and any dividend equivalents that have been credited to the Account pursuant to Article 10 hereof. The limited exceptions to the requirements of this Section 8.1 are specified in Sections 8.2, 8.3 and 8.4 below.

8.2 Death, Disability, Retirement, or Termination for an Approved Reason before the Vesting Date

Notwithstanding any provision contained in this Article 8 to the contrary, if after the end of the Performance Cycle but prior to the Vesting Date, a Participant's employment with the Company ceases for an Approved Reason or as a result of his or her death, Disability or Retirement, and if such Participant had been employed with the Company for the entire Performance Cycle, such Participant shall be entitled to receive an Award.

In the event a Participant's employment with the Company ceases at any time during the Performance Cycle (whether for an Approved Reason or as a result of his or her death, Disability or Retirement), the Participant will no longer be eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

8.3 Divestiture to a Kodak Joint Venture

Notwithstanding any provision contained in this Article 8 to the contrary, if after the end of the Performance Cycle but prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, such Participant will be entitled to receive an Award, provided that (a) his or her employment with the Company ceases after the end of the Performance Cycle, and (b) such Participant is employed by either the Company or such Joint Venture at all times from the first day of the Cycle through the Vesting Date.

If either of the conditions (a) or (b) set forth in the prior paragraph are not met, a Participant whose employment with the Company ceases at any time prior to the Vesting Date as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

8.4 Divestiture to an Unrelated Third Party

Notwithstanding any provision contained in this Article 8 to the contrary, if after the end of the Performance Cycle but prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, such Participant will be entitled to receive an Award, provided that his or her employment with the Company ceases after the end of the Performance Cycle.

A Participant whose employment with the Company ceases at any time during the Performance Cycle as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

ARTICLE 9. PAYMENT OF AWARDS

9.1 Timing of Award Payments

Awards that have been earned for this Cycle and any dividend equivalents that are credited to the Account pursuant to Article 10 shall be paid on the Award Payment Date by the procedure described in Section 9.3. Participants cannot defer Awards.

9.2 Form of Payment of Awards

All awards for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 10 shall be paid in the form of shares of Common Stock in accordance with the procedure described in Section 9.3, subject to the terms, restrictions and conditions of the Plan and those set forth in this Administrative Guide.

9.3 Issuance of Shares of Common Stock

On the Award Payment Date, Kodak will subtract from a Participant's account the number of Units that are withheld for taxes under Section 11.6 below, and then, with respect to the remaining Units, promptly instruct its transfer agent to reflect, in an account of the Participant on the books of the transfer agent, the shares of Common Stock that are to be delivered to the Participant. Upon the Participant’s request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares of Common Stock held in that account of the Participant.

9.4 Non-Assignable

No Awards or any other payment under the Leadership Stock Program shall be subject in any manner to alienation, sale, transfer (except by will of the laws of descent and distribution), assignment, pledge or encumbrance, nor shall any Award by payable to any one other than the Participant to whom it was granted.

ARTICLE 10. DIVIDEND EQUIVALENTS

10.1 Dividend Equivalents

In the event of the payment of any cash dividend on the Common Stock or any stock dividend (as defined in Section 305 of the Code) on the Common Stock with a record date occurring during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, a Participant’s Account shall be credited with additional Units.

The amount of such additional Units to be credited to each Participant who has earned an Award for this Cycle is as set forth in Section 10.2 and Section 10.3. Any such additional Units will be credited as of the payment date for each such dividend.

10.2 Stock Dividends

The number of Units that shall be credited to the Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of the Common Stock equal to the number of Units credited to the Participant’s Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares, for such stock dividend, then his or her Account shall also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend.

As amended 01-01-2009

10.3 Cash Dividends

The number of Units that shall be credited to the Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units credited to the Participant's Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.4 Reorganization

If the Company undergoes a reorganization (as defined in Section 368(a) of the Code) during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, the Committee may, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Account of each Participant that has earned an Award in order to reflect such transaction, including, but not limited to, adjusting the number of Units credited to each such Participant's Account.

ARTICLE 11. MISCELLANEOUS

11.1 Compliance with Laws

The obligations of the Company to issue Common Stock awarded pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933, as amended, and the Exchange Act, and all rules promulgated thereunder.

11.2 Termination/Amendment

The Committee may amend, suspend or terminate the Leadership Stock Program in whole or in part at any time, for any reason, with or without prior notice. In addition, the Committee, or any person to whom the Committee has delegated the requisite authority, may, at any time and from time to time, amend this Administrative Guide in any manner.

11.3 Section 162(m) of the Code

If any provision of this Administrative Guide would cause the Awards granted to a Covered Person not to constitute "qualified performance-based compensation" under Section 162(m) of the Code, that provision, insofar as it pertains to the Covered Person, shall be severed from, and shall be deemed not to be a part of, this Administrative Guide, but the other provisions hereof shall remain in full force and effect. Further, if this Administrative Guide fails to contain any provision required under Section 162(m) in order to make the Awards granted hereunder to a Covered Employee be "qualified performance-based compensation," then this Administrative Guide shall be deemed to incorporate such provision, effective as of the date of this Administrative Guide's adoption by the Committee.

11.4 Participant's Rights Unsecured

The amounts payable under this Administrative Guide shall be unfunded, and the right of any Participant or his or her estate to receive payment under this Administrative Guide shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

11.5 No Guarantee of Tax Consequences

No person connected with the Leadership Stock Program or this Administrative Guide in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts paid to or for the benefit of a Participant or Beneficiary under the Leadership Stock Program, or that such tax treatment will apply to or be available to a Participant or Beneficiary on account of participation in the Leadership Stock Program.

11.6 Tax Withholding

Kodak will pay the taxes required to be withheld with respect to an Award under the Leadership Stock Program by reducing a portion of the Units otherwise due the Participant as a result of an Award. The portion of the Units withheld will equal in amount the taxes required to be withheld. The Units which are so withheld will be valued at the Fair Market Value of the Common Stock on the date of the payment of the Award.

11.7 Section 409A Compliance

The Awards described in this Administrative Guide are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law, and this Administrative Guide shall be interpreted and administered consistent with such intention, and in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance. The Company may unilaterally amend this Administrative Guide for purposes of compliance if, in its sole discretion, Kodak determines that such amendment would not have a material adverse effect with respect to Participants' rights under the Administrative Guide.

As amended 01-01-2009

EXHIBIT A - TARGET ALLOCATION RANGE (SECTION 5.1)

EXHIBIT B - PERFORMANCE GOALS (SECTION 6.2) AND PERFORMANCE FORMULA (SECTION 6.3)

As amended 01-01-2009

Exhibit (10.9)

Administrative Guide for September 16, 2008 Grant under the 2005 Omnibus Long-Term Compensation Plan

ARTICLE 1. PURPOSE

1.1 Background

Under Article 10 (Restricted Stock Awards) of the 2005 Omnibus Long-Term Compensation (the "Plan"), the Executive Compensation and Development Compensation Committee of Kodak's Board of Directors (the "Committee") may, among other things, award Restricted Stock Unit Awards to those Participants as the Committee in its discretion may determine, subject to such terms, conditions and restrictions as it deems appropriate.

1.2 Purpose

The purpose of this Administrative Guide is to evidence the Committee's September 16, 2008 grant of Restricted Stock Unit Awards under Article 10 of the 2005 Omnibus Long-Term Compensation Plan.

1.3 Administration

This Administrative Guide will be administered by the Committee. The Committee is authorized to issue this Administrative Guide and to make changes in this Administrative Guide as it from time to time deems proper. The Committee is authorized to interpret and construe this Administrative Guide, to prescribe, amend, and rescind rules and regulations relating to it, and to make all other determinations necessary, appropriate or advisable for the administration of it. If there are any inconsistencies between the terms of this Administrative Guide and the terms of the Plan, the terms of the Plan will control. Any determination by the Committee in carrying out, administering or construing this Administrative Guide will be final and binding for all purposes and upon all interested persons and their heirs, successors and personal representatives. Notwithstanding any provision herein to the contrary, the Committee shall not make any change to this Administrative Guide that would cause the Restricted Stock Unit Awards granted thereunder to violate the requirements of Section 409A of the Internal Revenue Code or other official guidance issued thereunder. Notwithstanding any provision herein to the contrary, the Company's Chief Human Resources Officer is authorized to round fractional shares arising in any way under this Administrative Guide either up or down with respect to any or all Participants, for ease of administration or some other reasonable purpose.

ARTICLE 2. DEFINITIONS

Any defined term used in this Administrative Guide, other than those set forth in this Article 2 or defined within another Article of this Administrative Guide, will have the same meaning for purposes of this document as that ascribed to it under the terms of the Plan.

2.1 Approved Reason

"Approved Reason" means a reason for terminating employment which the CEO of Kodak determines, in his or her sole and absolute discretion, is in the best interests of the Company.

2.2 Participant Account

"Participant Account" means the account established by the Company for each Participant who is granted an Award under this Administrative Guide to record and account for the Units granted to him or her and any other Units that are to be credited to the Participant's Participant Account pursuant to Article 7, until such time as the balance in the Participant Account is paid, canceled, forfeited or terminated as the case may be.

2.3 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the amount of the Award granted to a Participant and any dividend equivalents or stock dividends that are to be credited to the Participant's Participant Account pursuant to Article 7 until such time as the balance in the Participant Account is paid, canceled, forfeited, or terminated, as the case may be. Units are expressed in terms of one Unit being the equivalent of one share of Common Stock.

ARTICLE 3. FORM AND TERMS OF AWARDS

3.1 Form of Award

Except as noted below, all of the Awards granted under this Administrative Guide will be in the form of Restricted Stock Unit Awards. Each Award granted under this Administrative Guide will be expressed as a fixed number of Units that will be equivalent to an equal number of shares of Common Stock. Article 6 establishes the restriction that will apply to the Awards.

In those countries where: (i) the grant of Restricted Stock Unit Awards is illegal; (ii) compliance with applicable legal or regulatory requirements is significantly onerous; or (iii) the tax consequences of the Restricted Stock Unit Award to either the Participant or Kodak are more onerous than those that would apply were the Award to be granted to a U.S. citizen residing in the United States, the CEO may, in the exercise of his sole discretion, either grant Awards in alternative form or forms or modify an Award to include additional or different terms or conditions; provided, however, that any modified or alternative form of Award shall either be exempt from or comply with Section 409A of the Internal Revenue Code and other official guidance issued thereunder.

3.2 Terms of Awards

Any Award issued under this Administrative Guide will be subject to the terms, conditions, restrictions, and limitations contained in this Administrative Guide, the Plan and the Award Notice.

ARTICLE 4. PARTICIPANT ACCOUNT

The Company will establish a Participant Account for each Participant who is granted an Award under this Administrative Guide. The maintenance of individual Participant Accounts is for bookkeeping purposes only; the Units recorded in the account are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Participant Account. A Participant will not have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

ARTICLE 5. AWARDS

5.1 Participants

The Employees who are to receive Awards under this Administrative Guide are listed on attached Exhibit A. The number of Units granted by the Committee to each Participant is also listed on attached Exhibit A.

5.2 Procedure for Crediting Awards

Effective as of September 16, 2008, Kodak will credit to each Participant's Participant Account the number of Units granted to the Participant under this Administrative Guide.

ARTICLE 6. RESTRICTIONS

6.1 Restriction Period

The Award will be subject to two "Restriction Periods." The Restriction Period for 50% of a Participant's Award will begin on September 16, 2008 and lapse on September 16, 2010. The Restriction Period for the remaining 50% of the Participant's Award will begin on September 16, 2008 and lapse on September 16, 2011.

6.2 Restriction Requirements

A Participant must remain continuously employed by the Company throughout a Restriction Period in order to receive his or her Units that are subject to that Restriction Period, including, but not limited to, any Units that are credited to the Participant's Participant Account under Article 7. Thus, except as set forth in Article 8, if the Participant's employment terminates for any reason, whether voluntarily or involuntarily, during a Restriction Period, the Participant will immediately forfeit all of the Units subject to that Restriction Period, including, but not limited to, any Units that are credited to the Participant's Participant Account under Article 7. If the Participant's employment terminates during both Restriction Periods, the Participant will, except as set forth in Article 8, forfeit all of his or her Units, including, but not limited to, any Units that are credited to the Participant's Participant Account under Article 7.

6.3 Lapse of Restrictions

The restrictions on a Unit will, unless the Unit is forfeited sooner, lapse upon the expiration of the Unit's Restriction Period.

ARTICLE 7. DIVIDEND EQUIVALENTS, STOCK DIVIDENDS AND ADJUSTMENT TO UNITS

7.1 Dividend Equivalents

Effective as of the payment date for each cash dividend on the Common Stock, additional Units will be credited to the Participant Account of each Participant who has a balance in his or her Participant Account on the record date for such dividend. The number of Units that will be credited to the Participant Account of such a Participant will be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units held in the Participant's Participant Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend. Each additional Unit credited to the Participant's Participant Account pursuant to this section will be subject to the same restrictions under Article 6 above as the underlying Unit which resulted in the crediting of such additional Unit to the Participant's Participant Account.

7.2 Stock Dividends

Effective as of the payment date for each stock dividend (as defined in Section 305 of the Code) on the Common Stock, additional Units will be credited to the Participant Account of each Participant who has a balance in his or her Participant Account on the record date for such dividend. The number of Units that will be credited to the Participant Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of Common Stock equal to the number of Units credited to the Participant's Participant Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares for such stock dividend, then his or her Participant Account will also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend. Each additional Unit credited to the Participant's Participant Account pursuant to this section will be subject to the same restrictions under Article 6 above as the underlying Unit which resulted in the crediting of such additional Unit to the Participant's Participant Account.

7.3 Adjustment to Units

The Restricted Stock Unit Awards and the Units credited to a Participant's Participant Account, if any, may be adjusted by the Committee pursuant to Section 6.2 of the Plan upon the occurrence of the events described therein. Each additional Unit credited to the Participant's Participant Account pursuant to this section, if any, will be subject to the same restrictions under Article 6 above as the underlying Unit which resulted in the crediting of such additional Unit to the Participant's Participant Account.

ARTICLE 8. TERMINATION OF EMPLOYMENT

8.1 In General

In the event a Participant terminates employment for any reason other than death, Disability or Approved Reason during a Restriction Period, the Participant will, effective on the date of the Participant's termination of employment, forfeit all of the Units then held in his or her Participant Account.

8.2 Death, Disability or Approved Reason

If a Participant's employment terminates by reason of death, Disability or Approved Reason during one or more Restriction Periods, the Units then held in the Participant's Participant Account will not be forfeited by reason of such termination and the Restriction Period(s) on such Units will terminate and the restrictions will lapse, both as of the date of termination of employment, and be paid, subject to Article 10, in accordance with Article 9.

ARTICLE 9. ISSUANCE OF SHARES OF COMMON STOCK

When the restrictions on a Participant's Units lapse upon expiration of a Restriction Period, Kodak will subtract from a Participant's Participant Account the number of Units that are withheld for taxes under Article 10 below, and then, with respect to the remaining Units, promptly, but no later than the March 15 of the calendar year immediately following the calendar year in which the restrictions on such Units lapse (i) instruct its stock transfer agent to reflect, in an account for the benefit of the Participant on the books of the stock transfer agent, that number of shares of Common Stock equal in number to the amount of such Units; and (ii) deduct such number of Units from the Participant's Participant Account. Upon the Participant's request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares held in the Participant's account by the stock transfer agent.

ARTICLE 10. WITHHOLDING

Kodak will pay the taxes required to be withheld upon the lapse of a Restriction Period by withholding a portion of the shares of Common Stock otherwise due the Participant as a result of the lapse of such restrictions. The portion of the shares withheld will equal in amount the minimum taxes required by law to be withheld. The Common Stock which is so withheld will be valued at its Fair Market Value on the date of the lapse of the restrictions on the Units.

ARTICLE 11. MISCELLANEOUS

11.1 Compliance with Laws

The obligations of Kodak pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933 and the Securities Exchange Act of 1934 and all rules promulgated thereunder.

11.2 Amendment

The Committee, or any person to whom the Committee has delegated the requisite authority, may, at any time and from time to time, amend this Administrative Guide in any manner.

11.3 Participant's Rights Unsecured

The amounts payable under this Administrative Guide shall be unfunded, and the right of any Participant or his or her estate to receive payment under this Administrative Guide shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

11.4 No Guarantee of Tax Consequences

No person connected with this Administrative Guide in any capacity, including, but not limited to, Kodak, its Subsidiaries and their directors, officers, agents and employees makes any representation, commitment or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to the Awards or that such tax treatment will apply to or be available to a Participant on account of participation in this Administrative Guide.

11.5 Section 409A Compliance

The Awards described in this Administrative Guide are intended to be exempt from Section 409A of the Internal Revenue Code under the exception for short-term deferrals or to comply with requirements thereof to the extent such arrangements are subject to that law, and this Administrative Guide shall be interpreted and administered accordingly.

11.6 Headings

The headings of the Sections of this Administrative Guide have been prepared for convenience and reference only and will not control, affect the meaning, or be taken as the interpretation of any provision of this Administrative Guide.

11.7 Applicable Law

This Administrative Guide, including its reference to the Plan, and its interpretation and application, will be governed and controlled by the laws of the State of New York, except as superseded by applicable Federal Law, without giving effect to principles of conflicts of laws.

11.8 Impact on Benefits

The Awards (either at the date of their grant or at the time they vest) will not be includible as compensation or earnings for purposes of any benefit or compensation plan offered by the Company.

11.9 Transferability

The Awards will not in any manner be subject to alienation, anticipation, sale, transfer, assignment, pledge or encumbrance.

11.10 No Right to Continued Employment

A Participant's receipt of an Award under this Administrative Guide does not give the Participant any right to remain in the employ of Kodak or any Subsidiary. Kodak or, in the case of employment with a Subsidiary, the Subsidiary, reserves the right to terminate any Employee at any time.

Exhibit (10.10)

Administrative Guide
for _______________, 20__ Restricted Stock Unit (RSU) Grant under the
2005 Omnibus Long-Term Compensation Plan

ARTICLE 1. PURPOSE

1.1 Background

Under Article 10 (Restricted Stock Awards) of the 2005 Omnibus Long-Term Compensation (the "Plan"), the Executive Compensation and Development Compensation Committee of Kodak's Board of Directors (the "Committee") may, among other things, award Restricted Stock Unit Awards to those Participants as the Committee in its discretion may determine, subject to such terms, conditions and restrictions as it deems appropriate.

1.2 Purpose

The purpose of this Administrative Guide is to evidence the Committee's __________, 20__ grant of Restricted Stock Unit Awards under Article 10 of the 2005 Omnibus Long-Term Compensation Plan.

1.3 Administration

This Administrative Guide will be administered by the Committee. The Committee is authorized to issue this Administrative Guide and to make changes in this Administrative Guide as it from time to time deems proper. The Committee is authorized to interpret and construe this Administrative Guide, to prescribe, amend, and rescind rules and regulations relating to it, and to make all other determinations necessary, appropriate or advisable for the administration of it. If there are any inconsistencies between the terms of this Administrative Guide and the terms of the Plan, the terms of the Plan will control. Any determination by the Committee in carrying out, administering or construing this Administrative Guide will be final and binding for all purposes and upon all interested persons and their heirs, successors and personal representatives. Notwithstanding any provision herein to the contrary, the Committee shall not make any change to this Administrative Guide that would cause the Restricted Stock Unit Awards granted hereunder to violate the requirements of Section 409A. Notwithstanding any provision herein to the contrary, the Company's Chief Human Resources Officer is authorized to round fractional shares arising in any way under this Administrative Guide either up or down with respect to any or all Participants, for ease of administration or any other reasonable purpose.

ARTICLE 2. DEFINITIONS

All capitalized terms used in this Administrative Guide, other than those set forth in this Article 2 or defined within another Article of this Administrative Guide, will have the same meaning for purposes of this document as that ascribed under the terms of the Plan.

2.1 Approved Reason

"Approved Reason" means, with regard to all Participants other than a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, a reason for terminating employment which, in the opinion of the Chief Executive Officer of Kodak, is in the best interests of the Company. With regard to a Participant who is subject to Section 16 of the Exchange Act or who is a Covered Employee, "Approved Reason" means a reason for terminating employment which, in the opinion of the Committee, is in the best interests of the Company.

2.2 Award Payment Date

"Award Payment Date" is the date payment of an Award in the form of shares of Common Stock is credited to the Participant Account with Kodak's transfer agent pursuant to Article 9.

2.3 Grant Date

"Grant Date" shall mean __________, 20__, the date that Restricted Stock Units are awarded to Participants.

2.4 Joint Venture

"Joint Venture" means a corporation or other business entity in which the Company has an ownership interest of fifty percent (50%) or more.

2.5 Participant Account

"Participant Account" means the account established by the Company for each Participant who is granted an Award under this Administrative Guide to record and account for the Units granted to him or her and any other Units that are to be credited to the Participant's Participant Account pursuant to Article 7, until such time as the balance in the Participant Account is paid, canceled, forfeited or terminated as the case may be.

2.6 Section 409A

"Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated and other official guidance issued thereunder.

2.7 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the Award granted to a Participant and any dividend equivalents or stock dividends that are to be credited to the Participant's Participant Account pursuant to Article 7 until such time as the balance in the Participant Account is paid, canceled, forfeited, or terminated, as the case may be. Units are expressed in terms of one Unit being the equivalent of one share of Common Stock.

2.8 Vesting Date

"Vesting Date" shall mean the date on which the restrictions on a Unit will lapse, which, unless the Unit is forfeited sooner, shall be upon the expiration of the Unit's Restriction Period.

ARTICLE 3. FORM AND TERMS OF AWARDS

3.1 Form of Award

Except as noted below, all of the Awards granted under this Administrative Guide will be in the form of Restricted Stock Unit Awards. Each Award granted under this Administrative Guide will be expressed as a fixed number of Units that will be equivalent to an equal number of shares of Common Stock. Article 6 establishes the restriction that will apply to the Awards.

In those countries where: (i) the grant of Restricted Stock Unit Awards is illegal; (ii) compliance with applicable legal or regulatory requirements is significantly onerous; or (iii) the tax consequences of the Restricted Stock Unit Award to either the Participant or Kodak are more onerous than those that would apply were the Award to be granted to a U.S. citizen residing in the United States, the Chief Executive Officer of Kodak may, in the exercise of his sole discretion, either grant Awards in alternative form or forms or modify an Award to include additional or different terms or conditions; provided, however, that any modified or alternative form of Award shall either be exempt from or comply with Section 409A.

3.2 Terms of Awards

Any Award issued under this Administrative Guide will be subject to the terms, conditions, restrictions, and limitations contained in this Administrative Guide and the Plan.

ARTICLE 4. PARTICIPANT ACCOUNT

4.1 In General

The Company will establish a Participant Account for each Participant who is granted an Award under this Administrative Guide. The maintenance of individual Participant Accounts is for bookkeeping purposes only; the Units recorded in the account are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Participant Account. A Participant will not have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

4.2 Procedure for Crediting Awards

Effective as of the Grant Date, Kodak will credit to each Participant's Participant Account the number of Units granted to the Participant under this Administrative Guide.

ARTICLE 5. PARTICIPATION

5.1 Participants

The Committee grants Awards under this Administrative Guide to each Section 16 Officer of Kodak. Exhibit A, attached hereto, sets forth the size of the Awards granted by the Committee to each Section 16 Officer of Kodak.

The Chief Executive Officer of Kodak grants Awards under this Administrative Guide to all other Participants, which include executives who, as of the Grant Date, are either employed by Kodak globally in wage grades 48 and higher or are selected senior-level executives employed by Kodak Subsidiaries. Exhibit B, attached hereto, sets forth the size of Awards granted by the Chief Executive Officer of Kodak to such Participants.

5.2 New Participants

No person may become eligible to receive Awards under this Administrative Guide after the Grant Date, whether as a result of a job change or otherwise.

ARTICLE 6. RESTRICTIONS

6.1 Restriction Period

The Award will be subject to a three-year "Restriction Period." The Restriction Period of a Participant's Award will begin on _________, 20__ and, except as otherwise provided by Article 8, lapse on _______, 20__.

6.2 Restriction Requirements

A Participant must remain continuously employed by the Company throughout the Restriction Period in order to receive his or her Units that are subject to that Restriction Period, including, but not limited to, any Units that are credited to the Participant's Participant Account under Article 7. Thus, except as set forth in Article 8, if the Participant's employment terminates for any reason, whether voluntarily or involuntarily, during the Restriction Period, the Participant will immediately forfeit all of the Units subject to that Restriction Period, including, but not limited to, any Units that are credited to the Participant's Participant Account under Article 7.

6.3 Lapse of Restrictions

The restrictions on a Unit will, unless the Unit is forfeited sooner and except as otherwise provided by Article 8, lapse upon the expiration of the Unit's Restriction Period.

ARTICLE 7. DIVIDEND EQUIVALENTS, STOCK DIVIDENDS AND ADJUSTMENT TO UNITS

7.1 Dividend Equivalents

Effective as of the payment date for each cash dividend on the Common Stock, additional Units will be credited to the Participant Account of each Participant who has a balance in his or her Participant Account on the record date for such dividend. The number of Units that will be credited to the Participant Account of such a Participant will be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units held in the Participant's Participant Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend. Each additional Unit credited to the Participant's Participant Account pursuant to this section will be subject to the same restrictions under Article 6 above as the underlying Unit which resulted in the crediting of such additional Unit to the Participant's Participant Account.

7.2 Stock Dividends

Effective as of the payment date for each stock dividend (as defined in Section 305 of the Code) on the Common Stock, additional Units will be credited to the Participant Account of each Participant who has a balance in his or her Participant Account on the record date for such dividend. The number of Units that will be credited to the Participant Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of Common Stock equal to the number of Units credited to the Participant's Participant Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares for such stock dividend, then his or her Participant Account will also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend. Each additional Unit credited to the Participant's Participant Account pursuant to this section will be subject to the same restrictions under Article 6 above as the underlying Unit which resulted in the crediting of such additional Unit to the Participant's Participant Account.

7.3 Adjustment to Units

The Restricted Stock Unit Awards and the Units credited to a Participant's Participant Account, if any, may be adjusted by the Committee pursuant to Section 6.2 of the Plan upon the occurrence of the events described therein. Each additional Unit credited to the Participant's Participant Account pursuant to this section, if any, will be subject to the same restrictions under Article 6 above as the underlying Unit which resulted in the crediting of such additional Unit to the Participant's Participant Account.

ARTICLE 8. SEPARATION FROM SERVICE

8.1 In General

In the event a Participant terminates employment for any reason other than death, Disability, Retirement, separation due to an Approved Reason, divestiture to a Joint Venture, or divestiture to an unrelated third party during the Restriction Period, the Participant will, effective on the date of the Participant's separation from service, forfeit all of the Units then held in his or her Participant Account.

8.2 Death or Disability

If a Participant's employment terminates by reason of death or Disability after ________, 20__ but prior to the Vesting Date, and if such Participant was an active employee as of ____________, 20___, the Units then held in the Participant's Participant Account will not be forfeited by reason of such termination. The Restriction Period on such Units will terminate and the restrictions will lapse, both as of the date of death or Disability, and be paid, subject to Article 10, in accordance with Article 9.

8.3 Separation from Service for an Approved Reason or Retirement

Notwithstanding any provision contained in this Article 8 to the contrary, if a Participant's employment with the Company ceases for an Approved Reason or Retirement after _____________, 20___ but prior to the Vesting Date, such Participant shall be entitled to receive an Award under the terms of this Administrative Guide. The Restriction Period on such Units will terminate and the restrictions will lapse, both as of the date of separation from service, and be paid, subject to Article 10, in accordance with Article 9.

8.4 Divestiture to a Kodak Joint Venture

Notwithstanding any provision contained in this Article 8 to the contrary, if after ____________, 20___ but prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition to a Joint Venture of a business or functional group such Participant will be entitled to receive an Award, provided that (a) his or her employment with the Company ceases after ___________, 20__, and (b) such Participant is employed by either the Company or such Joint Venture at all times through the Vesting Date. Such Award will be paid, subject to Article 10, in accordance with Article 9.

If either of the conditions (a) or (b) set forth in the prior paragraph are not met, a Participant whose employment with the Company ceases at any time prior to the Vesting Date as a result of the Company's sale or other disposition to a Joint Venture of a business or functional unit is no longer eligible for an Award and, consequently, will forfeit any and all rights to receive an Award.

8.5 Divestiture to an Unrelated Third Party

Notwithstanding any provision contained in this Article 8 to the contrary, if after ____________, 20___ but prior to the Vesting Date, a Participant's employment with the

Company ceases as a result of the Company's sale or other disposition of a business or functional unit to a corporation or other business entity in which the Company has no ownership interest, such Participant will be entitled to receive an Award, provided that his or her employment with the Company ceases after ____________, 20__. Such Award will be paid, subject to Article 10, in accordance with Article 9.

A Participant whose employment with the Company ceases at any time prior to ____________, 20__ as a result of the Company's sale or other disposition of a business or functional group to a corporation or other business entity in which the Company has no ownership interest, is no longer eligible for an Award and, consequently, will forfeit any and all rights to receive an Award.

ARTICLE 9. ISSUANCE OF SHARES OF COMMON STOCK

When the restrictions on a Participant's Units lapse upon expiration of the Restriction Period, Kodak will subtract from the Participant's Participant Account the number of Units that are withheld for taxes under Article 10 below. Thereafter, with respect to the remaining Units, Kodak will, (a) in the event of the death or Disability of a Participant, within 90 days of the date of the Participant's death or Disability, and (b) in all other events, on or after ____________, 20___, but no later than 90 days thereafter: (i) instruct its stock transfer agent to reflect, in an account for the benefit of the Participant on the books of the stock transfer agent, that number of shares of Common Stock equal in number to the amount of such Units; and (ii) deduct such number of Units from the Participant's Participant Account. Upon the Participant's request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares held in the Participant's account by the stock transfer agent.

ARTICLE 10. WITHHOLDING

Kodak will pay the taxes required to be withheld upon the lapse of the Restriction Period by withholding a portion of the shares of Common Stock otherwise due the Participant as a result of the lapse of such restrictions. The portion of the shares withheld will equal in amount the minimum taxes required by law to be withheld. The Common Stock which is so withheld will be valued at its Fair Market Value on the date of the lapse of the restrictions on the Units.

ARTICLE 11. MISCELLANEOUS

11.1 Compliance with Laws

The obligations of Kodak pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933, as amended, and the Exchange Act, and all rules promulgated thereunder.

11.2 Amendment

The Committee, or any person to whom the Committee has delegated the requisite authority, may, at any time and from time to time, amend this Administrative Guide in any manner. Notwithstanding the foregoing, neither the Committee, nor any person to whom the Committee has delegated the requisite authority, shall amend this Administrative Guide in a manner that would cause the Restricted Stock Unit Awards granted thereunder to violate the requirements of Section 409A.

11.3 Participant's Rights Unsecured

The amounts payable under this Administrative Guide shall be unfunded, and the right of any Participant or his or her estate to receive payment under this Administrative Guide shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

11.4 No Guarantee of Tax Consequences

No person connected with this Administrative Guide in any capacity, including, but not limited to, Kodak, its Subsidiaries and their respective directors, officers, agents and employees, makes any representation, commitment or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to the Awards or that such tax treatment will apply to or be available to a Participant on account of participation in this Administrative Guide.

11.5 Section 409A Compliance

The Awards described in this Administrative Guide are intended to comply with the requirements of Section 409A, and this Administrative Guide shall be interpreted and administered consistent with such intention, and in accordance with the Eastman Kodak Company Policy Regarding Section 409A Compliance.

11.6 Headings

The headings of the Sections of this Administrative Guide have been prepared for convenience and reference only and will not control, affect the meaning, or be taken as the interpretation of any provision of this Administrative Guide.

11.7 Applicable Law

This Administrative Guide will be governed and construed in accordance with the laws of the State of New York, except as superseded by applicable federal law, without giving effect to its conflicts of law provisions.

11.8 Impact on Benefits

The Awards (either at the date of their grant or at the time they vest) will not be includible as compensation or earnings for purposes of any benefit or compensation plan offered by the Company.

11.9 Transferability

TheAwards will not in any manner be subject to alienation, anticipation, sale, transfer, assignment, pledge or encumbrance.

11.10 No Right to Continued Employment

A Participant's receipt of an Award under this Administrative Guide does not give the Participant any right to remain in the employ of Kodak or any Subsidiary. Kodak or, in the case of employment with a Subsidiary, the Subsidiary, reserves the right to terminate any employee at any time.

12 Effect of Administrative Guide

This Administrative Guide, including its reference to the Plan and the Award notification letter, constitutes the entire understanding between the Company and the Participant concerning the Award and supersedes any prior notices, letters, statements or other documents issued by the Company relating to the Award and all prior agreements and understandings between the Company and the Participant, whether written or oral, concerning the Award.

13 Award Notification Letter

Each Award granted under this Administrative Guide will be evidenced by an Award notification letter issued by Kodak. To the extent there are any inconsistencies between the terms of any such Award notification letter and this Administrative Guide, the terms of this Administrative Guide will control unless, however, such inconsistency is attributable to a term or condition contemplated pursuant to Section 5.2 of the Plan.

****

Exhibit (10.18)

EASTMAN KODAK COMPANY
2000 OMNIBUS LONG-TERM COMPENSATION PLAN

As amended 01-01-2009

Exhibit A Rules of the 2000 Omnibus Long-Term Compensation Plan for French Employees

Exhibit B Australian Addendum

Exhibit C Rules of the Eastman Kodak Company
2000 Omnibus Long-Term Compensation Plan for Grants
to French Employees on or After August 26, 2002

Exhibit D Australian Addendum for Grants On or After
August 26, 2002

As Amended Effective January 1, 2009

ARTICLE 1 -- PURPOSE AND TERM OF PLAN

1.1 Purpose

The purpose of the Plan is to provide motivation to selected Employees and Directors to put forth maximum efforts toward the continued growth, profitability, and success of the Company by providing incentives to such Employees and Directors through the ownership and performance of Kodak Common Stock.

1.2 Term

The Plan will become effective on January 1, 2000, subject to its approval by Kodak's shareholders at the 1999 Annual Meeting of the Shareholders. Awards may not be granted after December 31, 2004; except that the Committee may grant Awards after this date in recognition of performance for Performance Cycles commencing prior to such date.

ARTICLE 2 -- DEFINITIONS

In any necessary construction of a provision of this Plan, the masculine gender may include the feminine, and the singular may include the plural, and vice versa. This Plan should be construed in a manner consistent with the intent of Kodak to establish an omnibus long-term compensation plan subject to fixed accounting treatment.

2.1 Approved Reason

“Approved Reason” means a reason for terminating employment with the Company which, in the opinion of the Committee, is in the best interests of the Company.

2.2 Award

"Award" means any form of stock option, stock appreciation right, Stock Award, performance unit, performance share, Performance Award, shares of Common Stock under the Performance Stock Program, or other incentive award granted under the Plan, whether singly, in combination, or in tandem, to a Participant by the Committee pursuant to such terms, conditions, restrictions and/or limitations, if any, as the Committee may establish by the Award Notice or otherwise.

2.3 Award Notice

"Award Notice" means the written document establishing the terms, conditions, restrictions, and/or limitations of an Award in addition to those established by this Plan and by the Committee's exercise of its administrative powers. The Committee will establish the form of the written document in the exercise of its sole and absolute discretion. The Committee may, but need not, require a Participant to sign a copy of the Award Notice as a precondition to receiving an Award.

2.4 Award Payment Date

“Award Payment Date” means, for a Performance Cycle, the date the Awards for such Performance Cycle shall be paid to Participants. The Award Payment Date for a Performance Cycle shall occur as soon as administratively possible following the completion of the certifications required pursuant to Subsection 13.5(c).

2.5 Board

"Board" means the Board of Directors of Kodak.

2.6 Capital Charge

“Capital Charge” means, for a Performance Period, the amount obtained by multiplying the Cost of Capital for the Performance Period by the Operating Net Assets for the Performance Period.

2.7 Cause

"Cause" means (a) the willful and continued failure by an Employee to substantially perform his or her duties with his or her employer after written warnings identifying the lack of substantial performance are delivered to the Employee by his or her employer to specifically identify the manner in which the employer believes that the Employee has not substantially performed his or her duties, or (b) the willful engaging by an Employee in illegal conduct which is materially and demonstrably injurious to Kodak or a Subsidiary.

2.8 CEO

“CEO” means the Chief Executive Officer of Kodak.

2.9 Change In Control

“Change in Control” means the occurrence of any one of the following events:

(a) individuals who, on December 9, 1999, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to December 9, 1999, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of Kodak in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of Kodak as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) (“Election Contest”) or any other actual or threatened solicitation of proxies or consents by or on behalf of any “person” (as such term is defined in Section 3(a)(9) of the Act) other than the Board (“Proxy Contest”), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed to be an Incumbent Director;

(b) any person is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of Kodak representing 25% or more of the combined voting power of Kodak’s then outstanding securities eligible to vote for the election of the Board (the “Kodak Voting Securities”); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (1) by Kodak or any Subsidiary, (2) by any employee benefit plan (or related trust) sponsored or maintained by Kodak or any Subsidiary, or (3) by any underwriter temporarily holding securities pursuant to an offering of such securities;

(c) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Kodak or any of its Subsidiaries that requires the approval of Kodak’s shareholders, whether for such transaction or the issuance of securities in the transaction (a “Reorganization”), or sale or other disposition of all or substantially all of Kodak’s assets to an entity that is not an affiliate of Kodak (a “Sale”), unless immediately following such Reorganization or Sale: (1) more than 60% of the total voting power of (x) the corporation resulting from such Reorganization or Sale (the “Surviving Company”), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Company (the “Parent Company”), is represented by Kodak Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Kodak Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Kodak Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (2) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Company or the Parent Company), is or becomes the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (3) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (1), (2) and (3) above shall be deemed to be a “Non-Qualifying Transaction”); or

(d) the shareholders of Kodak approve a plan of complete liquidation or dissolution of Kodak.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of Kodak Voting Securities as a result of the acquisition of Kodak Voting Securities by Kodak which reduces the number of

Kodak Voting Securities outstanding; provided that if after such acquisition by Kodak such person becomes the beneficial owner of additional Kodak Voting Securities that increases the percentage of outstanding Kodak Voting Securities beneficially owned by such person, a Change in Control shall then occur.

2.10 Change In Control Price

"Change In Control Price" means the highest closing price per share paid for the purchase of Common Stock on the New York Stock Exchange during the ninety (90) day period ending on the date the Change In Control occurs.

2.11 Change In Ownership

"Change In Ownership" means a Change In Control that results directly or indirectly in Kodak's Common Stock ceasing to be actively traded on the New York Stock Exchange.

2.12 Code

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

2.13 Committee

“Committee” means the Executive Compensation and Development Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan; provided that the Committee shall consist of three or more directors, all of whom are both a “Non-Employee Director” within the meaning of Rule 16b-3 under the Exchange Act and an “outside director” within the meaning of the definition of such term as contained in Proposed Treasury Regulation Section 1.162-27(e)(3), or any successor definition adopted.

2.14 Common Stock

"Common Stock" means common stock, $2.50 par value per share, of Kodak that may be newly issued or treasury stock.

2.15 Company

“Company” means Kodak and its Subsidiaries.

2.16 Cost of Capital

“Cost of Capital” means, for a Performance Period, the estimated weighted average of the Company’s cost of equity and cost of debt for the Performance Period as determined by the Committee in its sole and absolute discretion. The Committee will determine the Cost of Capital for a Performance Period within the first 90 days of the Performance Period.

2.17 Covered Employee

“Covered Employee” means an Employee who is a “Covered Employee” within the meaning of Section 162(m) of the Code.

2.18 Director

“Director” means a non-employee member of the Board.

2.19 Disability

“Disability” means a disability under the terms of the long-term disability plan maintained by the Participant’s employer, or in the absence of such a plan, the Kodak Long-Term Disability Plan.

2.20 Economic Profit

“Economic Profit” means, for a Performance Period, the Net Operating Profit After Tax that remains after subtracting the Capital Charge for such Performance Period. Economic Profit may be expressed as follows: Economic Profit = Net Operating Profit After Tax – Capital Charge. Economic Profit may be either positive or negative.

2.21 Economic Value Added or EVA

“Economic Value Added or EVA” means Economic Profit for the current year minus Economic Profit for the immediately prior year.

2.22 Effective Date

“Effective Date” means the date an Award is determined to be effective by the Committee upon its grant of such Award.

2.23 Employee

"Employee" means: (a) any person employed by Kodak on a full or part time basis; (b) any person employed by a Subsidiary on a full or part time basis; or (c) any person employed by a foreign country identified in writing by the Committee who is providing services to a Subsidiary pursuant to a written contract between such country and the Company and who would, but for the laws of such country, otherwise be classified by the Subsidiary as an Employee.

2.24 Exchange Act

"Exchange Act" means the Securities and Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provision and rules thereto.

2.25 Key Employee

“Key Employee” means a senior level Employee who holds a position of responsibility in a managerial, administrative, or professional capacity.

2.26 Kodak

"Kodak" means Eastman Kodak Company.

2.27 Negative Discretion

“Negative Discretion” means the discretion authorized by the Plan to be applied by the Committee in determining the size of an Award for a Performance Period or Performance Cycle if, in the Committee’s sole judgment, such application is appropriate. Negative Discretion may only be used by the Committee to eliminate or reduce the size of an Award. By way of example and not by way of limitation, in no event shall any discretionary authority granted to the Committee by the Plan, including, but not limited to Negative Discretion, be used to: (a) grant Awards for a Performance Period or Performance Cycle if the Performance Goals for such Performance Period or Performance Cycle have not been attained; or (b) increase an Award above the maximum amount payable under Sections 7.5, 8.6, 9.6 or 13.6 of the Plan.

2.28 Net Operating Profit After Tax

“Net Operating Profit After Tax” means, for a Performance Period, the after-tax operating earnings of the Company for the Performance Period adjusted for interest expense and Wang in-process R&D. The Committee is authorized at any time during the first 90 days of a Performance Period, or at any time thereafter in its sole and absolute discretion, to adjust or modify the calculation of Net Operating Profit After Tax for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any dividend or other distribution (whether in the form of cash, securities or other property), recapitalization, restructuring, reorganization, merger, consolidation, spin off, combination, repurchase, share exchange, liquidation, dissolution, or other similar corporate transaction, event or development; (b) in recognition of, or in anticipation of, any other unusual or nonrecurring event affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; (c) in recognition of, or in anticipation of, any other extraordinary gains or losses; and (d) in view of the Committee's assessment of the business strategy of the Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant. However, if and to the extent the exercise of such authority after the first 90 days of a Performance Period would cause the Awards granted to the Covered Employees for the Performance Period to fail to qualify as "Performance-Based Compensation" under Section 162(m) of the Code, then such authority shall only be exercised with respect to those Participants who are not Covered Employees.

2.29 Operating Net Assets

"Operating Net Assets" means, for a Performance Period, the net investment used in the operations of the Company. Operating Net Assets is calculated from the Company's audited consolidated financial statements as being total assets minus non-interest-bearing liabilities adjusted for LIFO inventories, postemployment benefits other than pensions (OPEB) and Wang in-process R&D. The Committee is authorized at any time during a Performance Period to adjust or modify the calculation of Operating Net Assets for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any dividend or other distribution (whether in the form of cash, securities or other property), recapitalization, restructuring, reorganization, merger, consolidation, spin off, combination, repurchase, share exchange, liquidation, dissolution, or other similar corporate transaction, event or development; (b) in recognition of, or in anticipation of, any other unusual or nonrecurring event affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; (c) in recognition of, or in anticipation of, any other extraordinary gains or losses; and (d) in view of the Committee's assessment of the business strategy of the Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant. However, if and to the extent the exercise of such authority after the first 90 days of a Performance Period would cause the Awards granted to the Covered Employees for the Performance Period to fail to qualify as "Performance-Based Compensation" under Section 162(m) of the Code, then such authority shall only be exercised with respect to those Participants who are not Covered Employees.

2.30 Participant

"Participant" means either an Employee or Director to whom an Award has been granted by the Committee under the Plan or a Key Employee who, for a Performance Cycle, has been selected to participate in the Performance Stock Program.

2.31 Performance Awards

"Performance Awards" means the Stock Awards, Performance units and Performance Shares granted to Covered Employees pursuant to Article 7. All Performance Awards are intended to qualify as "Performance-Based Compensation" under Section 162(m) of the Code.

2.32 Performance Criteria

"Performance Criteria" means the one or more criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period or Performance Cycle. The Performance Criteria that will be used to establish such Performance Goal(s) shall be limited to the following: Economic Profit/EVA, return on net assets ("RONA"), return on shareholders' equity, return on assets, return on capital, shareholder returns, total shareholder return, profit margin, earnings per share, net earnings, operating earnings, Common Stock price per share, and sales or market share. To the extent required by Section 162(m) of the Code, the Committee shall, within the first 90 days of a Performance Period or Performance Cycle (or, if longer, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period or Performance Cycle.

2.33 Performance Cycle

"Performance Cycle" means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of an Award under the Performance Stock Program. In no event, however, shall a Performance Cycle exceed 3 years.

2.34 Performance Formula

"Performance Formula" means, for a Performance Period or Performance Cycle, the one or more objective formulas applied against the relevant Performance Goal(s) to determine, with regards to the Award of a particular Participant, whether all, some portion but less than all, or none of the Award has been earned for the Performance Period or Performance Cycle. In the case of an Award under the Performance Stock Program, in the event the Performance Goal(s) for a Performance Cycle are achieved, the Performance Formula shall determine what percentage of the Participant's Target Award for the Performance Cycle will be earned.

2.35 Performance Goals

“Performance Goals” means, for a Performance Period or Performance Cycle, the one or more goals established by the Committee for the Performance Period or Performance Cycle based upon the Performance Criteria. The Committee is authorized at any time during the first 90 days of a Performance Period or Performance Cycle, or at any time thereafter (but only to the extent the exercise of such authority after the first 90 days of a Performance Period or Performance Cycle would not cause the Awards granted to the Covered Employees for the Performance Period or Performance Cycle to fail to qualify as “Performance-Based Compensation” under Section 162(m) of the Code), in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period or Performance Cycle in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development; (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; and (c) in view of the Committee’s assessment of the business strategy of the Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant.

2.36 Performance Period

“Performance Period” means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to and the payment of a Performance Award. In the case of Awards issued under Article 8 or Article 9 hereof, the Performance Period shall be Kodak’s fiscal year.

2.37 Performance Stock Program

“Performance Stock Program” means the program established under Article 13 of the Plan pursuant to which selected Key Employee receive Awards for a Performance Cycle in the form of shares of Common Stock based upon attainment of Performance Goals for such Performance Cycle. All Awards granted to Covered Employees under the Performance Stock Program are intended to qualify as “Performance-based Compensation” under Section 162(m) of the Code.

2.38 Plan

"Plan" means the 2000 Omnibus Long-Term Compensation Plan.

2.39 Retirement

“Retirement” means, in the case of a Participant employed by Kodak, voluntary termination of employment: (i) on or after age 55 with 10 or more years of service or on or after age 65; or (ii) at any time if the Participant had an age and years of service combination of at least 75 points on December 31, 1995. In the case of a Participant employed by a Subsidiary, “Retirement” means early or normal retirement under the terms of the Subsidiary’s retirement plan, or if the Subsidiary does not have a retirement plan, termination of employment on or after age 60. A Participant must voluntarily terminate his or her employment in order for his or her termination of employment to be for “Retirement.”

2.40 Section 409A

“Section 409A” means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

2.41 Section 409A Change in Control

“Section 409A Change in Control” means an event that qualifies as a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury regulations.

2.42 Stock Award

"Stock Award" means an award granted pursuant to Article 10 in the form of shares of Common Stock, restricted shares of Common Stock, and/or Units of Common Stock.

2.43 Subsidiary

"Subsidiary" means a corporation or other business entity in which Kodak directly or indirectly has an ownership interest of 50 percent or more except that with respect to incentive stock options, "Subsidiary" shall mean "subsidiary corporation" as defined in Section 424(f) of the Code.

2.44 Target Award

“Target Award” means, for a Performance Cycle, the target award amount, expressed as a number of shares of Common Stock, established for each wage grade by the Committee for the Performance Cycle. The fact, however, that a Target Award is established for a Participant’s wage grade shall not in any manner entitle the Participant to receive an Award for such Performance Cycle.

2.45 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the grant of the following Awards until such time as the Award is paid, canceled, forfeited or terminated, as the case may be: Units of Common Stock, performance units, and performance shares which are expressed in terms of Units of Common Stock.

ARTICLE 3 -- ELIGIBILITY

3.1 In General

Subject to Section 3.2, all Employees and Directors are eligible to participate in the Plan. The Committee may select, from time to time, Participants from those Employees who, in the opinion of the Committee, can further the Plan's purposes. In addition, the Committee may select, from time to time, Participants from those Directors (who may or may not be Committee members) who, in the opinion of the Committee, can further the Plan’s purposes. Once a Participant is so selected, the Committee shall determine the type(s) of Awards to be made to the Participant and shall establish in the related Award Notice(s) the terms, conditions, restrictions and/or limitations, if any, applicable to the Award(s) in addition to those set forth in this Plan and the administrative rules and regulations issued by the Committee.

3.2 Performance Stock Program

Only Key Employees shall be eligible to participate in the Performance Stock Program.

ARTICLE 4 -- PLAN ADMINISTRATION

4.1 Responsibility

The Committee shall have total and exclusive responsibility to control, operate, manage and administer the Plan in accordance with its terms.

4.2 Authority of the Committee

The Committee shall have all the authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the preceding sentence, the Committee shall have the exclusive right to: (a) select the Participants and determine the type of Awards to be made to Participants, the number of shares subject to Awards and the terms, conditions, restrictions and limitations of the Awards; (b) interpret the Plan; (c) determine eligibility for participation in the Plan; (d) decide all questions concerning eligibility for and the amount of Awards payable under the Plan; (e) construe any ambiguous provision of the Plan; (f) correct any default; (g) supply any omission; (h) reconcile any inconsistency; (i) issue administrative guidelines as an aid to administer the Plan and make changes in such guidelines as it from time to time deems proper; (j) make regulations for carrying out the Plan and make changes in such regulations as it from time to time deems proper; (k) determine whether Awards should be granted singly, in combination or in tandem; (l), to the extent permitted under the Plan, grant waivers of Plan terms, conditions, restrictions, and limitations; (m) accelerate the vesting, exercise, or payment of an Award or the performance period of an Award when such action or actions would be in the best interest of the Company and in compliance with Section 409A and other applicable tax law; (n) establish such other types of Awards, besides those specifically enumerated in Article 5 hereof, which the Committee determines are consistent with the Plan's purpose; (o) subject to Section 8.2, grant Awards in replacement of Awards previously granted under this Plan or any other executive compensation plan of the Company; (p) establish and administer the Performance Goals and certify whether, and to what extent, they have been attained; (q) determine the terms and provisions of any agreements entered into hereunder; (r) take any and all other action it deems necessary or advisable for the proper operation or administration of the Plan; and (s) make all other determinations it deems necessary or advisable for the administration of the Plan, including factual determinations.

4.3 Discretionary Authority

The Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan including, without limitation, its construction of the terms of the Plan and its determination of eligibility for participation and Awards under the Plan. It is the intent of Plan that the decisions of the Committee and its actions with respect to the Plan shall be final, binding and conclusive upon all persons having or claiming to have any right or interest in or under the Plan.

4.4 Section 162(m) of the Code

With regards to all Covered Employees, the Plan shall, for all purposes, be interpreted and construed in accordance with Section 162(m) of the Code.

4.5 Action by the Committee

The Committee may act only by a majority of its members. Any determination of the Committee may be made, without a meeting, by a writing or writings signed by all of the members of the Committee. In addition, the Committee may authorize any one or more of its number to execute and deliver documents on behalf of the Committee.

4.6 Allocation and Delegation of Authority

The Committee may allocate all or any portion of its responsibilities and powers under the Plan to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it provided that any such allocation or delegation be in writing; provided, however, that only the Committee may select and grant Awards to Participants who are subject to Section 16 of the Exchange Act or are Covered Employees. The Committee may revoke any such allocation or delegation at any time for any reason with or without prior notice.

ARTICLE 5 -- FORM OF AWARDS

5.1 In General

Awards may, at the Committee's sole discretion, be paid in the form of Performance Awards pursuant to Article 7, stock options pursuant to Article 8, stock appreciation rights pursuant to Article 9, Stock Awards pursuant to Article 10, performance units pursuant to Article 11, performance shares pursuant to Article 12, shares of Common Stock pursuant to Article 13, any form established by the Committee pursuant to Subsection 4.2(n), or a combination thereof. All Awards shall be subject to the terms, conditions, restrictions and limitations of the Plan. The Committee may, in its sole judgment, subject an Award to such other terms, conditions, restrictions and/or limitations (including, but not limited to, the time and conditions of exercise and restrictions on transferability and vesting), provided they are not inconsistent with the terms of the Plan. Awards under a particular Article of the Plan need not be uniform and Awards under two or more Articles may be combined into a single Award Notice. Any combination of Awards may be granted at one time and on more than one occasion to the same Participant. For purposes of the Plan, the value of any Award granted in the form of Common Stock shall be the mean between the high and low at which the Common Stock trades on the New York Stock Exchange as of the date of the grant's Effective Date.

5.2 Foreign Jurisdictions

(a) **Special Terms**. In order to facilitate the making of any Award to Participants who are employed by the Company outside the United States (or who are foreign nationals temporarily within the United States), the Committee may provide for such modifications and additional terms and conditions ("special terms") in Awards as the Committee may consider necessary or appropriate to accommodate differences in local law, policy or custom or to facilitate administration of the Plan. The special terms may provide that the grant of an Award is subject to (1) applicable governmental or regulatory approval or other compliance with local legal requirements and/or (2) the execution by the Participant of a written instrument in the form specified by the Committee, and that in the event such conditions are not satisfied, the grant shall be void. The special terms may also provide that an Award shall become exercisable or redeemable, as the case may be, if an Employee's employment with the Company ends as a result of workforce reduction, realignment or similar measure and the Committee may designate a person or persons to make such determination for a location. The Committee may adopt or approve sub-plans, appendices or supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for purposes of implementing any special terms, without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, no such sub-plans, appendices or supplements to, or amendments,
restatements, or alternative versions of, the Plan shall: (a) increase the limitations contained in Sections 6.3, 7.5, 8.6, 9.6 and 13.6; (b) increase the number of available shares under Section 6.1; or (c) cause the Plan to cease to satisfy any conditions of Rule 16b-3 under the Exchange Act or, with respect to Covered Employees, Section 162(m) of the Code.

(b) **Currency Effects**. Unless otherwise specifically determined by the Committee, all Awards and payments pursuant to such Awards shall be determined in U.S. currency. The Committee shall determine, in its discretion, whether and to the extent any payments made pursuant to an Award shall be made in local currency, as opposed to U.S. dollars. In the event payments are made in local currency, the Committee may determine, in its discretion and without liability to any Participant, the method and rate of converting the payment into local currency.

(c) **Modifications to Awards**. The Committee shall have the right at any time and from time to time and without prior notice to modify outstanding Awards to comply with or satisfy local laws and regulations or to avoid costly governmental filings. By means of illustration but not limitation, the Committee may restrict the method of exercise of an Award to avoid securities laws or exchange control filings, laws or regulations. Notwithstanding the foregoing, the Committee may not modify an outstanding Award without the consent of the affected Participant if such modification would cause the Award to violate Section 409A.

(d) **Acquired Rights**. No Employee in any country shall have any right to receive an Award, except as expressly provided for under the Plan. All Awards made at any time are subject to the prior approval of the Committee.

ARTICLE 6 -- SHARES SUBJECT TO PLAN

6.1 Available Shares

The maximum number of shares of Common Stock, $2.50 par value per share, of Kodak which shall be available for grant of Awards under the Plan (including incentive stock options) during its term shall not exceed 22,000,000. (Such amount shall be subject to adjustment as provided in Section 6.2.) Any shares of Common Stock related to Awards which terminate by expiration, forfeiture, cancellation or otherwise without the issuance of such shares, are settled in cash in lieu of Common Stock, or are exchanged with the Committee's permission for Awards not involving Common Stock, shall be available again for grant under the Plan. Moreover, if the option price of any stock option granted under the Plan is satisfied by tendering shares of Common Stock to the Company (by either actual delivery or by attestation), only the number of shares of Common Stock issued net of the shares of Common Stock tendered will be deemed delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Plan. The maximum number of shares available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Common Stock or credited as additional performance shares. The shares of Common Stock available for issuance under the Plan may be authorized and unissued shares or treasury shares.

6.2 Adjustment to Shares

(a) **In General**. The provisions of this Subsection 6.2(a) are subject to the limitation contained in Subsection 6.2(b). If there is any change in the number of outstanding shares of Common Stock through the declaration of stock dividends, stock splits or the like, the number of shares available for Awards, the shares subject to any Award and the option prices or exercise prices of Awards shall be automatically adjusted. If there is any change in the number of outstanding shares of Common Stock through any change in the capital account of Kodak, or through a merger, consolidation, separation (including a spin off or other distribution of stock or property), reorganization (whether or not such reorganization comes within the meaning of such term in Section 368(a) of the Code) or partial or complete liquidation, the Committee shall make appropriate adjustments in the maximum number of shares of Common Stock which may be issued under the Plan and any adjustments and/or modifications to outstanding Awards as it, in its sole discretion, deems appropriate. In the event of any other change in the capital structure or in the Common Stock of Kodak, the Committee shall also be authorized to make such appropriate adjustments in the maximum number of shares of Common Stock available for issuance under the Plan and any adjustments and/or modifications to outstanding Awards as it, in its sole discretion, deems appropriate. The maximum number of shares available for issuance under the Plan shall be automatically adjusted to the extent necessary to reflect any dividend equivalents paid in the form of Common Stock.

(b) **Covered Employees**. In no event shall the Award of any Participant who is a Covered Employee be adjusted pursuant to Subsection 6.2(a) to the extent it would cause such Award to fail to qualify as "Performance-Based Compensation" under Section 162(m) of the Code.

6.3 Maximum Number of Shares for Stock Awards, Performance Units and Performance Shares

(a) **Plan Limit**. From the maximum number of shares available for issuance under the Plan under Section 6.1, the maximum number of shares of Common Stock, $2.50 par value per share, which shall be available for Awards granted in the form of Stock Awards under Article 10, performance units under Article 11 and performance shares under Article 12 (including those issued in the form of Performance Awards under Article 7) under the Plan during its term shall be 3,500,000. If granted, 1,000,000 of these shares may be awarded only if the Company achieves a specific Performance Goal. The Performance Goal is total shareholder return by the Company equal to at least that earned over the same period by a company at the 50th percentile in terms of total shareholder return within the Standard & Poor's 500 Composite Stock Price Index. Fifty percent of the Award will be earned if this Performance Goal is achieved. One hundred percent of the Award will be earned if total shareholder return for the period equals that of a company at the 60th percentile in terms of total shareholder return within the Standard & Poor's Composite Stock Price Index.

(b) **Annual Limit**. The maximum number of shares of Common Stock, $2.50 par value per share, that may be awarded to any one Participant in a single calendar year in the form of Stock Awards under Article 10, performance units under Article 11 and performance shares under Article 12 (including those issued in the form of Performance Awards under Article 7) is 75,000 shares of Common Stock.

ARTICLE 7 -- PERFORMANCE AWARDS

7.1 Purpose

For purposes of grants issued to Covered Employees, the provisions of this Article 7 shall apply in addition to and, where necessary, in lieu of the provisions of Articles 10, 11 and 12. The purpose of this Article is to provide the Committee the ability to qualify the Stock Awards authorized under Article 10, the performance units under Article 11, and the performance shares under Article 12 as "Performance-Based Compensation" under Section 162(m) of the Code. The provisions of this Article 7 shall control over any contrary provision contained in Articles 10, 11 or 12.

7.2 Eligibility

Only Covered Employees shall be eligible to receive Performance Awards. The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code) which Covered Employees will be Participants for such period. However, designation of a Covered Employee as a Participant for a Performance Period shall not in any manner entitle the Participant to receive an Award for the period. The determination as to whether or not such Participant becomes entitled to an Award for such Performance Period shall be decided solely in accordance with the provisions of this Article 7. Moreover, designation of a Covered Employee as a Participant for a particular Performance Period shall not require designation of such Covered Employee as a Participant in any subsequent Performance Period and designation of one Covered Employee as a Participant shall not require designation of any other Covered Employee as a Participant in such period or in any other period.

7.3 Discretion of Committee with Respect to Performance Awards

With regards to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period, the type(s) of Performance Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goal(s), whether the Performance Goal(s) is(are) to apply to the Company, Kodak, a Subsidiary, or any one or more subunits of the foregoing, and the Performance Formula. Within the first 90 days of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regards to the Performance Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 7.3 and record the same in writing.

7.4 Payment of Performance Awards

(a) **Condition to Receipt of Performance Award**. Unless otherwise provided in the relevant Award Notice, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for a Performance Award for such Performance Period.

(b) **Limitation**. A Participant shall be eligible to receive a Performance Award for a Performance Period only to the extent that: (1) the Performance Goals for such period are achieved; and (2) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Performance Award has been earned for the Performance Period.

(c) **Certification**. Following the completion of a Performance Period, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, to also calculate and certify in writing the amount of the Performance Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Award for the Performance Period and, in so doing, shall apply Negative Discretion, if and when it deems appropriate.

(d) **Negative Discretion**. In determining the actual size of an individual Performance Award for a Performance Period, the Committee may reduce or eliminate the amount of the Performance Award earned under the Performance Formula for the Performance Period through the use of Negative Discretion, if in its sole judgment, such reduction or elimination is appropriate.

(e) **Timing of Award Payments**. The Awards granted for a Performance Period shall be paid to Participants as soon as administratively possible following completion of the certifications required by Subsection 7.4(c).

7.5 Maximum Award Payable

Notwithstanding any provision contained in the Plan to the contrary, the maximum Performance Award payable to any one Participant under the Plan for a Performance Period is 75,000 shares of Common Stock or, in the event the Performance Award is paid in cash, the equivalent cash value thereof on the Performance Award's Effective Date.

ARTICLE 8 -- STOCK OPTIONS

8.1 In General

Awards may be granted in the form of stock options. These stock options may be incentive stock options within the meaning of Section 422 of the Code or non-qualified stock options (i.e., stock options which are not incentive stock options), or a combination of both. All Awards under the Plan issued to Covered Employees in the form of stock options shall qualify as “Performance-Based Compensation” under Section 162(m) of the Code.

8.2 Terms and Conditions of Stock Options

An option shall be exercisable in accordance with such terms and conditions and at such times and during such periods as may be determined by the Committee. The price at which Common Stock may be purchased upon exercise of a stock option shall be not less than 100% of the fair market value of the Common Stock, as determined by the Committee, on the Effective Date of the option's grant. Moreover, all options shall not expire later than 10 years from the Effective Date of the option’s grant. Except as set forth in Section 8.7, stock options shall not be repriced, i.e., there shall be no grant of a stock option(s) to a Participant in exchange for a Participant’s agreement to cancellation of a higher-priced stock option(s) that was previously granted to such Participant.

8.3 Restrictions Relating to Incentive Stock Options

Stock options issued in the form of incentive stock options shall, in addition to being subject to the terms and conditions of Section 8.2, comply with Section 422 of the Code. Accordingly, the aggregate fair market value (determined at the time the option was granted) of the Common Stock with respect to which incentive stock options are exercisable for the first time by a Participant during any calendar year (under this Plan or any other plan of the Company) shall not exceed $100,000 (or such other limit as may be required by the Code). From the maximum number of shares available for issuance under the Plan under Section 6.1, the number of shares of Common Stock that shall be available for incentive stock options granted under the Plan is 22,000,000.

8.4 Additional Terms and Conditions

The Committee may, by way of the Award Notice or otherwise, establish such other terms, conditions, restrictions and/or limitations, if any, of any stock option Award, provided they are not inconsistent with the Plan.

8.5 Exercise

Upon exercise, the option price of a stock option may be paid in cash, or by tendering, by either actual delivery of shares or by attestation, shares of Common Stock, a combination of the foregoing, or such other consideration as the Committee may deem appropriate. Any shares of Common Stock tendered by a Participant upon exercise of a stock option must, if acquired by the Participant pursuant to a previous stock option exercise, be owned by the Participant for at least six months prior to the date of exercise of the stock option. The Committee shall establish appropriate methods for accepting Common Stock, whether restricted or unrestricted, and may impose such conditions as it deems appropriate on the use of such Common Stock to exercise a stock option. Subject to Section 19.9, stock options awarded under the Plan may also be exercised by way of the Company's broker-assisted stock option exercise program, provided such program is available at the time of the option's exercise. The Committee may permit a Participant to satisfy any amounts required to be withheld under applicable Federal, state and local tax laws, in effect from time to time, by electing to have the Company withhold a portion of the shares of Common Stock to be delivered for the payment of such taxes.

8.6 Maximum Award Payable

Notwithstanding any provision contained in the Plan to the contrary, the maximum number of shares for which stock options may be granted under the Plan to any one Participant for a Performance Period is 300,000 shares of Common Stock.

8.7 Stock Option Exchange Program

(a) **In General**. As soon as reasonably possible following January 25, 2002, the Company will be permitted to implement the Stock Option Exchange Program. Under this program, Eligible Employees will be offered a one-time opportunity to elect to cancel all of their current stock options in exchange for the grant of new stock options, with such new options to be granted no less than six months and one day following the date the current options are cancelled, at a price equal to 100% of the fair market value of the Common Stock, as determined by the Committee, on such date of grant. The Exchange Ratio(s) for the program will be chosen by the Committee using as its basis the Black-Scholes stock option valuation model. All of the new stock options will have the same vesting terms as the surrendered options they replace. Each new option will have a term equal to the remaining term of the surrendered option it replaces. All of the other terms and conditions of the new options will be identical to the surrendered stock options they replace. The top six most senior executive officers of the Company will not be eligible to participate in the program. The program will be structured so that the Company avoids incurring financial accounting charges.

(b) **Administration**. The Committee will have total and exclusive responsibility to control, operate, manage and administer the Stock Option Exchange Program in accordance with its terms and all the authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the program. Without limiting the generality of the preceding sentence, the Committee will have the exclusive right to: interpret the program, decide all questions concerning eligibility for and the amount of Awards payable under the program, construe any ambiguous provision of the program, correct any default,
supply any omission, reconcile any inconsistency, and decide all questions arising in the administration, interpretation and application of the program. The Committee will have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the program, including, without limitation, its construction of the terms of the program and its determination of eligibility for the program. It is the intent of the program that the decisions of the Committee and its actions with respect to the program will be final and binding upon all persons having or claiming to have any right or interest in or under the program.

(c) **Foreign Jurisdictions**. In order to facilitate participation in the Stock Option Exchange Program by those Eligible Employees who are employed by the Company outside the United States (or who are foreign nationals temporarily within the United States), the Committee may provide for such modifications and additional terms and conditions ("special terms") to the program as the Committee may consider necessary or appropriate to accommodate differences in local law, policy or custom, or to facilitate administration of the program. The special terms may provide that the grant of an Award is subject to (1) applicable governmental or regulatory approval or other compliance with local legal requirements and/or (2) execution by the Eligible Employee of a written instrument in the form specified by the Committee, and that in the event such conditions are not satisfied, the grant will be void. The special terms may also provide that an Award will become exercisable or redeemable, as the case may be, if an Eligible Employee's employment with the Company ends as a result of workforce reduction, realignment or similar measure and the Committee may designate a person or persons to make such determination for a location. The Committee may adopt or approve sub-plans, appendices or supplements to, or amendments, restatements, or alternative versions of, the program as it may consider necessary or appropriate for purposes of implementing any special terms, without thereby affecting the terms of the program.

(d) **Stock Appreciation Rights**. All SARs granted under the Plan will be eligible for the Stock Option Exchange Program on essentially the same terms and conditions as those that will apply to stock options granted under the Plan.

(e) **Definitions**. Any defined term used in this section which is not defined elsewhere in the Plan will have that meaning given to it by the Committee in its sole and absolute discretion.

ARTICLE 9 -- STOCK APPRECIATION RIGHTS

9.1 In General

Awards may be granted in the form of stock appreciation rights ("SARs"). SARs entitle the Participant to receive a payment equal to the appreciation in a stated number of shares of Common Stock from the exercise price to the market value of the Common Stock on the date of exercise. An SAR may be granted in tandem with all or a portion of a related stock option under the Plan ("Tandem SARs"), or may be granted separately ("Freestanding SARs"). A Tandem SAR may be granted either at the time of the grant of the related stock option or at any time thereafter during the term of the stock option. All Awards under the Plan issued to Covered Employees in the form of an SAR shall qualify as "Performance-Based Compensation" under Section 162(m) of the Code.

9.2 Terms and Conditions of Tandem SARs

A Tandem SAR shall be exercisable to the extent, and only to the extent, that the related stock option is exercisable, and the "exercise price" of such an SAR (the base from which the value of the SAR is measured at its exercise) shall be the option price under the related stock option. However, at no time shall a Tandem SAR be issued if the option price of its related stock option is less than the fair market value of the Common Stock, as determined by the Committee, on the Effective Date of the Tandem SAR's grant. If a related stock option is exercised as to some or all of the shares covered by the Award, the related Tandem SAR, if any, shall be canceled automatically to the extent of the number of shares covered by the stock option exercise. Upon exercise of a Tandem SAR as to some or all of the shares covered by the Award, the related stock option shall be canceled automatically to the extent of the number of shares covered by such exercise, and such shares shall not again be eligible for grant in accordance with Section 6.1. Moreover, all Tandem SARs shall not expire later than 10 years from the Effective Date of the SAR's grant.

9.3 Terms and Conditions of Freestanding SARs

Freestanding SARs shall be exercisable in accordance with such terms and conditions and at such times and during such periods as may be determined by the Committee. The exercise price of a Freestanding SAR shall be not less than 100% of the fair market value of the Common Stock, as determined by the Committee, on the Effective Date of the Freestanding SAR's grant. Moreover, all Freestanding SARs shall not expire later than 10 years from the Effective Date of the Freestanding SAR's grant.

9.4 Deemed Exercise

The Committee may provide that an SAR shall be deemed to be exercised at the close of business on the scheduled expiration date of such SAR if at such time the SAR by its terms remains exercisable and, if so exercised, would result in a payment to the holder of such SAR.

9.5 Additional Terms and Conditions

The Committee may, by way of the Award Notice or otherwise, determine such other terms, conditions, restrictions and/or limitations, if any, of any SAR Award, provided they are not inconsistent with the Plan.

9.6 Maximum Award Payable

Notwithstanding any provision contained in the Plan to the contrary, the maximum number of shares for which SARs may be granted under the Plan to any one Participant for a Performance Period is 300,000 shares of Common Stock.

ARTICLE 10 -- STOCK AWARDS

10.1 Grants

Awards may be granted in the form of Stock Awards. Stock Awards shall be awarded in such numbers and at such times during the term of the Plan as the Committee shall determine.

10.2 Award Restrictions

Stock Awards shall be subject to such terms, conditions, restrictions, and/or limitations, if any, as the Committee deems appropriate including, but not by way of limitation, restrictions on transferability and continued employment; provided, however, they are not inconsistent with the Plan. The Committee may modify or accelerate the delivery of a Stock Award under such circumstances as it deems appropriate; provided, however, such action would not cause a violation of Section 409A.

10.3 Rights as Shareholders

During the period in which any restricted shares of Common Stock are subject to the restrictions imposed under Section 10.2, the Committee may, in its sole discretion, grant to the Participant to whom such restricted shares have been awarded all or any of the rights of a shareholder with respect to such shares, including, but not by way of limitation, the right to vote such shares and, pursuant to Article 15, the right to receive dividends.

10.4 Evidence of Award

Any Stock Award granted under the Plan may be evidenced in such manner as the Committee deems appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates.

ARTICLE 11 -- PERFORMANCE UNITS

11.1 Grants

Awards may be granted in the form of performance units. Performance units, as that term is used in this Plan, shall refer to Units valued by reference to designated criteria established by the Committee, other than Common Stock.

11.2 Performance Criteria

Performance units shall be contingent on the attainment during a Performance Period of certain performance objectives. The length of the Performance Period, the performance objectives to be achieved during the Performance Period, and the measure of whether and to what degree such objectives have been attained shall be conclusively determined by the Committee in the exercise of its absolute discretion. Performance objectives may be revised by the Committee, at such times as it deems appropriate during the Performance Period, in order to take into consideration any unforeseen events or changes in circumstances.

11.3 Additional Terms and Conditions

The Committee may, by way of the Award Notice or otherwise, determine such other terms, conditions, restrictions, and/or limitations, if any, of any Award of performance units, provided they are not inconsistent with the Plan.

ARTICLE 12 -- PERFORMANCE SHARES

12.1 Grants

Awards may be granted in the form of performance shares. Performance shares, as that term is used in this Plan, shall refer to shares of Common Stock or Units that are expressed in terms of Common Stock.

12.2 Performance Criteria

Performance shares shall be contingent upon the attainment during a Performance Period of certain performance objectives. The length of the Performance Period, the performance objectives to be achieved during the Performance Period, and the measure of whether and to what degree such objectives have been attained shall be conclusively determined by the Committee in the exercise of its absolute discretion. Performance objectives may be revised by the Committee, at such times as it deems appropriate during the Performance Period, in order to take into consideration any unforeseen events or changes in circumstances.

12.3 Additional Terms and Conditions

The Committee may, by way of the Award Notice or otherwise, determine such other terms, conditions, restrictions and/or limitations, if any, of any Award of performance shares, provided they are not inconsistent with the Plan.

ARTICLE 13 -- PERFORMANCE STOCK PROGRAM

13.1 Purpose

The purposes of the Performance Stock Program are: (a) to promote the interests of the Company and its shareholders by providing a means to acquire a proprietary interest in the Company to selected Key Employees who are in a position to make a substantial contribution to the continued progress and success of the Company; (b) to attract and retain qualified individuals to serve as Employees in those positions; (c) to enhance long-term performance of the Company by linking a meaningful portion of the compensation of selected Key Employees to the achievement of specific long-term financial objectives of the Company; and (d) to motivate and reward selected Key Employees to undertake actions to increase the price of the Common Stock.

13.2 Eligibility

Any Key Employee is eligible to participate in the Performance Stock Program. Within the first 90 days of a Performance Cycle (or, if longer, within the maximum period allowed under Section 162(m) of the Code), the CEO will recommend to the Committee, and from such recommendations the Committee will select, those Key Employees who will be Participants for such Performance Cycle. However, designation of a Key Employee as a Participant for a Performance Cycle shall not in any manner entitle the Participant to receive payment of an Award for the cycle. The determination as to whether or not such Participant becomes entitled to payment of an Award for such Performance Cycle shall be decided solely in accordance with the provisions of this Article 13. Moreover, designation of a Key Employee as a Participant for a particular Performance Cycle shall not require designation of such Key Employee as a Participant in any subsequent Performance Cycle and designation of one Key Employee as a Participant shall not require designation of any other Key Employee as a Participant in such Performance Cycle or in any other Performance Cycle.

13.3 Description of Awards

Awards granted under the Performance Stock Program provide Participants with the opportunity to earn shares of Common Stock, subject to the terms and conditions of Section 13.8 below. Each Award granted under the Plan for a Performance Cycle shall consist of a Target Award expressed as fixed number of shares of Common Stock. In the event the Performance Goals for the Performance Cycle are achieved, the Performance Formula shall determine, with regards to a particular Participant, what percentage of the Participant's Target Award for the Performance Cycle will be earned. All of the Awards issued under the Performance Stock Program to Covered Employees are intended to qualify as "Performance-Based Compensation" under Section 162(m) of the Code.

13.4 Procedure for Determining Awards

Within the first 90 days of a Performance Cycle (or, if longer, within the maximum period allowed under Section 162(m) of the Code), the Committee shall establish in writing for such Performance Cycle the following: the specific Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goal(s), whether the Performance Goal(s) is(are) to apply to the Company, Kodak, a Subsidiary, or any one or more subunits of the foregoing, the amount of the Target Awards, and the Performance Formula.

13.5 Payment of Awards

(a) **Condition to Receipt of Awards**. Except as provided in Section 13.7, a Participant must be employed by the Company on the Performance Cycle's Award Payment Date to be eligible for an Award for such Performance Cycle.

(b) **Limitation**. A Participant shall be eligible to receive an Award for a Performance Cycle only if: (1) the Performance Goals for such cycle are achieved; and (2) the Performance Formula as applied against such Performance Goals determines that all or some portion of the Participant's Target Award has been earned for the Performance Period.

(c) **Certification**. Following the completion of a Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved. If the Committee certifies that the Performance Goals have been achieved, it shall, based upon application of the Performance Formula to the Performance Goals for such cycle, also calculate and certify in writing for each Participant what percentage of the Participant's Target Award has been earned for the cycle. The Committee shall then determine the actual size of each Participant's Award for the Performance Cycle and, in so doing, shall apply Negative Discretion, if and when it deems appropriate.

(d) **Negative Discretion**. In determining the actual size of an individual Award to be paid to a Participant for a Performance Cycle, the Committee may, through the use of Negative Discretion, reduce or eliminate the amount of the Award earned by the Participant under the Performance Formula for the Performance Cycle, if in its sole judgment, such reduction or elimination is appropriate.

(e) **Timing of Award Payments**. Any Awards payments that are to made for a Performance Cycle shall be paid on the Award Payment Date for such Performance Cycle.

(f) **New Participants**. Participants who are employed by the Company after the Committee’s selection of Participants for the Performance Cycle, as well as Key Employees who are selected by the Committee to be Participants after such date, shall, in the event Awards are paid for the Performance Cycle, only be entitled to a pro-rata Award. The amount of the pro-rata Award shall be determined by multiplying the Award the Participant would have otherwise been paid if he or she had been a Participant for the entire Performance Cycle by a fraction the numerator of which is the number of full months he or she was eligible to participate in the Performance Stock Program during the Performance Cycle over the total number of full months in the Performance Cycle. For purposes of this calculation, a partial month of participation shall: (1) be treated as a full month of participation to the extent a Participant participates in the Performance Stock Program on 15 or more days of such month; and (2) not be taken into consideration to the extent the Participant participates in the Performance Stock Program for less than 15 days of such month.

13.6 Maximum Award Payable

Notwithstanding any provision contained in the Plan to the contrary, the maximum Award payable to any one Participant under the Performance Stock Program for a Performance Cycle is 75,000 shares of Common Stock.

13.7 Termination of Employment During Performance Cycle

In the event a Participant terminates employment due to death, Disability, Retirement or termination of employment for an Approved Reason prior to the Award Payment Date for a Performance Cycle, the Participant will remain eligible for a pro-rata Award. The amount of the pro-rata Award shall be determined by multiplying the Award, if any, that the Participant would have otherwise been awarded by the Committee if he or she had been a Participant through the Award Payment Date for the Performance Cycle by a fraction, the numerator of which is the number of full months he or she was a Participant during such Performance Cycle over the total number of full months in the Performance Cycle. For purposes of this calculation, a partial month of participation shall: (1) be treated as a full month of participation to the extent a Participant participates in the Performance Stock Program on 15 or more days of such month; and (2) not be taken into consideration to the extent the Participant participates in the Performance Stock Program for less than 15 days of such month. Such pro-rata Award shall be paid in the form of shares of Common Stock, not subject to any restrictions, limitations or escrow requirements. In the event of Disability, Retirement or termination for an Approved Reason, the pro-rata Award shall be paid directly to the Participant and, in the event of death, to the Participant's estate.

13.8 Awards

Any Awards payments that are to made for a Performance Cycle shall be paid by the Committee on the Award Payment Date for such Performance Cycle in the form of shares of Common Stock. Such shares of Common Stock shall be subject to such terms, conditions, limitations and restrictions as the Committee, in its sole judgment, determines.

ARTICLE 14 -- PAYMENT OF AWARDS

14.1 In General

Absent a Plan provision to the contrary, payment of Awards may, at the discretion of the Committee, be made in cash, Common Stock, a combination of cash and Common Stock, or any other form of property as the Committee shall determine. In addition, payment of Awards may include such terms, conditions, restrictions and/or limitations, if any, as the Committee deems appropriate, including, in the case of Awards paid in the form of Common Stock, restrictions on transfer and forfeiture provisions; provided, however, such terms, conditions, restrictions and/or limitations are not inconsistent with the Plan. Further, payment of Awards may be made in the form of a lump sum or installments, as determined by the Committee, in accordance with the requirements of Section 409A, to the extent applicable.

14.2 Termination of Employment

Subject to the requirements of Section 409A, the Committee shall have the authority to determine the treatment of a Participant's Award under the Plan in the event of the Participant's termination of employment, provided, however, in the case of Awards issued under the Performance Stock Program, such rules and regulations are consistent with Section 13.7.

14.3 Inimical Conduct

If a Participant performs any act or engages in any activity which the CEO, in the case of an Employee or former Employee, or the Committee, in the case of a Director or former Director, determines is inimical to the best interests of the Company, the Participant shall, effective as of the date the Participant engages in such conduct, forfeit all unexercised, unearned, and/or unpaid Awards, including, but not by way of limitation, Awards earned but not yet paid, all unpaid dividends and dividend equivalents, and all interest, if any, accrued on the foregoing.

14.4 Breach of Employee's Agreement

(a) **In General**. A Participant who engages in conduct described in Section 14.4(c) below shall immediately: (1) forfeit, effective as of the date the Participant engages in such conduct, all unexercised, unearned, and/or unpaid Awards, including, but not by way of limitation, Awards earned but not yet paid, all unpaid dividends and dividend equivalents, and all interest, if any, accrued on the foregoing; and (2) pay to the Company the amount of any gain realized or payment received as a result of any stock option or stock appreciation right exercised by the Participant under the Plan within the two year period immediately preceding the date the Participant engages in such conduct.

(b) **Set-Off**. By accepting an Award under this Plan, a Participant consents to a deduction from any amounts the Company owes the Participant from time to time (including, but not limited to, amounts owed to the Participant as wages or other compensation, fringe benefits, or vacation pay), to the extent of the amounts the Participant owes the Company under Section 14.4(a). If the Company elects to make an off-set in whole or in part, the Company will not off-set amounts owed by a Participant to the Company against amounts subject to Section 409A that are payable by the Company until the time that payment would have been made, except as permitted by Section 409A. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount the Participant owes the Company, the Participant shall immediately pay the unpaid balance to the Company.

(c) **Conduct**. The following conduct shall result in the consequences described in Section 14.4(a):

1. **Kodak**. In the case of a Participant who has signed an Eastman Kodak Company Employee's Agreement, the Participant's breach of the Eastman Kodak Company Employee's Agreement.

2. **Subsidiary**. In the case of a Participant who is employed by a Subsidiary and has signed a written agreement with the Subsidiary that contains restrictive covenants similar to those in the Eastman Kodak Company Employee's Agreement, the Participant's breach of such written agreement.

3. **Other Participants**. In the case of a Participant other than a Participant described in Section 14.4(c)(1) or (2) above, the Participant without the prior written consent of Kodak, in the case of an Employee or former Employee, or the Committee, in the case of a Director or former Director: (i) engages directly or indirectly in any manner or capacity as principal, agent, partner, officer, director, stockholder, employee, or otherwise, in any business or activity competitive with the business conducted by Kodak or any Subsidiary; or (ii) at any time divulges to any person or any entity other than the Company any trade secrets, methods, processes or the proprietary or confidential information of the Company. For purposes of this Section 14.4(c)(3), a Participant shall not be deemed a stockholder if the Participant's record and beneficial ownership amount to not more than 1% of the outstanding capital stock of any company subject to the periodic and other reporting requirements of the Exchange Act.

ARTICLE 15 -- DIVIDEND AND DIVIDEND EQUIVALENT

If an Award is granted in the form of a Stock Award, stock option, or performance share, or in the form of any other stock-based grant, the Committee may choose, at the time of the grant of the Award or any time thereafter up to the time of the Award's payment, to include as part of such Award an entitlement to receive dividends or dividend equivalents, subject to such terms, conditions, restrictions and/or limitations, if any, as the Committee may establish. Dividends and dividend equivalents shall be paid in such form and manner (i.e., lump sum or installments), and at such time(s) as the Committee shall determine. All dividends or dividend equivalents which are not paid currently may, at the Committee's discretion, accrue interest, be reinvested into additional shares of Common Stock or, in the case of dividends or dividend equivalents credited in connection with performance shares, be credited as additional performance shares and paid to the Participant if and when, and to the extent that, payment is made pursuant to such Award. The total number of shares available for grant under Section 6.1 shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Common Stock or credited as additional performance shares.

ARTICLE 16 -- DEFERRAL OF AWARDS

At the discretion of the Committee, payment of any Award, dividend, or dividend equivalent, or any portion thereof, may be deferred by a Participant until such time as the Committee may establish. All such deferrals shall be accomplished by the delivery of a written, irrevocable election by the Participant prior to the time established by the Committee for such purpose, on a form provided by the Company. Further, all deferrals shall be made in accordance with administrative guidelines established by the Committee to ensure that such deferrals comply with all applicable requirements of the Code. Deferred payments shall be paid in a lump sum or installments, as determined by the Committee. Deferred Awards may also be credited with interest, at such rates to be determined by the Committee, and, with respect to those deferred Awards denominated in the form of Common Stock, with dividends or dividend equivalents.

ARTICLE 17 -- CHANGE IN OWNERSHIP

17.1 Background

Notwithstanding any provision contained in the Plan, including, but not limited to, Sections 4.4 and 19.11, the provisions of this Article 17 shall control over any contrary provision. Upon a Change In Ownership: (i) the terms of this Article 17 shall immediately become operative, without further action or consent by any person or entity; (ii) all terms, conditions, restrictions, and limitations in effect on any unexercised, unearned, unpaid, and/or deferred Award, or any other outstanding Award, shall immediately lapse as of the date of such event; (iii) no other terms, conditions, restrictions and/or limitations shall be imposed upon any Awards on or after such date, and in no circumstance shall an Award be forfeited on or after such date; and (iv) except in those instances where a prorated Awards is required to be paid under this Article 17, all unexercised, unvested, unearned, and/or unpaid Awards or any other outstanding Awards shall automatically become one hundred percent (100%) vested immediately. Notwithstanding the foregoing, the treatment described in this Section 17.1 shall not apply to any Award to the extent that such treatment would violate Section 409A unless the Change In Ownership event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 17.1 shall further apply to such Award to the extent such treatment would not violate Section 409A.

17.2 Dividends and Dividend Equivalents

Upon a Change In Ownership, all unpaid dividends and dividend equivalents and all interest accrued thereon, if any, shall be treated and paid under this Article 17 in the identical manner and time as the Award under which such dividends or dividend equivalents have been credited. For example, if upon a Change In Ownership, an Award under this Article 17 is to be paid in a prorated fashion, all unpaid dividends and dividend equivalents with respect to such Award shall be paid according to the same formula used to determine the amount of such prorated Award. Notwithstanding the foregoing, if the dividends or dividend equivalents are subject to Section 409A and the treatment described by this Section 17.2 would violate Section 409A, then the treatment described in this Section 17.2 shall not apply to the extent such treatment would violate Section 409A unless the Change In Ownership event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 17.2 shall further apply to the dividends or dividend equivalents to the extent such treatment would not violate Section 409A. Any payment of unpaid dividends and dividend equivalents pursuant to this Section 17.2 shall be made as soon as practicable following the Change In Ownership event, but in no event later than ninety (90) days thereafter.

17.3 Treatment of Performance Units and Performance Shares

If a Change In Ownership occurs during the term of one or more Performance Periods for which the Committee has granted performance units and/or performance shares (including those issued as Performance Awards under Article 7), the term of each such Performance Period (hereinafter a “current performance period”) shall immediately terminate upon the occurrence of such event. Upon a Change In Ownership, for each "current performance period" and each completed Performance Period for which the Committee has not on or before such date made a determination as to whether and to what degree the performance objectives for such period have been attained (hereinafter a "completed performance period"), it shall be assumed that the performance objectives have been attained at a level of one hundred percent (100%) or the equivalent thereof.

A Participant in one or more "current performance periods" shall be considered to have earned and, therefore, be entitled to receive, a prorated portion of the Awards previously granted to him for each such “current performance period.” Such prorated portion shall be determined by multiplying the number of performance shares or performance units, as the case may be, granted to the Participant by a fraction, the numerator of which is the total number of whole months that have elapsed since the beginning of the “current performance period,” and the denominator of which is the total number of full months in such “current performance period.” For purposes of this calculation, a partial month shall be treated as a full month to the extent 15 or more days in such month have elapsed.

A Participant in one or more "completed performance periods" shall be considered to have earned and, therefore, be entitled to receive all the performance shares or performance units, as the case may be, previously granted to him during each such “completed performance period.”

Notwithstanding the foregoing, if a performance unit or share is subject to Section 409A and the treatment described by this Section 17.3 would violate Section 409A, then the treatment described in this Section 17.3 shall not apply to the extent such treatment would violate Section 409A unless the Change In Ownership event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 17.3 shall further apply to such performance unit or share to the extent such treatment would not violate Section 409A.

Any payment of performance units and performance shares, or portions thereof, pursuant to this Section 17.3 shall be made as soon as practicable following the Change In Ownership event, but in no event later than 90 days thereafter.

17.4 Treatment of Awards under Performance Stock Program

Upon a Change in Ownership, any Participant of the Performance Stock Program, whether or not he or she is still employed by the Company, shall be paid, as soon as practicable but in no event later than 90 days after the Change in Ownership, a pro-rata Award for each Performance

Cycle in which Participant was selected to participate and during which the Change in Ownership occurs. The amount of the pro-rata Award shall be determined by multiplying the Target Award for such Performance Cycle for Participants in the same wage grade as the Participant by a fraction, the numerator of which shall be the number of full months in the Performance Cycle prior to the date of the Change in Ownership and the denominator of which shall be the total number of full months in the Performance Cycle. For purposes of this calculation, a partial month shall be treated as a full month to the extent 15 or more days in such month have elapsed. To the extent Target Awards have not yet been established for the Performance Cycle, the Target Awards for the immediately preceding Performance Cycle shall be used. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 17.4 would violate Section 409A, then the treatment described in this Section 17.4 shall not apply to the extent such treatment would violate Section 409A unless the Change In Ownership event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 17.4 shall further apply to such Award to the extent such treatment would not violate Section 409A.

17.5 Valuation of Awards

Upon a Change In Ownership, all outstanding Units of Common Stock, Freestanding SARs, stock options (including incentive stock options), Stock Awards (including those issued as Performance Awards under Article 7), performance shares (including those earned as a result of the application of Section 17.3 above), and all other outstanding stock-based Awards (including those earned as a result of the application of Section 17.4 above and those granted by the Committee pursuant to its authority under Subsection 4.2(m) hereof), shall be valued and paid pursuant to this Article 17 on the basis of the Change In Control Price.

17.6 Payment of Awards

Upon a Change In Ownership, any Participant, whether or not he or she is still employed by the Company, shall be paid, in a single lump-sum cash payment, as soon as practicable but in no event later than 90 days after the Change In Ownership, all of his or her Units of Common Stock, Freestanding SARs, stock options (including incentive stock options), Stock Awards (including those issued as Performance Awards under Article 7), performance units and shares (including those earned as a result of the application of Section 17.3 above), all other outstanding stock-based Awards (including those earned as a result of the application of Section 17.4 above and those granted by the Committee pursuant to its authority under Subsection 4.2(n) hereof), and all other outstanding Awards. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 17.5 would violate Section 409A, then the treatment described in this Section 17.5 shall not apply to the extent such treatment would violate Section 409A unless the Change In Ownership event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 17.6 shall further apply to such Award to the extent such treatment would not violate Section 409A.

17.7 Deferred Awards

Upon a Change In Ownership, all Awards deferred by a Participant under Article 16 hereof, but for which he or she has not received payment as of such date, shall be paid in a single lump-sum cash payment as soon as practicable, but in no event later than 90 days after the Change In Ownership. For purposes of making such payment, the value of all Awards that are stock based shall be determined by the Change In Control Price. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 17.7 would violate Section 409A, then the treatment described in this Section 17.7 shall not apply to the extent such treatment would violate Section 409A unless the Change In Ownership event also qualifies as a Section 409A Change in Control, in which event the treatment described in this Section 17.7 shall further apply to such Award to the extent such treatment would not violate Section 409A.

17.8 Miscellaneous

Upon a Change In Ownership, (i) the provisions of Sections 14.2, 14.3, 14.4 and 19.3 hereof shall become null and void and of no further force and effect; and (ii) except as provided in the second paragraph of Section 19.6, no action, including, but not by way of limitation, the amendment, suspension, or termination of the Plan, shall be taken which would affect the rights of any Participant or the operation of the Plan with respect to any Award to which the Participant may have become entitled hereunder on or prior to the date of such action or as a result of such Change In Ownership.

17.9 Payments and Continuation of Stock Based Awards

Unless otherwise determined by the Committee, upon a Change in Ownership pursuant to which (i) Common Stock is exchanged solely for common stock of the Surviving Company or the Parent Company (as defined in Section 2.9), as applicable, which is actively traded on the New York Stock Exchange and (ii) such Surviving Company or Parent Company, as applicable, assumes all outstanding Awards pursuant to the terms hereof, then: (A) the provisions of Sections 17.5 and 17.6 shall not apply to any Award which is stock based, (B) the cash payment provided for in Section 17.7 shall not be made except in accordance with the deferred compensation plan or agreement pursuant to which the payment of the Award has been deferred, (C) all Awards deferred by a Participant under the Performance Stock Program, but for which he or she has not received payment as of the date of the Change In Ownership, will be paid in the form of unrestricted shares of Common Stock as soon as practicable, but in no event later than 90 days after the Change In Ownership, and (D) Sections 18.7 and 18.8 shall not apply to the extent that they require a cash payment with respect to any Award which is stock based. For the purposes of this Section 17.9, an Award shall be considered assumed only if, for every share of Common Stock subject thereto immediately prior to the Change in Control, the Participant has the right, following the Change in Control, to acquire the consideration received in the Change in Control transaction by holders of shares of Common Stock and the Surviving Company or the Parent Company, as applicable, agree to honor, fulfill and discharge the Awards in accordance with the terms of this Plan. Notwithstanding the foregoing, the suspension of payment pursuant to this Section 17.9 shall not apply to any Award subject to Section 409A to the extent such suspension would violate Section 409A.

ARTICLE 18 -- CHANGE IN CONTROL.

18.1 Background

Notwithstanding any provision contained in the Plan, including, but not limited to, Sections 4.4 and 19.11, the provisions of this Article 18 shall control over any contrary provision. All Participants shall be eligible for the treatment afforded by this Article 18 if their employment by the Company terminates within two years following a Change In Control, unless the termination is due to (i) death, (ii) Disability, (iii) Cause, (iv) resignation other than (A) resignation from a declined reassignment to a job that is not reasonably equivalent in responsibility or compensation (as defined in Kodak's Termination Allowance Plan), or that is not in the same geographic area (as defined in Kodak's Termination Allowance Plan), or (B) resignation within 30 days following a reduction in base pay, or (v) Retirement.

18.2 Vesting and Lapse of Restrictions

If a Participant is eligible for treatment under this Article 18, (i) all of the terms, conditions, restrictions, and limitations in effect on any of his or her unexercised, unearned, unpaid and/or deferred Awards shall immediately lapse as of the date of his or her termination of employment; (ii) no other terms, conditions, restrictions and/or limitations shall be imposed upon any of his or her Awards on or after such date, and in no event shall any of his or her Awards be forfeited on or after such date; and (iii) except in those instances where a prorated Award is required to be paid under this Article 18, all of his or her unexercised, unvested, unearned and/or unpaid Awards shall automatically become one hundred percent (100%) vested immediately upon his or her termination of employment; provided, however, the treatment described in this Section 18.2 shall not apply to any Award subject to Section 409A to the extent such treatment would violate section 409A unless (A) the Change In Control event also qualifies as a Section 409A Change in Control, and (B) the termination of employment qualifies as a “separation from service” for purposes of Section 409A, in which event the treatment described in this Section 18.2 shall further apply to such Award to the extent such treatment would not violate Section 409A.

18.3 Dividends and Dividend Equivalents

If a Participant is eligible for treatment under this Article 18, all of his or her unpaid dividends and dividend equivalents and all interest accrued thereon, if any, shall be treated and paid under this Article 18 in the identical manner and time as the Award under which such dividends or dividend equivalents have been credited. Notwithstanding the foregoing, if such dividends or dividend equivalents are subject to Section 409A and the treatment described by this Section 15.7(c) would violate Section 409A, then the treatment described in this Section 18.3 shall not apply to the extent such treatment would violate Section 409A unless (A) the Change In Control event also qualifies as a Section 409A Change in Control, and (B) the Participant’s termination of employment qualifies as a "separation from service" for purposes of Section 409A, in which event such treatment shall further apply to such dividends and dividend equivalents to the extent such treatment would not violate Section 409A. Any payment of unpaid dividends and dividend equivalents pursuant to this Section 18.3 shall be made as soon as practicable following the Participant's termination of employment, but in no event later than 90 days thereafter, unless the Participant at the time of his or her termination of employment is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Section 409A, in which event payment instead will be made as soon as practicable after the expiration of such period, but in no event later than 90 days thereafter.

18.4 Treatment of Performance Units and Performance Shares

If a Participant holding either performance units or performance shares (including those issued as Performance Awards under Article 7) is terminated under the conditions described in Section 18.1 above, the provisions of this Section 18.4 shall determine the manner in which such performance units and/or performance shares shall be paid to the Participant. For purposes of making such payment, each "current performance period," as that term is defined in Section 17.3, shall be treated as terminating upon the date of the Participant's termination of employment, and for each such "current performance period" and each "completed performance period," as that term is defined in Section 17.3, it shall be assumed that the performance objectives have been attained at a level of one hundred percent (100%) or the equivalent thereof. If the Participant is participating in one or more "current performance periods," he or she shall be considered to have earned and, therefore, be entitled to receive that prorated portion of the Awards previously granted to him for each such performance period, as determined in accordance with the formula established in Section 17.3 hereof. A Participant in one or more "completed performance periods" shall be considered to have earned and, therefore, be entitled to receive all the performance shares and performance units previously granted to him during each performance period. Notwithstanding the foregoing, if a performance unit or share is subject to Section 409A and the treatment described by this Section 18.4 would violate Section 409A, then the treatment described in this Section 18.4 shall not apply to the extent such treatment would violate Section 409A unless (A) the Change In Control event also qualifies as a Section 409A Change in Control, and (B) the Participant's termination of employment qualifies as a "separation from service" for purposes of Section 409A, in which event the treatment described in this Section 18.4 shall further apply to such performance unit or share to the extent such treatment would not violate Section 409A. Payment of such performance units and performance shares, or portions thereof, shall be made as soon as practicable following the termination of employment, but in no event later than 90 days thereafter, unless the Participant at the time of his or her termination of employment is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Section 409A, in which event payment instead will be made as soon as practicable after the expiration of such period, but in no event later than 90 days thereafter.

18.5 Treatment of Awards under Performance Stock Program

If a Participant of the Performance Stock Program is eligible for treatment under this Article 18, he or she shall be paid, as soon as practicable but in no event later than 90 days after the date of his or her termination of employment (unless the Participant at the time of his or her termination of employment is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Section 409A, in which event payment instead will be made as soon as practicable after the expiration of such period, but in no event later than 90 days thereafter), a pro-rata Award for each Performance Cycle in which Participant was selected to participate and during which the Change in Ownership occurs. The amount of the pro-rata Award shall be determined by multiplying the Target Award for such Performance Cycle for Participants in the same wage grade as the Participant by a fraction, the numerator of which shall be the number of full months in the Performance Cycle prior to the date of his or her termination of employment and the denominator of which shall be the total number of full months in the Performance Cycle. For purposes of this calculation, a partial month shall be treated as a full month to the extent 15 or more days in such month have elapsed. To the extent Target Awards have not yet been established for the Performance Cycle, the Target Awards for the immediately preceding Performance Cycle shall be used. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 18.5 would violate Section 409A, then the treatment described in this Section 18.5 shall not apply to the extent such treatment would violate Section 409A unless (A) the Change In Ownership event also qualifies as a Section 409A Change in Control, and (B) the Participant's termination of employment qualifies as a "separation from service" for purposes of Section 409A, in which event the treatment described in this Section 18.4 shall further apply to such Award to the extent such treatment would not violate Section 409A.

18.6 Valuation of Awards

If a Participant is eligible for treatment under this Article 18, his or her Awards shall be valued and paid at the Change In Control Price in accordance with the provisions of Section 17.5.

18.7 Payment of Awards

If a Participant is eligible for treatment under this Article 18, he or she shall be paid, in a single lump-sum cash payment, as soon as practicable but in no event later than 90 days after the date of his or her termination of employment (unless the Participant at the time of his or her termination of employment is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Section 409A, in which event payment instead will be made as soon as practicable after the expiration of such period, but in no event later than 90 days thereafter), all of his or her Units of Common Stock, Freestanding SARs, stock options (including incentive stock options), Stock Awards (including those issued as Performance Awards under Article 7), performance units and shares (including those earned as a result of the application of Section 18.4 above), all other outstanding stock-based Awards (including those earned as a result of the application of Section 18.5 above and those granted by the Committee pursuant to its authority under Subsection 4.2(n) hereof), and all other outstanding Awards. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 18.7 would violate Section 409A, then the treatment described in this Section 18.7 shall not apply to the extent such treatment would violate Section 409A unless (A) the Change In Control event also qualifies as a Section 409A Change in Control, and (B) the Participant's termination of employment qualifies as a "separation from service" for purposes of Section 409A, in which event the treatment described in this Section 18.7 shall further apply to Award to the extent such treatment would not violate Section 409A.

18.8 Deferred Awards

If a Participant is eligible for treatment under this Article 18, all of his or her deferred Awards for which payment has not been received as of the date of his or her termination of employment shall be paid to the Participant in a single lump-sum cash payment as soon as practicable, but in no event later than 90 days after the date of the Participant's termination (unless the Participant at the time of his or her termination of employment is subject to the six-month waiting period following separation from service that Kodak requires for certain executive employees as a result of Section 409A, in which event payment instead will be made as soon as practicable after the expiration of such period, but in no event later than 90 days thereafter). For purposes of making such payment, the value of all Awards that are stock based shall be determined by the Change In Control Price. Notwithstanding the foregoing, if the Award is subject to Section 409A and the treatment described by this Section 18.8 would violate Section 409A, then the treatment described in this Section 18.8 shall not apply to the extent such treatment would violate Section 409A unless (A) the Change In Control event also qualifies as a Section 409A Change in Control, and (B) the Participant's termination of employment qualifies as a "separation from service" for purposes of Section 409A, in which event the treatment described in this Section 18.2 shall further apply to such Award to the extent such treatment would not violate Section 409A.

18.9 Miscellaneous

Upon a Change In Control, (i) the provisions of Sections 14.2, 14.3, 14.4 and 19.3 hereof shall become null and void and of no force and effect insofar as they apply to a Participant who has been terminated under the conditions described in Section 18.1 above; and (ii) no action, including, but not by way of limitation, the amendment, suspension or termination of the Plan, shall be taken which would affect the rights of any Participant or the operation of the Plan with respect to any Award to which the Participant may have become entitled hereunder on or prior to the date of the Change In Control or to which he or she may become entitled as a result of such Change In Control.

18.10 Legal Fees

Kodak shall pay all legal fees and related expenses incurred by a Participant in seeking to obtain or enforce any payment, benefit or right he or she may be entitled to under the Plan after a Change In Control; provided, however, the Participant shall be required to repay any such amounts to Kodak to the extent a court of competent jurisdiction issues a final and non-appealable order setting forth the determination that the position taken by the Participant was frivolous or advanced in bad faith. Any reimbursement by Kodak under this section shall be made in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance.

ARTICLE 19 -- MISCELLANEOUS

19.1 Nonassignability

(a). In General. Except as otherwise determined by the Committee or as otherwise provided in Subsection (b) below, no Awards or any other payment under the Plan shall be subject to any manner to alienation, anticipation, sale, transfer (except by will or the laws of descent and distribution), assignment, pledge, or encumbrance, nor shall any Award be payable to or exercisable by anyone other than the Participant to whom it was granted.

(b). Nonqualified Stock Options. The Committee shall have the discretionary authority to grant Awards of nonqualified stock options or amend outstanding Awards of nonqualified stock options to provide that they be transferable, subject to such terms and conditions as the Committee shall establish. In addition to any such terms and conditions, the following terms and conditions shall apply to all transfers of nonqualified stock options:

1. **Permissible Transferors**. The only Participants permitted to transfer their nonqualified stock options are those Participants who are, on the date of the transfer of their nonqualified stock option, either in wage grade 56 or above, or the equivalent thereof, a corporate officer of Kodak, or a Director.

2. **Permissible Transferees**. Transfers shall only be permitted to: (i) the Participant's "Immediate Family Members," as that term is defined in Subsection (b)(9) below; (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members; or (iii) a family partnership or family limited partnership in which each partner is, at the time of transfer and all times subsequent thereto, either an Immediate Family Member or a trust for the exclusive benefit of one or more Immediate Family Members.

3. **No Consideration**. All transfers shall be made for no consideration.

4. **Subsequent Transfers**. Once a Participant transfers a nonqualified stock option, any subsequent transfer of such transferred option shall, notwithstanding Section 19.1(b)(1) to the contrary, be permitted provided, however, such subsequent transfer complies with all of the terms and conditions of this Section 19.1, with the exception of Section 19.1(b)(1).

5. **Transfer Agent**. In order for a transfer to be effective, the Committee's designated transfer agent must be used to effectuate the transfer. The costs of such transfer agent shall be borne solely by the transferor.

6. **Withholding**. In order for a transfer to be effective, a Participant must agree in writing prior to the transfer on a form provided by Kodak to pay any and all payroll and withholding taxes due upon exercise of the transferred option. In addition, prior to the exercise of a transferred option by a transferee, arrangements must be made by the Participant with Kodak for the payment of all payroll and withholding taxes.

7. **Terms and Conditions of Transferred Option**. Upon transfer, a nonqualified stock option continues to be governed by and subject to the terms and conditions of the Plan and the option's applicable administrative guide and Award Notice. A transferee of a nonqualified stock option is entitled to the same rights as the Participant to whom such nonqualified stock options was awarded, as if no transfer had taken place. Accordingly, the rights of the transferee are subject to the terms and conditions of the original grant to the Participant, including provisions relating to expiration date, exercisability, option price and forfeiture.

8. **Notice to Transferees**. Kodak shall be under no obligation to provide a transferee with any notice regarding the transferred options held by the transferee upon forfeiture or any other circumstance.

9. **Immediate Family Member**. For purposes of this Section 19.1, the term "Immediate Family Member" shall mean the Participant and his or her spouse, children or grandchildren, whether natural, step or adopted children or grandchildren.

19.2 Withholding Taxes

The Company shall be entitled to deduct from any payment under the Plan, regardless of the form of such payment, the amount of all applicable income and employment taxes required by law to be withheld with respect to such payment or may require the Participant to pay to it such tax prior to and as a condition of the making of such payment. In accordance with any applicable administrative guidelines it establishes, the Committee may allow a Participant to pay the amount of taxes required by law to be withheld from an Award by withholding from any payment of Common Stock due as a result of such Award, or by permitting the Participant to deliver to the Company, shares of Common Stock having a fair market value, as determined by the Committee, equal to the amount of such required withholding taxes.

19.3 Amendments to Awards

The Committee may at any time unilaterally amend any unexercised, unearned, or unpaid Award, including, but not by way of limitation, Awards earned but not yet paid, to the extent it deems appropriate; provided, however, that (a) any such amendment which, in the opinion of the Committee, is adverse to the Participant shall require the Participant's consent, (b) no such amendment shall cause a violation of Section 409A.

19.4 Regulatory Approvals and Listings

Notwithstanding anything contained in this Plan to the contrary, the Company shall have no obligation to issue or deliver certificates of Common Stock evidencing Stock Awards or any other Award resulting in the payment of Common Stock prior to (i) the obtaining of any approval from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable, (ii) the admission of such shares to listing on the stock exchange on which the Common Stock may be listed, and (iii) the completion of any registration or other qualification of said shares under any state or Federal law or ruling of any governmental body which the Company shall, in its sole discretion, determine to be necessary or advisable.

19.5 No Right to Continued Employment or Grants

Participation in the Plan shall not give any Employee any right to remain in the employ of Kodak or any Subsidiary. Kodak or, in the case of employment with a Subsidiary, the Subsidiary, reserves the right to terminate any Employee at any time. Further, the adoption of this Plan shall not be deemed to give any Employee or any other individual any right to be selected as a Participant or to be granted an Award. In addition, no Employee having been selected for an Award, shall have at any time the right to receive any additional Awards.

19.6. Amendment/Termination

The Committee may suspend or terminate the Plan at any time for any reason with or without prior notice. In addition, the Committee may, from time to time for any reason and with or without prior notice, amend the Plan in any manner, but may not (a) without shareholder approval adopt any amendment which would require the vote of the shareholders of Kodak pursuant to Section 162(m) of the Code, but only insofar as such amendment affects Covered Employees, or (b) adopt any amendment to the Plan which would cause any Award outstanding under the Plan at the time of the amendment to violate Section 409A.

Notwithstanding anything herein to the contrary, if any provision of this Plan would, in the opinion of the Committee, cause any business combination approved by the Board to be ineligible for pooling-of-interests accounting treatment, the Committee may amend such provision in a manner to make such treatment available.

19.7 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the State of New York, except as superseded by applicable Federal Law, without giving effect to its conflicts of law provisions.

19.8 No Right, Title, or Interest in Company Assets

No Participant shall have any rights as a shareholder as a result of participation in the Plan until the date of issuance of a stock certificate in his or her name, and, in the case of restricted shares of Common Stock, such rights are granted to the Participant under the Plan. To the extent any person acquires a right to receive payments from the Company under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company and the Participant shall not have any rights in or against any specific assets of the Company. All of the Awards granted under the Plan shall be unfunded.

19.9 Section 16 of the Exchange Act

In order to avoid any Exchange Act violations, the Committee may, from time to time, impose additional restrictions upon an Award, including but not limited to, restrictions regarding tax withholdings and restrictions regarding the Participant’s ability to exercise Awards under the Company’s broker-assisted stock option exercise program.

19.10 No Guarantee of Tax Consequences

No person connected with the Plan in any capacity, including, but not limited to, Kodak and its Subsidiaries and their directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, Federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts deferred under the Plan, or paid to or for the benefit of a Participant under the Plan, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

19.11 Compliance with Section 162(m)

If any provision of the Plan, other than the application of those contained in Articles 17 or 18 hereof, would cause the Awards granted to a Covered Person not to qualify as ”Performance-Based Compensation” under Section 162(m) of the Code, that provision, insofar as it pertains to the Covered Person, shall be severed from, and shall be deemed not to be a part of, this Plan, but the other provisions hereof shall remain in full force and effect.

19.12 Other Benefits

No Award granted under the Plan shall be considered compensation for purposes of computing benefits under any retirement plan of the Company nor affect any benefits or compensation under any other benefit or compensation plan of the Company now or subsequently in effect.

19.13 Section 409A

The Plan and the Awards granted thereunder are intended to be exempt from or comply with the requirements of Section 409A, and the Plan, and Award Notices and administrative guides issued thereunder, shall be administered and interpreted consistent with such intention. In addition, the Plan, Award Notices and administrative guides will be interpreted and administered in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance with respect to benefits subject to Section 409A.

As amended 01-01-2009

Exhibit (10.19)

Eastman Kodak Company

Administrative Guide for the 2004-2005 Performance Cycle of the Leadership Stock Program under Article 12 of the 2000 OMNIBUS LONG-TERM COMPENSATION PLAN

As Amended Effective January 1, 2009

Eastman Kodak Company

Administrative Guide for the 2004-2005 Performance Cycle
Of the Leadership Stock Program
Under Article 12 of the
2000 Omnibus Long-Term Compensation Plan

ARTICLE 1. INTRODUCTION

1.1 Background

Under Article 12 of the 2000 Omnibus Long-Term Compensation Plan (the "**Plan**"), the Executive Compensation and Development Committee of Kodak's Board of Directors (the "**Committee**") may, among other things, award the opportunity to earn shares of Common Stock to those executives as the Committee in its discretion may determine, subject to such terms, conditions and restrictions as it deems appropriate. This Administrative Guide was originally adopted by the Committee at its February 17, 2004 meeting, and was amended and restated by the Committee at its October 17, 2006 meeting, effective October 17, 2006, except that any changes related to the definitions of, and references to Fair Market Value and Market Value shall be effective January 1, 2006.

1.2 Purpose

This Administrative Guide governs the Committee's grant of Awards under Article 12 of the Plan pursuant to a subprogram that is hereinafter referred to as the "Leadership Stock Program," to be effective as of January 1, 2004, by which the Committee will award the opportunity to earn shares of Common Stock for the Cycle to (a) all executives employed by Kodak world-wide in wage grades 48 through 55, and (b) certain designated senior-level executives employed by Kodak Subsidiaries, with the objectives of improving the relationship between controllable performance and realized compensation and enhancing the focus on long-term operating goals. It is expected that improvement in these areas will have a corollary effect upon the price of the Common Stock.

In addition, this Administrative Guide is intended to establish those requirements necessary to ensure that the Cycle's Awards will be treated as performance-based compensation for the purposes of Section 162(m) of the Code. These requirements include establishment of the Cycle's

Performance Criteria, Performance Goal and Performance Formula.

1.3 Administration

The Leadership Stock Program shall be administered by the Committee. The Committee is authorized to issue this Administrative Guide and to make changes in this Administrative Guide as it from time to time deems proper. The Committee is authorized to interpret and construe the Leadership Stock Program and this Administrative Guide, to prescribe, amend, and rescind rules and regulations relating to each, and to make all other determinations necessary, appropriate or advisable for the administration of the Leadership Stock Program. If there are any inconsistencies between the terms of this Administrative Guide and the terms of the Plan, the terms of the Plan will control. Any determination by the Committee in carrying out, administering or construing the Leadership Stock Program will be final and binding for all purposes and upon all interested persons and their heirs, successors and personal representatives. The Committee is authorized to suspend or terminate the Leadership Stock Program, at any time, for any reason, with or without prior notice.

As amended 01-01-2009

ARTICLE 2. DEFINITIONS

Any defined term used in this Administrative Guide, other than those set forth in this Article 2 or defined within another Article of this Administrative Guide, will have the same meaning for purposes of this document as that ascribed to it under the terms of the Plan.

2.1 Approved Reason

"Approved Reason" means, with regards to all Participants other than a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, a reason for terminating employment which, in the opinion of the CEO, is in the best interests of the Company. With regards to a Participant who is subject to Section 16 of the Exchange Act or is a Covered Employee, "Approved Reason" means a reason for terminating employment which, in the opinion of the Committee, is in the best interest of the Company.

2.2 Award Payment Date

"Award Payment Date" is the date payment of an Award in the form of shares of Common Stock is credited to the Participant's account with Kodak's transfer agent pursuant to Section 9.3 because the Participant has not elected to defer the payment of his or her Award.

2.3 Cycle

"Cycle" or "Performance Cycle" means the two year period commencing on January 1, 2004 and ending December 31, 2005.

2.4 Enrollment Period

"Enrollment Period" means the single period of consecutive days, designated by the Committee, provided, however, such period shall end on or before March 30 of the first year in the Cycle.

2.5 EPS

"Earnings per Share" or "EPS" means operational earnings per share determined in accordance with generally accepted accounting principles consistently applied, adjusted for the impact thereon of any acquisitions or divestitures and excluding restructuring charges or any other one time charges, as finally determined by the Company's independent public accountants.

As amended 01-01-2009

2.6 Fair Market Value

"Fair Market Value" means the mean of the high and low sales prices of a share of Common Stock on a particular date on the New York Stock Exchange. In the event that the Common Stock is not traded on the New York Stock Exchange on the relevant date, the Fair Market Value will be determined on the next preceding day on which the Common Stock was traded.

2.7 Interest Rate

Intentionally Omitted

2.8 Joint Venture

"Joint Venture" means a corporation or other business entity in which the Company has an ownership interest of fifty percent (50%).

2.9 Market Value

Intentionally Omitted

2.10 Participant Account

"Participant Account" means the account established by the Company for each Participant who is granted an Award under the Leadership Stock Program to record and account for the grant of the Award and any dividend equivalents that are to be credited to the Account pursuant to Articles 10 or 11, until such time as the balance in the Account is paid, canceled, forfeited or terminated, as the case may be.

2.11 Performance Criteria

"Performance Criteria" means, with respect to the Leadership Stock Program, the criteria of Earnings per Share that will be used to establish the Performance Goal for the Performance Cycle, as described in Article 6.

2.12 Performance Cycle

"Performance Cycle" has the meaning specified in Section 2.3.

As amended 01-01-2009

2.13 Performance Goal

"Performance Goal" means, with respect to the Performance Cycle of the Leadership Stock Program, the goal based upon the Performance Criteria and established by the Committee, as more particularly described in Article 6.

2.14 Target Award

"Target Award" means, for the Performance Cycle of the Leadership Stock Program, the target award amount, expressed as a number of shares of Common Stock, allocated to a Participant prior to the start of the Performance Cycle pursuant to Section 5.2.

2.15 Target Award Range

"Target Award Range" has the meaning, for the Performance Cycle of the Leadership Stock Program, set forth in Section 5.1.

2.16 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the amount of an Award granted to a Participant and any dividend equivalents that are to be credited to the Participant's Account pursuant to Articles 10 or 11, even though such Award and dividend equivalents have not yet been earned, until such time as the balance in the Account is paid, canceled, forfeited, or terminated, as the case may be. Units are expressed in terms of one Unit being the equivalent of one share of Common Stock.

2.17 Valuation Date

"Valuation Date" means the date on which Awards under the Plan are paid or restrictions with respect to Awards under the plan lapse, as applicable for purposes of the relevant valuation. If the applicable date in the preceding sentence is not a business day, then the business day immediately prior to such date shall be used.

2.18 Vesting Date

"Vesting Date" shall mean the date that is one (1) year following the end of the Performance Cycle, except that the Vesting Date may be an earlier date with respect to any particular Participant under the circumstances described in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason) and 8.4 (Divestiture to an Unrelated Third Party) below.

As amended 01-01-2009

ARTICLE 3. PARTICIPATION

3.1 In General

The executives who are eligible to participate in this Cycle of the Leadership Stock Program are those executives who, as of the first day of the Cycle, are either employed by Kodak world-wide in wage grades 48 through 55, or are senior-level executives employed by Kodak Subsidiaries. The CEO will make recommendations for participation for this Cycle of the Leadership Stock Program from among those eligible executives. Participants for this Cycle of the Leadership Stock Program will be designated by the Committee from those recommended by the CEO. A schedule of such Participants is maintained by Kodak's Worldwide Total Compensation Group.

3.2 New Participants

No person may become eligible to participate in this Cycle of the Leadership Stock Program after the first day of the Cycle, whether as a result of a job change or otherwise.

3.3 Termination of Participation

A Participant's participation in this Cycle of the Leadership Stock Program is subject to immediate termination upon the Participant's termination of employment from the Company. In the case of the Participant's termination of employment on or before the Vesting Date, the Participant will no longer be eligible to receive an Award for the Cycle and consequently, will forfeit any and all rights to receive payment on account of an Award for the Cycle, except as specified in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason), Section 8.3 (Divestiture to a Joint Venture) and 8.4 (Divestiture to an Unrelated Third Party).

ARTICLE 4. FORM OF AWARDS

4.1 Form of Awards

Awards granted under the Leadership Stock Program provide Participants with the opportunity to earn shares of Common Stock, subject to the terms and conditions contained in this Administrative Guide and the Plan. Each Award granted under the Leadership Stock Program shall be expressed as a fixed number of Units that will be equivalent to an equal number of shares of Common Stock. The fixed number of Units that are allocated to a Participant by the Committee prior to the start of the Performance Cycle is referred to herein and in the Plan as the Target Award.

4.2 Participant Account

The Company will establish a Participant Account for each Participant who is granted an Award.

4.3 Participant's Account Unfunded

The maintenance of individual Participant Accounts is for bookkeeping purposes only; the Units recorded in the account are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Participant Account. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account. As more specifically described in Article 11, until the Committee has certified the Award earned by a Participant pursuant to the procedure referred to in Article 7 of this Guide, no additional Units will be credited for dividends that may be paid on the Company's Common Stock.

As amended 01-01-2009

ARTICLE 5. AWARD ALLOCATION

5.1 Target Award Range

The attached Exhibit "A" shows by wage grade the range of the number of Units that an eligible executive could be allocated with respect to the Performance Cycle (the "**Target Award Range**"). Exhibit "A" also shows the midpoint for the Target Award Range for each wage grade.

5.2 Establishing the Target Award

No later than the first day of the Cycle, each Participant's unit management will review the Participant's most recent GOLD relative leadership assessment and, based upon that assessment, recommend the fixed percentage (from 0% – 150%) to be applied to the midpoint of the Target Award Range applicable to that Participant to determine the fixed number of Units that will be allocated to that Participant.

The unit management's recommendation will be made to the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the recommendation is to be made to the Committee.

Prior to the first day of the Cycle, the fixed number of Units that are allocated to a Participant will be established by the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the fixed number of Units that are allocated to a Participant will be established by the Committee.

The fixed number of Units that are allocated to a Participant prior to the start of the Performance Cycle is referred to herein and in the Plan as the "**Target Award**."

As amended 01-01-2009

ARTICLE 6. ESTABLISING PERFORMANCE FACTORS

6.1 Performance Criteria

The Committee has selected Earnings per Share as the "**Performance Criteria**" for purposes of establishing the Performance Goal for the Performance Cycle.

6.2 Performance Goal

No later than its regularly scheduled meeting for the month of February in the first year of the Performance Cycle, the Committee shall establish the target amount of Earnings per Share for each of the two calendar years of the Performance Cycle that, when aggregated, will serve as the "**Performance Goal**" for purposes of assessing the Company's performance during the entire Performance Cycle.

The Committee will also establish the minimum aggregate amount of Earnings per Share for the two calendar years of the Performance Cycle (the "**Minimum Performance Goal"**) that will serve as the minimum actual Earnings per Share for the entire Performance Cycle that will be necessary in order for any amount of an Award to be considered to have been earned by the Participants for the Performance Cycle.

The Committee will cause the Performance Goal and the Minimum Performance Goal to be documented in an Exhibit "B" to this Administrative Guide.

6.3 Performance Formula

The "**Performance Formula**," which will determine the amount of an Award that will be considered to have been earned by a Participant, is as follows:

Award Earned = Target Award x Applicable Award Percentage

The Company's actual Earnings per Share for the entire Performance Cycle in relation to the Performance Goal shall be used to determine the Applicable Award Percentage.

No later than its regularly scheduled meeting for the month of February in the first year of the Performance Cycle, the Committee shall establish the specific formula by which the Applicable Award Percentage will be determined.

As amended 01-01-2009

For example, a table such as the following may be used to determine the Applicable Award Percentage:

As an example only:

EPS Performance as a % of EPS Performance Goal	Applicable Award Percentage
If < 80%	0%
If 80% (the Minimum Performance Goal)	80%
If >80% but <100%	pro-rata
If 100% (the Performance Goal)	100%
If >100% but <200%	pro-rata
If $200%	200%

The Committee will cause the Performance Formula that is to be used to establish the Applicable Award Percentage to be documented in an Exhibit "C" to this Administrative Guide.

As amended 01-01-2009

ARTICLE 7. DETERMINATION OF EARNED AWARDS

7.1 Certification

Following the completion of the Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goal for the Performance Cycle has been achieved. If the Committee certifies that the Minimum Performance Goal has been achieved, it shall, based upon application of the Performance Formula to the Performance Goal for this Cycle, also calculate and certify in writing the Applicable Award Percentage. The Committee shall then determine and certify the actual amount of each Participant's Award that has been earned for the Performance Cycle, with any fractional shares being rounded up to a whole share.

7.2 Negative Discretion

Notwithstanding any provision contained herein to the contrary, in determining the actual amount of an individual Award to be deemed earned for the Cycle, the Committee may, through the use of Negative Discretion, reduce or eliminate the amount of the Award that would otherwise be earned by application of the Performance Formula, if, in its sole judgment, such reduction or elimination is appropriate.

As amended 01-01-2009

ARTICLE 8. PRECONDITIONS TO RECEIPT OF AN EARNED AWARD

8.1 Continuous Employment Until Payment

A Participant must remain continuously employed with the Company (in any wage grade) at all times from the first day of the Cycle through the Vesting Date in order to remain eligible for an Award. If a Participant's employment with the Company ceases during this period for any reason, the Participant will forfeit the entire number of Units that have been allocated to him or her for the Cycle (including any Units that are earned but not vested) and any dividend equivalents that have been credited to the Account pursuant to Article 11 hereof. The limited exceptions to the requirements of this Section 8.1 are specified in Sections 8.2, 8.3 and 8.4 below.

8.2 Death, Disability, Retirement, or Termination for an Approved Reason before the Vesting Date

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases for an Approved Reason or as a result of his or her death, Disability or Retirement, and if such Participant had been employed with the Company for the entire first year of the two years in the Performance Cycle, such Participant shall be entitled to receive a pro-rata Award calculated according to the formula set forth in Section 8.5 below.

In the event a Participant's employment with the Company ceases at any time during the first of the two years in the Performance Cycle (whether for an Approved Reason or as a result of his or her death, Disability or Retirement), the Participant will no longer be eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

For purposes of Section 9.1, the Vesting Date of a Participant entitled to receive a pro-rata Award pursuant to Section 8.2 shall be deemed to be the date the Committee has certified the Company's performance for the entire Performance Cycle as provided in Section 7.1.

As amended 01-01-2009

8.3 Divestiture to a Kodak Joint Venture

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, such Participant will be entitled to receive a pro-rata Award, calculated according to the formula set forth in Section 8.5 below, provided that (a) his or her employment with the Company ceases after the first of the two years in the Performance Cycle, and (b) such Participant is employed by either the Company or such Joint Venture at all times from the first day of the Cycle through the Vesting Date.

If either of the conditions (a) or (b) set forth in the prior paragraph are not met, a Participant whose employment with the Company ceases at any time prior to the Vesting Date as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

8.4 Divestiture to an Unrelated Third Party

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, such Participant will be entitled to receive a pro-rata Award, calculated according to the formula set forth in Section 8.5 below, provided that his or her employment with the Company ceases after the first of the two years in the Performance Cycle.

A Participant whose employment with the Company ceases at any time during the first of the two years in the Performance Cycle as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

For purposes of Section 9.1, the Vesting Date of a Participant entitled to receive a pro-rata Award pursuant to Section 8.4 shall be deemed to be the date the Committee has certified the Company's performance for the entire Performance Cycle as provided in Section 7.1.

8.5 Pro-rata Award

The pro-rata Award to which a Participant may become entitled pursuant to the provisions of Sections 8.2, 8.3 or 8.4 shall be determined by applying a percentage to the amount of the Award that the Committee certifies according to Section 7.2 as the amount that would have been earned by the Participant after application of the Performance Formula for the entire Performance Cycle. The percentage to be applied shall be determined by dividing the number of full months in the Performance Cycle prior to the Participant's cessation of employment with the Company by the total number of full months in the Performance Cycle. For purposes of this calculation, a partial month shall be treated as a full month to the extent of 15 or more days in such month have elapsed.

As amended 01-01-2009

ARTICLE 9. PAYMENT OF AWARDS

9.1 Timing of Award Payments

Awards that have been earned for this Cycle and any dividend equivalents that are credited to the Account pursuant to Article 11 shall be paid as soon as is administratively practicable after the Vesting Date by the procedure described in Section 9.3

9.2 Form of Payment of Awards

Awards for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 11 shall be paid in the form of shares of Common Stock in accordance with the procedure described in Section 9.3, subject to the terms, restrictions and conditions of the Plan and those set forth in this Administrative Guide.

9.3 Issuance of Shares of Common Stock

On the Award Payment Date, Kodak will, unless a valid deferral election has been made by the Participant pursuant to Article 10 of this Administrative Guide, subtract from a Participant's account the number of Units that are withheld for taxes under Section 12.6 below, and then, with respect to the remaining Units, promptly instruct its transfer agent to reflect, in an account of the Participant on the books of the transfer agent, the shares of Common Stock that are to be delivered to the Participant. Upon the Participant's request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares of Common Stock held in that account of the Participant.

9.4 Non-Assignable

No Awards or any other payment under the Leadership Stock Program shall be subject in any manner to alienation, sale, transfer (except by will of the laws of descent and distribution), assignment, pledge or encumbrance, nor shall any Award by payable to any one other than the Participant to whom it was granted.

ARTICLE 10. DEFERRAL OF AWARDS

10.1 Election to Defer Awards

Pursuant to the provisions of this Article 10, a Participant may irrevocably elect to defer receipt of all (but not less than all) of the Award earned by the Participant for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 11. However, the filing of such an election by a Participant shall not in any manner entitle the Participant to receive payment of an Award for the Cycle. The determination as to whether or not such Participant becomes entitled to payment of an Award for the Cycle will be decided solely in accordance with the terms of this Administrative Guide and the Plan.

10.2 Time of Election

A Participant who wishes to defer an Award, or a portion thereof, must elect to do so during the Enrollment Period by following the procedure described in Section 10.3 below.

10.3 Manner of Electing Deferral

A Participant may irrevocably elect to defer all (but not less than all) of the Award to which the Participant may become entitled for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 11 by executing and returning the election form provided by the Company to the person or department designated by the Company during the Enrollment Period. The Participant may elect to receive payment of the deferred Award in either a single sum or in ten (10) annual installments, payable in each case following the termination of the Participant's employment with the Company. Notwithstanding the Participant's election to receive payment of the deferred Award in installments, if at any time following the termination of the Participant's employment with the Company, the value of the Participant's Account is less than $10,000, the Company may pay the entire balance of any amount due to the Participant under the Leadership Stock Program in a lump sum.

10.4 Procedure of Accounting for Award Deferrals

In the event a Participant who has made an irrevocable election to defer an Award in accordance with the procedure described in Section 10.3, would otherwise be entitled to be paid an Award, the Award deferred by a Participant will, in lieu of being paid to the Participant in the form of shares of Common Stock, remain credited to the Participant's Account in the form of an equal number of Units.

As amended 01-01-2009

10.5 Dividend Equivalents

In the case of a Participant who has earned an Award for this Cycle, the payment of which has been deferred by the Participant in accordance with the procedure described in Section 10.3, the provisions of Sections 10.6, 10.7 and 10.8 will apply on and after the Vesting Date.

10.6 Stock Dividends

Effective as of the payment date for each stock dividend (as defined in Section 305 of the Code) on the Common Stock, additional Units will be credited to the Account of a Participant described in Section 10.5. The number of Units that shall be credited to the Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of Common Stock equal to the number of Units credited to the Participant's Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares, for such stock dividend, then his or her Account shall also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.7 Cash Dividends

Effective as of the payment date for each cash dividend on the Common Stock, additional Units shall be credited to the Account of a Participant described in Section 10.5. The number of Units that shall be credited to the Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units held in the Participant's Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.8 Reorganization

If the Company undergoes a reorganization (as defined in Section 368(a) of the Code) after the Vesting Date of a Participant described in Section 10.5, the Committee may, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Account of such a Participant in order to reflect such transaction, including, but not limited to, adjusting the number of Units credited to such a Participant's Account.

As amended 01-01-2009

10.9 Termination of Employment After Deferral

The balance in a Participant's Account following the Vesting Date of the Participant, the payment of which has been deferred by the Participant, shall remain in the Participant's Account until the Participant's employment with the Company is terminated.

(i) **Death.** If such Participant's employment is terminated due to his or her death, payment of the deceased Participant's Account shall be made in accordance with the provisions of Section 10.11.

(ii) **Termination of Employment for Other Than Death**. If such Participant's employment is terminated for any reason other than death, his or her Account shall be distributed in accordance with the provisions of Section 10.10.

10.10 Payment of Accounts

No withdrawal shall be permitted after the Vesting Date from a Participant's Account, the payment of which has been deferred by the Participant, except as provided in this Section 10.10, Sections 10.11 and 10.12 and Plan Articles 17 and 18.

(i) **Manner of Payment**. Payment of such Participant's Account shall be made in accordance with the election made by the Participant pursuant to Section 10.3.

(ii) **Form of Payment**. Payment from such Participant's Account shall, at the sole and absolute discretion of the Committee, be made in cash or Common Stock, or a combination thereof. Payment in Common Stock shall be made by the Company subtracting from a Participant's account the number of Units that are withheld for taxes under Section 12.6 below, and then, with respect to the remaining Units, instructing its transfer agent to reflect, in an account of the Participant on the books of the transfer agent, the shares of Common Stock that are to be delivered to the Participant. Upon the Participant's request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares of Common Stock held in that account of the Participant.

(iii) **Timing of Payment**. Payment of the deferred Award (or in the applicable case, the first installment thereof) is to be made on the fifth business day in March following the Participant's termination of employment and payment of any subsequent installment due to the Participant shall be made on the fifth business day in each succeeding March.

As amended 01-01-2009

(iv) **Valuation**. If payment of such a Participant's Account is to be paid in installments, the amount of each payment shall be equal to the Fair Market Value, as of the immediately preceding Valuation Date, of the Participant's Account, divided by the number of installments remaining to be paid.

10.11 Payment after Death

If a Participant dies after the Vesting Date but prior to complete payment of his or her Account, the payment of which has been deferred by the Participant, the provisions of this Section 10.11 shall become operative. The balance of such Participant's Account shall be paid in the form of shares of Common Stock, with payment to the deceased Participant's estate within 30 days after appointment of a legal representative of the deceased Participant. In any event, payment will be made no later than the end of the taxable year of death (or, if later, the fifteenth day of the third month following the date of death).

Upon payment, Kodak will subtract from the Participant's account the number of Units that are withheld for taxes under Section 12.6 below, and then, with respect to the remaining Units, promptly instruct its transfer agent to reflect, in an account on the books of the transfer agent, the shares of Common Stock that are to be delivered. Upon request, the transfer agent will deliver a stock certificate for the remaining number of shares of Common Stock held in that account.

10.12 Hardship

Upon written approval from the Committee, a Participant, whether or not he or she is still employed by the Company, may be permitted to receive all or part of the balance in his or her Participant Account, the payment of which has been deferred by the Participant, if the Committee, in its sole and absolute discretion, determines that an emergency event beyond the Participant's control exits which would cause such Participant severe financial hardship if the payment of his or her deferred Award were not approved. A distribution shall be permitted only to the extent that the emergency event constitutes an “unforeseeable emergency” within the meaning of Section 409A of the Internal Revenue Code (the “Code”) and the treasury regulations and other official guidance issued thereunder (collectively, “Section 409A”). An “unforeseeable emergency” is a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s beneficiary or the Participant’s dependent(s) (as defined in Code Section 152 without regard to

Sections 152(b)(1), (b)(2) and (d)(1)(B)) or loss of the Participant’s property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant (as contemplated by Code Section 409A). Any such distribution for hardship shall be limited to the amount needed to meet such emergency.

10.13 Withholding

The Company will subtract from any payment to the Participant an amount that is withheld for taxes under Section 12.6 below.

10.14 Statement of Account

Statements will be sent no less frequently than annually after the Vesting Date to each Participant showing the value of the Participant's Account, the payment of which has been deferred by the Participant.

10.15 No Deferral Prohibited by Law

No Participant shall be permitted to defer receipt of the Award granted to him or her for this Cycle where such deferral is either impractical under or prohibited by any applicable governmental law, regulation, rule or administrative action.

As amended 01-01-2009

ARTICLE 11. DIVIDEND EQUIVALENTS

11.1 Dividend Equivalents

In the event of the payment of any cash dividend on the Common Stock or any stock dividend (as defined in Section 305 of the Code) on the Common Stock with a record date occurring during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, a Participant's Account shall be credited with additional Units.

The amount of such additional Units to be credited to each Participant who has earned an Award for this Cycle is as set forth in Section 11.2 and Section 11.3. Any such additional Units will be credited as of the payment date for each such dividend.

11.2 Stock Dividends

The number of Units that shall be credited to the Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of the Common Stock equal to the number of Units credited to the Participant's Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares, for such stock dividend, then his or her Account shall also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend.

11.3 Cash Dividends

The number of Units that shall be credited to the Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units credited to the Participant's Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend.

As amended 01-01-2009

11.4 Reorganization

If the Company undergoes a reorganization (as defined in Section 368(a) of the Code) during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, the Committee may, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Account of each Participant that has earned an Award in order to reflect such transaction, including, but not limited to, adjusting the number of Units credited to each such Participant's Account.

As amended 01-01-2009

ARTICLE 12. MISCELLANEOUS

12.1 Compliance with Laws

The obligations of the Company to issue Common Stock awarded pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933 and the Exchange Act and all rules promulgated thereunder.

12.2 Termination/Amendment

The Committee may suspend or terminate the Leadership Stock Program in whole or in part at any time, provided, however, no such suspension or termination shall cause a violation of Section 409A. In addition, the Committee may, at any time and from time to time, amend this Administrative Guide in any manner, provided, however, no such amendment shall cause a violation of Section 409A.

12.3 Section 162(m) of the Code

If any provision of this Administrative Guide would cause the Awards granted to a Covered Person not to constitute “qualified performance-based compensation” under Section 162(m) of the Code, that provision, in so far as it pertains to the Covered Person, shall be severed from, and shall be deemed not to be a part of, this Administrative Guide, but the other provisions hereof shall remain in full force and effect. Further, if this Administrative Guide fails to contain any provision required under Section 162(m) in order to make the Awards granted hereunder to a Covered Employee be “qualified performance-based compensation,” then this Administrative Guide shall be deemed to incorporate such provision, effective as of the date of this Administrative Guide’s adoption by the Committee.

12.4 Participant’s Rights Unsecured

The amounts payable under this Administrative Guide shall be unfunded, and the right of any Participant or his or her estate to receive payment under this Administrative Guide shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

As amended 01-01-2009

12.5 No Guarantee of Tax Consequences

No person connected with the Leadership Stock Program or this Administrative Guide in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts deferred under the Leadership Stock Program, or paid to or for the benefit of a Participant or Beneficiary under the Leadership Stock Program, or that such tax treatment will apply to or be available to a Participant or Beneficiary on account of participation in the Leadership Stock Program.

12.6 Tax Withholding

Kodak will pay the taxes required to be withheld with respect to an Award under the Leadership Stock Program by reducing a portion of the Units otherwise due the Participant as a result of an Award. The portion of the Units withheld will equal in amount the taxes required to be withheld. The Units which are so withheld will be valued at the Fair Market Value of the Common Stock on the date of the payment of the Award.

12.7 Section 409A Compliance

The Awards deferred pursuant to Article 10 of this Administrative Guide are intended to comply with Section 409A, and this Administrative Guide shall be interpreted and administered consistent with such intention, and in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance.

As amended 01-01-2009

EXHIBIT A - TARGET AWARD RANGE (SECTION 5.2) (INCLUDED WITH ORIGINAL)

EXHIBIT B - PERFORMANCE GOAL (SECTION 6.2) (INCLUDED WITH ORIGINAL)

EXHIBIT C - PERFORMANCE FORMULA (SECTION 6.3) (INCLUDED WITH ORIGINAL)

As amended 01-01-2009

EXHIBIT (10.20)

EASTMAN KODAK COMPANY

**Administrative Guide for the 2004-2005 Performance Cycle
of the Leadership Stock Program
under Section 13 (Performance Stock Program) of the
2000 OMNIBUS LONG-TERM COMPENSATION PLAN**

As Amended Effective January 1, 2009

EASTMAN KODAK COMPANY

Administrative Guide for the 2004-2005 Performance Cycle of the Leadership Stock Program under Section 13 (Performance Stock Program) of the 2000 Omnibus Long-Term Compensation Plan

ARTICLE 1. INTRODUCTION

1.1 Background

Under Section 13 (Performance Stock Program) of the 2000 Omnibus Long-Term Compensation Plan (the "**Plan**"), the Executive Compensation and Development Committee of Kodak's Board of Directors (the "**Committee**") may, among other things, award the opportunity to earn shares of Common Stock to those Key Employees as the Committee in its discretion may determine, subject to such terms, conditions and restrictions as it deems appropriate. This Administrative Guide was originally adopted by the Committee at its February 17, 2004 meeting, and was amended and restated by the Committee at its October 17, 2006 meeting, effective October 17, 2006, except that any changes related to the definitions of, and references to Fair Market Value and Market Value shall be effective January 1, 2006.

1.2 Purpose

This Administrative Guide governs the Committee's grant of Awards under the Performance Stock Program pursuant to a subprogram that is hereinafter referred to as the "Leadership Stock Program," to be effective as of January 1, 2004, by which the Committee will award the opportunity to earn shares of Common Stock for the Cycle to (a) all executives employed by Kodak world-wide in wage grades 56 and higher, and (b) certain designated senior-level executives employed by Kodak Subsidiaries, with the objectives of improving the relationship between controllable performance and realized compensation and enhancing the focus on long-term operating goals. It is expected that improvement in these areas will have a corollary effect upon the price of the Common Stock.

In addition, this Administrative Guide is intended to establish those requirements necessary to ensure that the Cycle's Awards will be treated as performance-based compensation for the purposes of Section 162(m) of the Code. These requirements include establishment of the Cycle's Performance Criteria, Performance Goal and Performance Formula.

1.3 Administration

The Leadership Stock Program shall be administered by the Committee. The Committee is authorized to issue this Administrative Guide and to make changes in this Administrative Guide as it from time to time deems proper. The Committee is authorized to interpret and construe the Leadership Stock Program and this Administrative Guide, to prescribe, amend, and rescind rules and regulations relating to each, and to make all other determinations necessary, appropriate or advisable for the administration of the Leadership Stock Program. If there are any inconsistencies between the terms of this Administrative Guide and the terms of the Plan, the terms of the Plan will control. Any determination by the Committee in carrying out, administering or construing the Leadership Stock Program will be final and binding for all purposes and upon all interested persons and their heirs, successors and personal representatives. The Committee is authorized to suspend or terminate the Leadership Stock Program, at any time, for any reason, with or without prior notice.

ARTICLE 2. DEFINITIONS

Any defined term used in this Administrative Guide, other than those set forth in this Article 2 or defined within another Article of this Administrative Guide, will have the same meaning for purposes of this document as that ascribed to it under the terms of the Plan.

2.1 Approved Reason

"Approved Reason" means, with regards to all Participants other than a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, a reason for terminating employment which, in the opinion of the CEO, is in the best interests of the Company. With regards to a Participant who is subject to Section 16 of the Exchange Act or is a Covered Employee, "Approved Reason" means a reason for terminating employment which, in the opinion of the Committee, is in the best interest of the Company.

2.2 Award Payment Date

"Award Payment Date" is the date payment of an Award in the form of shares of Common Stock is credited to the Participant's account with Kodak's transfer agent pursuant to Section 9.3 because the Participant has not elected to defer the payment of his or her Award.

2.3 Cycle

"Cycle" or "Performance Cycle" means the two year period commencing on January 1, 2004 and ending December 31, 2005.

2.4 Enrollment Period

"Enrollment Period" means the single period of consecutive days, designated by the Committee, provided, however, such period shall end on or before March 30 of the first year in the Cycle.

2.5 EPS

"Earnings per Share" or "EPS" means operational earnings per share determined in accordance with generally accepted accounting principles consistently applied, adjusted for the impact thereon of any acquisitions or divestitures and excluding restructuring charges or any other one time charges, as finally determined by the Company's independent public accountants.

2.6 Fair Market Value

"Fair Market Value" means the mean of the high and low sales prices of a share of Common Stock on a particular date on the New York Stock Exchange. In the event that the Common Stock is not traded on the New York Stock Exchange on the relevant date, the Fair Market Value will be determined on the next preceding day on which the Common Stock was traded.

2.7 Interest Rate

Intentionally Omitted

2.8 Joint Venture

"Joint Venture" means a corporation or other business entity in which the Company has an ownership interest of fifty percent (50%).

2.9 Market Value

Intentionally Omitted

2.10 Participant Account

"Participant Account" means the account established by the Company for each Participant who is granted an Award under the Leadership Stock Program to record and account for the grant of the Award and any dividend equivalents that are to be credited to the Account pursuant to Articles 10 or 11, until such time as the balance in the Account is paid, canceled, forfeited or terminated, as the case may be.

2.11 Performance Criteria

"Performance Criteria" means, with respect to the Leadership Stock Program, the criteria of Earnings per Share that will be used to establish the Performance Goal for the Performance Cycle, as described in Article 6.

2.12 Performance Cycle

"Performance Cycle" has the meaning specified in Section 2.3.

2.13 Performance Goal

"Performance Goal" means, with respect to the Performance Cycle of the Leadership Stock Program, the goal based upon the Performance Criteria and established by the Committee, as more particularly described in Article 6.

2.14 Target Award

"Target Award" means, for the Performance Cycle of the Leadership Stock Program, the target award amount, expressed as a number of shares of Common Stock, allocated to a Participant prior to the start of the Performance Cycle pursuant to Section 5.2.

2.15 Target Award Range

"Target Award Range" has the meaning, for the Performance Cycle of the Leadership Stock Program, set forth in Section 5.1.

2.16 Unit

"Unit" means a bookkeeping entry used by the Company to record and account for the amount of an Award granted to a Participant and any dividend equivalents that are to be credited to the Participant's Account pursuant to Articles 10 or 11, even though such Award and dividend equivalents have not yet been earned, until such time as the balance in the Account is paid, canceled, forfeited, or terminated, as the case may be. Units are expressed in terms of one Unit being the equivalent of one share of Common Stock.

2.17 Valuation Date

"Valuation Date" means the date on which Awards under the Plan are paid or restrictions with respect to Awards under the plan lapse, as applicable for purposes of the relevant valuation. If the applicable date in the preceding sentence is not a business day, then the business day immediately prior to such date shall be used.

2.18 Vesting Date

"Vesting Date" shall mean the date that is one (1) year following the end of the Performance Cycle, except that the Vesting Date may be an earlier date with respect to any particular Participant under the circumstances described in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason) and 8.4 (Divestiture to an Unrelated Third Party) below.

ARTICLE 3. PARTICIPATION

3.1 In General

The Key Employees who are eligible to participate in this Cycle of the Leadership Stock Program are those executives who, as of the first day of the Cycle, are either employed by Kodak world-wide in wage grades 56 and higher, or are senior-level executives employed by Kodak Subsidiaries. The CEO will make recommendations for participation for this Cycle of the Leadership Stock Program from among those eligible Key Employees. Participants for this Cycle of the Leadership Stock Program will be designated by the Committee from those recommended by the CEO. A schedule of such Participants is maintained by Kodak's Worldwide Total Compensation Group.

3.2 New Participants

No person may become eligible to participate in this Cycle of the Leadership Stock Program after the first day of the Cycle, whether as a result of a job change or otherwise.

3.3 Termination of Participation

A Participant's participation in this Cycle of the Leadership Stock Program is subject to immediate termination upon the Participant's termination of employment from the Company. In the case of the Participant's termination of employment on or before the Vesting Date, the Participant will no longer be eligible to receive an Award for the Cycle and consequently, will forfeit any and all rights to receive payment on account of an Award for the Cycle, except as specified in Section 8.2 (Death, Disability, Retirement or Termination for an Approved Reason), Section 8.3 (Divestiture to a Joint Venture) and 8.4 (Divestiture to an Unrelated Third Party).

ARTICLE 4. FORM OF AWARDS

4.1 Form of Awards

Awards granted under the Leadership Stock Program provide Participants with the opportunity to earn shares of Common Stock, subject to the terms and conditions contained in this Administrative Guide and the Plan. Each Award granted under the Leadership Stock Program shall be expressed as a fixed number of Units that will be equivalent to an equal number of shares of Common Stock. The fixed number of Units that are allocated to a Participant by the Committee prior to the start of the Performance Cycle is referred to herein and in the Plan as the Target Award.

4.2 Participant Account

The Company will establish a Participant Account for each Participant who is granted an Award.

4.3 Participant's Account Unfunded

The maintenance of individual Participant Accounts is for bookkeeping purposes only; the Units recorded in the account are not actual shares of Common Stock. The Company will not reserve or otherwise set aside any Common Stock for or to any Participant Account. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account. As more specifically described in Article 11, until the Committee has certified the Award earned by a Participant pursuant to the procedure referred to in Article 7 of this Guide, no additional Units will be credited for dividends that may be paid on the Company's Common Stock.

ARTICLE 5. AWARD ALLOCATION

5.1 Target Award Range

The attached Exhibit "A" shows by wage grade the range of the number of Units that an eligible Key Employee could be allocated with respect to the Performance Cycle (the "**Target Award Range**"). Exhibit "A" also shows the midpoint for the Target Award Range for each wage grade.

5.2 Establishing the Target Award

No later than the first day of the Cycle, each Participant's unit management will review the Participant's most recent GOLD relative leadership assessment and, based upon that assessment, recommend the fixed percentage (from 0% – 150%) to be applied to the midpoint of the Target Award Range applicable to that Participant to determine the fixed number of Units that will be allocated to that Participant.

The unit management's recommendation will be made to the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the recommendation is to be made to the Committee.

Prior to the first day of the Cycle, the fixed number of Units that are allocated to a Participant will be established by the CEO, except in the case of a Participant who is subject to Section 16 of the Exchange Act or a Covered Employee, in which case the fixed number of Units that are allocated to a Participant will be established by the Committee.

The fixed number of Units that are allocated to a Participant prior to the start of the Performance Cycle is referred to herein and in the Plan as the "**Target Award**."

ARTICLE 6. ESTABLISING PERFORMANCE FACTORS

6.1 Performance Criteria

The Committee has selected Earnings per Share as the "**Performance Criteria**" for purposes of establishing the Performance Goal for the Performance Cycle.

6.2 Performance Goal

No later than its regularly scheduled meeting for the month of February in the first year of the Performance Cycle, the Committee shall establish the target amount of Earnings per Share for each of the two calendar years of the Performance Cycle that, when aggregated, will serve as the "**Performance Goal**" for purposes of assessing the Company's performance during the entire Performance Cycle.

The Committee will also establish the minimum aggregate amount of Earnings per Share for the two calendar years of the Performance Cycle (the "**Minimum Performance Goal"**) that will serve as the minimum actual Earnings per Share for the entire Performance Cycle that will be necessary in order for any amount of an Award to be considered to have been earned by the Participants for the Performance Cycle.

The Committee will cause the Performance Goal and the Minimum Performance Goal to be documented in an Exhibit "B" to this Administrative Guide.

6.3 Performance Formula

The "**Performance Formula**," which will determine the amount of an Award that will be considered to have been earned by a Participant, is as follows:

Award Earned = Target Award x Applicable Award Percentage

The Company's actual Earnings per Share for the entire Performance Cycle in relation to the Performance Goal shall be used to determine the Applicable Award Percentage.

No later than its regularly scheduled meeting for the month of February in the first year of the Performance Cycle, the Committee shall establish the specific formula by which the Applicable Award Percentage will be determined.

For example, a table such as the following may be used to determine the Applicable Award Percentage:

As an example only:

EPS Performance as a % of EPS Performance Goal	Applicable Award Percentage
If < 80%	0%
If 80% (the Minimum Performance Goal)	80%
If >80% but <100%	pro-rata
If 100% (the Performance Goal)	100%
If >100% but <200%	pro-rata
If $200%	200%

The Committee will cause the Performance Formula that is to be used to establish the Applicable Award Percentage to be documented in an Exhibit “C” to this Administrative Guide.

ARTICLE 7. DETERMINATION OF EARNED AWARDS

7.1 Certification

Following the completion of the Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goal for the Performance Cycle has been achieved. If the Committee certifies that the Minimum Performance Goal has been achieved, it shall, based upon application of the Performance Formula to the Performance Goal for this Cycle, also calculate and certify in writing the Applicable Award Percentage. The Committee shall then determine and certify the actual amount of each Participant's Award that has been earned for the Performance Cycle, with any fractional shares being rounded up to a whole share.

7.2 Negative Discretion

Notwithstanding any provision contained herein to the contrary, in determining the actual amount of an individual Award to be deemed earned for the Cycle, the Committee may, through the use of Negative Discretion, reduce or eliminate the amount of the Award that would otherwise be earned by application of the Performance Formula, if, in its sole judgment, such reduction or elimination is appropriate.

ARTICLE 8. PRECONDITIONS TO RECEIPT OF AN EARNED AWARD

8.1 Continuous Employment Until Payment

A Participant must remain continuously employed with the Company (in any wage grade) at all times from the first day of the Cycle through the Vesting Date in order to remain eligible for an Award. If a Participant's employment with the Company ceases during this period for any reason, the Participant will forfeit the entire number of Units that have been allocated to him or her for the Cycle (including any Units that are earned but not vested) and any dividend equivalents that have been credited to the Account pursuant to Article 11 hereof. The limited exceptions to the requirements of this Section 8.1 are specified in Sections 8.2, 8.3 and 8.4 below.

8.2 Death, Disability, Retirement, or Termination for an Approved Reason before the Vesting Date

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases for an Approved Reason or as a result of his or her death, Disability or Retirement, and if such Participant had been employed with the Company for the entire first year of the two years in the Performance Cycle, such Participant shall be entitled to receive a pro-rata Award calculated according to the formula set forth in Section 8.5 below.

In the event a Participant's employment with the Company ceases at any time during the first of the two years in the Performance Cycle (whether for an Approved Reason or as a result of his or her death, Disability or Retirement), the Participant will no longer be eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

For purposes of Section 9.1, the Vesting Date of a Participant entitled to receive a pro-rata Award pursuant to Section 8.2 shall be deemed to be the date the Committee has certified the Company's performance for the entire Performance Cycle as provided in Section 7.1.

8.3 Divestiture to a Kodak Joint Venture

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, such Participant will be entitled to receive a pro-rata Award, calculated according to the formula set forth in Section 8.5 below, provided that (a) his or her employment with the Company ceases after the first of the two years in the Performance Cycle, and (b) such Participant is employed by either the Company or such Joint Venture at all times from the first day of the Cycle through the Vesting Date.

If either of the conditions (a) or (b) set forth in the prior paragraph are not met, a Participant whose employment with the Company ceases at any time prior to the Vesting Date as a result of the Company's sale or other disposition to a Joint Venture of the business unit in which the Participant was employed, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

8.4 Divestiture to an Unrelated Third Party

Notwithstanding any provision contained in this Article 8 to the contrary, if prior to the Vesting Date, a Participant's employment with the Company ceases as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, such Participant will be entitled to receive a pro-rata Award, calculated according to the formula set forth in Section 8.5 below, provided that his or her employment with the Company ceases after the first of the two years in the Performance Cycle.

A Participant whose employment with the Company ceases at any time during the first of the two years in the Performance Cycle as a result of the Company's sale or other disposition of the business unit in which the Participant was employed, to a corporation or other business entity in which the Company has no ownership interest, is no longer eligible for an Award for such Cycle and, consequently, will forfeit any and all rights to receive an Award for such Cycle.

For purposes of Section 9.1, the Vesting Date of a Participant entitled to receive a pro-rata Award pursuant to Section 8.4 shall be deemed to be the date the Committee has certified the Company's performance for the entire Performance Cycle as provided in Section 7.1.

8.5 Pro-rata Award

The pro-rata Award to which a Participant may become entitled pursuant to the provisions of Sections 8.2, 8.3 or 8.4 shall be determined by applying a percentage to the amount of the Award that the Committee certifies according to Section 7.2 as the amount that would have been earned by the Participant after application of the Performance Formula for the entire Performance Cycle. The percentage to be applied shall be determined by dividing the number of full months in the Performance Cycle prior to the Participant's cessation of employment with the Company by the total number of full months in the Performance Cycle. For purposes of this calculation, a partial month shall be treated as a full month to the extent of 15 or more days in such month have elapsed.

ARTICLE 9. PAYMENT OF AWARDS

9.1 Timing of Award Payments

Awards that have been earned for this Cycle and any dividend equivalents that are credited to the Account pursuant to Article 11 shall be paid as soon as is administratively practicable after the Vesting Date by the procedure described in Section 9.3

9.2 Form of Payment of Awards

Awards for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 11 shall be paid in the form of shares of Common Stock in accordance with the procedure described in Section 9.3, subject to the terms, restrictions and conditions of the Plan and those set forth in this Administrative Guide.

9.3 Issuance of Shares of Common Stock

On the Award Payment Date, Kodak will, unless a valid deferral election has been made by the Participant pursuant to Article 10 of this Administrative Guide, subtract from a Participant's account the number of Units that are withheld for taxes under Section 12.6 below, and then, with respect to the remaining Units, promptly instruct its transfer agent to reflect, in an account of the Participant on the books of the transfer agent, the shares of Common Stock that are to be delivered to the Participant. Upon the Participant’s request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares of Common Stock held in that account of the Participant.

9.4 Non-Assignable

No Awards or any other payment under the Leadership Stock Program shall be subject in any manner to alienation, sale, transfer (except by will of the laws of descent and distribution), assignment, pledge or encumbrance, nor shall any Award by payable to any one other than the Participant to whom it was granted.

ARTICLE 10. DEFERRAL OF AWARDS

10.1 Election to Defer Awards

Pursuant to the provisions of this Article 10, a Participant may irrevocably elect to defer receipt of all (but not less than all) of the Award earned by the Participant for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 11. However, the filing of such an election by a Participant shall not in any manner entitle the Participant to receive payment of an Award for the Cycle. The determination as to whether or not such Participant becomes entitled to payment of an Award for the Cycle will be decided solely in accordance with the terms of this Administrative Guide and the Plan.

10.2 Time of Election

A Participant who wishes to defer an Award, or a portion thereof, must elect to do so during the Enrollment Period by following the procedure described in Section 10.3 below.

10.3 Manner of Electing Deferral

A Participant may irrevocably elect to defer all (but not less than all) of the Award to which the Participant may become entitled for this Cycle including any dividend equivalents that are credited to the Account pursuant to Article 11 by executing and returning the election form provided by the Company to the person or department designated by the Company during the Enrollment Period. The Participant may elect to receive payment of the deferred Award in either a single sum or in ten (10) annual installments, payable in each case following the termination of the Participant's employment with the Company. Notwithstanding the Participant's election to receive payment of the deferred Award in installments, if at any time following the termination of the Participant's employment with the Company, the value of the Participant's Account is less than $10,000, the Company may pay the entire balance of any amount due to the Participant under the Leadership Stock Program in a lump sum.

10.4 Procedure of Accounting for Award Deferrals

In the event a Participant who has made an irrevocable election to defer an Award in accordance with the procedure described in Section 10.3, would otherwise be entitled to be paid an Award, the Award deferred by a Participant will, in lieu of being paid to the Participant in the form of shares of Common Stock, remain credited to the Participant's Account in the form of an equal number of Units.

10.5 Dividend Equivalents

In the case of a Participant who has earned an Award for this Cycle, the payment of which has been deferred by the Participant in accordance with the procedure described in Section 10.3, the provisions of Sections 10.6, 10.7 and 10.8 will apply on and after the Vesting Date.

10.6 Stock Dividends

Effective as of the payment date for each stock dividend (as defined in Section 305 of the Code) on the Common Stock, additional Units will be credited to the Account of a Participant described in Section 10.5. The number of Units that shall be credited to the Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of Common Stock equal to the number of Units credited to the Participant's Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares, for such stock dividend, then his or her Account shall also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.7 Cash Dividends

Effective as of the payment date for each cash dividend on the Common Stock, additional Units shall be credited to the Account of a Participant described in Section 10.5. The number of Units that shall be credited to the Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units held in the Participant's Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend.

10.8 Reorganization

If the Company undergoes a reorganization (as defined in Section 368(a) of the Code) after the Vesting Date of a Participant described in Section 10.5, the Committee may, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Account of such a Participant in order to reflect such transaction, including, but not limited to, adjusting the number of Units credited to such a Participant's Account.

10.9 Termination of Employment After Deferral

The balance in a Participant's Account following the Vesting Date of the Participant, the payment of which has been deferred by the Participant, shall remain in the Participant's Account until the Participant's employment with the Company is terminated.

(i) **Death.** If such Participant's employment is terminated due to his or her death, payment of the deceased Participant's Account shall be made in accordance with the provisions of Section 10.11.

(ii) **Termination of Employment for Other Than Death**. If such Participant's employment is terminated for any reason other than death, his or her Account shall be distributed in accordance with the provisions of Section 10.10.

10.10 Payment of Accounts

No withdrawal shall be permitted after the Vesting Date from a Participant's Account, the payment of which has been deferred by the Participant, except as provided in this Section 10.10, Sections 10.11 and 10.12 and Plan Articles 17 and 18.

(i) **Manner of Payment**. Payment of such Participant's Account shall be made in accordance with the election made by the Participant pursuant to Section 10.3.

(ii) **Form of Payment**. Payment from such Participant's Account shall, at the sole and absolute discretion of the Committee, be made in cash or Common Stock, or a combination thereof. Payment in Common Stock shall be made by the Company subtracting from a Participant's account the number of Units that are withheld for taxes under Section 12.6 below, and then, with respect to the remaining Units, instructing its transfer agent to reflect, in an account of the Participant on the books of the transfer agent, the shares of Common Stock that are to be delivered to the Participant. Upon the Participant's request, the transfer agent will deliver to the Participant a stock certificate for the remaining number of shares of Common Stock held in that account of the Participant.

(iii) **Timing of Payment**. Payment of the deferred Award (or in the applicable case, the first installment thereof) is to be made on the fifth business day in March following the Participant's termination of employment and payment of any subsequent installment due to the Participant shall be made on the fifth business day in each succeeding March.

(iv) **Valuation**. If payment of such a Participant's Account is to be paid in installments, the amount of each payment shall be equal to the Fair Market Value, as of the immediately preceding Valuation Date, of the Participant's Account, divided by the number of installments remaining to be paid.

10.11 Payment after Death

If a Participant dies after the Vesting Date but prior to complete payment of his or her Account, the payment of which has been deferred by the Participant, the provisions of this Section 10.11 shall become operative. The balance of such Participant's Account shall be paid in the form of shares of Common Stock, with payment to the deceased Participant's estate within 30 days after appointment of a legal representative of the deceased Participant. In any event, payment will be made no later than the end of the taxable year of death (or, if later, the fifteenth day of the third month following the date of death).

Upon payment, Kodak will subtract from the Participant's account the number of Units that are withheld for taxes under Section 12.6 below, and then, with respect to the remaining Units, promptly instruct its transfer agent to reflect, in an account on the books of the transfer agent, the shares of Common Stock that are to be delivered. Upon request, the transfer agent will deliver a stock certificate for the remaining number of shares of Common Stock held in that account.

10.12 Hardship

Upon written approval from the Committee, a Participant, whether or not he or she is still employed by the Company, may be permitted to receive all or part of the balance in his or her Participant Account, the payment of which has been deferred by the Participant, if the Committee, in its sole and absolute discretion, determines that an emergency event beyond the Participant's control exits which would cause such Participant severe financial hardship if the payment of his or her deferred Award were not approved. A distribution shall be permitted only to the extent that the emergency event constitutes an “unforeseeable emergency” within the meaning of Section 409A of the Internal Revenue Code (the “Code”) and the treasury regulations and other official guidance issued thereunder (collectively, “Section 409A”). An “unforeseeable emergency” is a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s beneficiary or the Participant’s dependent(s) (as defined in Code Section 152 without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B)) or loss of the Participant’s property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant (as contemplated by Code Section 409A). Any such distribution for hardship shall be limited to the amount needed to meet such emergency.

10.13 Withholding

The Company will subtract from any payment to the Participant an amount that is withheld for taxes under Section 12.6 below.

10.14 Statement of Account

Statements will be sent no less frequently than annually after the Vesting Date to each Participant showing the value of the Participant's Account, the payment of which has been deferred by the Participant.

10.15 No Deferral Prohibited by Law

No Participant shall be permitted to defer receipt of the Award granted to him or her for this Cycle where such deferral is either impractical under or prohibited by any applicable governmental law, regulation, rule or administrative action.

ARTICLE 11. DIVIDEND EQUIVALENTS

11.1 Dividend Equivalents

In the event of the payment of any cash dividend on the Common Stock or any stock dividend (as defined in Section 305 of the Code) on the Common Stock with a record date occurring during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, a Participant's Account shall be credited with additional Units.

The amount of such additional Units to be credited to each Participant who has earned an Award for this Cycle is as set forth in Section 11.2 and Section 11.3. Any such additional Units will be credited as of the payment date for each such dividend.

11.2 Stock Dividends

The number of Units that shall be credited to the Account of such a Participant will equal the number of shares of Common Stock which the Participant would have received as stock dividends had the Participant been the owner on the record date for such stock dividend of the number of shares of the Common Stock equal to the number of Units credited to the Participant's Account on such record date. To the extent the Participant would have also received cash, in lieu of fractional shares of Common Stock, had the Participant been the record owner of such shares, for such stock dividend, then his or her Account shall also be credited with that number of Units, or fractions thereof, equal to such cash amount divided by the Fair Market Value of the Common Stock on the payment date for such dividend.

11.3 Cash Dividends

The number of Units that shall be credited to the Account of such a Participant shall be computed by multiplying the dollar value of the dividend paid upon a single share of Common Stock by the number of Units credited to the Participant's Account on the record date for such dividend and dividing the product thereof by the Fair Market Value of the Common Stock on the payment date for such dividend.

11.4 Reorganization

If the Company undergoes a reorganization (as defined in Section 368(a) of the Code) during the period beginning on the date the Committee certifies the amount of the Award that has been earned by the Participants and ending on the Vesting Date, the Committee may, in its sole and absolute discretion, take whatever action it deems necessary, advisable or appropriate with respect to the Account of each Participant that has earned an Award in order to reflect such transaction, including, but not limited to, adjusting the number of Units credited to each such Participant's Account.

ARTICLE 12. MISCELLANEOUS

12.1 Compliance with Laws

The obligations of the Company to issue Common Stock awarded pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933 and the Exchange Act and all rules promulgated thereunder.

12.2 Termination/Amendment

The Committee may suspend or terminate the Leadership Stock Program in whole or in part at any time, provided, however, no such suspension or termination shall cause a violation of Section 409A. In addition, the Committee may, at any time and from time to time, amend this Administrative Guide in any manner, provided, however, no such amendment shall cause a violation of Section 409A.

12.3 Section 162(m) of the Code

If any provision of this Administrative Guide would cause the Awards granted to a Covered Person not to constitute "qualified performance-based compensation" under Section 162(m) of the Code, that provision, in so far as it pertains to the Covered Person, shall be severed from, and shall be deemed not to be a part of, this Administrative Guide, but the other provisions hereof shall remain in full force and effect. Further, if this Administrative Guide fails to contain any provision required under Section 162(m) in order to make the Awards granted hereunder to a Covered Employee be "qualified performance-based compensation," then this Administrative Guide shall be deemed to incorporate such provision, effective as of the date of this Administrative Guide's adoption by the Committee.

12.4 Participant's Rights Unsecured

The amounts payable under this Administrative Guide shall be unfunded, and the right of any Participant or his or her estate to receive payment under this Administrative Guide shall be an unsecured claim against the general assets of the Company. No Participant shall have the right to exercise any of the rights or privileges of a shareholder with respect to the Units credited to his or her Participant Account.

12.5 No Guarantee of Tax Consequences

No person connected with the Leadership Stock Program or this Administrative Guide in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts deferred under the Leadership Stock Program, or paid to or for the benefit of a Participant or Beneficiary under the Leadership Stock Program, or that such tax treatment will apply to or be available to a Participant or Beneficiary on account of participation in the Leadership Stock Program.

12.6 Tax Withholding

Kodak will pay the taxes required to be withheld with respect to an Award under the Leadership Stock Program by reducing a portion of the Units otherwise due the Participant as a result of an Award. The portion of the Units withheld will equal in amount the taxes required to be withheld. The Units which are so withheld will be valued at the Fair Market Value of the Common Stock on the date of the payment of the Award.

12.7 Section 409A Compliance

The Awards deferred pursuant to Article 10 of this Administrative Guide are intended to comply with Section 409A, and this Administrative Guide shall be interpreted and administered consistent with such intention, and in accordance with Eastman Kodak Company’s Policy Regarding Section 409A Compliance.

EXHIBIT A - TARGET AWARD RANGE (SECTION 5.2) (INCLUDED WITH ORIGINAL)

EXHIBIT B - PERFORMANCE GOAL (SECTION 6.2) (INCLUDED WITH ORIGINAL)

EXHIBIT C - PERFORMANCE FORMULA (SECTION 6.3) (INCLUDED WITH ORIGINAL)

Exhibit (10.21)

EASTMAN KODAK COMPANY

EXECUTIVE COMPENSATION FOR EXCELLENCE AND LEADERSHIP

As Amended Effective January 1, 2009

ARTICLE 1 -- PURPOSE, EFFECTIVE DATE AND TERM OF PLAN

1.1 Purpose

The purposes of the Plan are to provide an annual incentive to Key Employees of the Company to put forth maximum efforts toward the continued growth and success of the Company, to encourage such Key Employees to remain in the employ of the Company, to assist the Company in attracting and motivating new Key Employees on a competitive basis, and to endeavor to qualify the Awards granted to Covered Employees under the Plan as performance-based compensation as defined in Section 162(m) of the Code. The Plan is intended to apply to Key Employees of the Company in the United States and throughout the world.

The Plan is intended to qualify for exemption from Section 409A of the Code, by reason of the short-term deferral rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. No person acquires a legally binding right to any Award hereunder until the year following the Performance Period, except Awards governed by Articles 11 and 12. Awards governed by Articles 11 and 12 will be paid by March 15th of the year following the Performance Period in which the legally binding right to the Award arose. Awards otherwise will be paid in the year following the Performance Period, unless deferred under a separate plan pursuant to Article 9.

1.2 Effective Date

The Plan, in its amended and restated form, will be effective as of January 1, 2009.

ARTICLE 2 -- DEFINITIONS

2.1 Actual Award Pool

"Actual Award Pool" means, for a Performance Period, the amount determined in accordance with Section 7.2(d). The Actual Award Pool for a Performance Period determines the aggregate amount of all the Awards that are to be issued under the Plan for such Performance Period.

2.2 Award

"Award" means the compensation granted to a Participant by the Committee for a Performance Period pursuant to Articles 7 and 8. All Awards shall be issued in the form specified by Article 5.

2.3 Award Pool

"Award Pool" means, for a Performance Period, the dollar amount calculated in accordance with Section 7.2(b) by applying the Performance Formula for such Performance Period against the Performance Goals for the same Performance Period.

2.4 Award Payment Date

"Award Payment Date" means, for each Performance Period, the date that the amount of the Award for that Performance Period shall be paid to the Participant under Article 8, without regard to any election to defer receipt of the Award made by the Participant under Article 9 of the Plan.

2.5 Board

"Board" means the Board of Directors of Kodak.

2.6 Capital Charge

"Capital Charge" means, for a Performance Period, the amount obtained by multiplying the Cost of Capital for the Performance Period by Operating Net Assets for the Performance Period.

2.7 Cause

"Cause" means (a) the willful and continued failure by a Key Employee to substantially perform his or her duties with his or her employer after written warnings identifying the lack of substantial performance are delivered to the Key Employee by his or her employer to specifically identify the manner in which the employer believes that the Key Employee has not substantially performed his or her duties; or (b) the willful engaging by a Key Employee in illegal conduct which is materially and demonstrably injurious to the Company.

2.8 CEO

"CEO" means the Chief Executive Officer of Kodak.

2.9 Change In Control

"Change in Control" means the occurrence of any one of the following events:

(a) individuals who, on December 9, 1999, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to December 9, 1999, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of Kodak in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of Kodak as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) ("Election Contest") or any other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Act) other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed to be an Incumbent Director;

(b) any person is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of Kodak representing 25% or more of the combined voting power of Kodak's then outstanding securities eligible to vote for the election of the Board (the "Kodak Voting Securities"); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (1) by Kodak or any subsidiary, (2) by any employee benefit plan (or related trust) sponsored or maintained by Kodak or any subsidiary, or (3) by any underwriter temporarily holding securities pursuant to an offering of such securities;

(c) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Kodak or any of its subsidiaries that requires the approval of Kodak's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or sale or other disposition of all or substantially all of Kodak's assets to an entity that is not an affiliate of Kodak (a "Sale"), unless immediately following such Reorganization or Sale: (1) more than 60% of the total voting power of (x) the corporation resulting from such Reorganization or Sale (the "Surviving Company"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Company (the "Parent Company"), is represented by Kodak Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Kodak Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Kodak Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (2) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Company or the Parent Company), is or becomes the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (3) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (1), (2) and (3) above shall be deemed to be a "Non-Qualifying Transaction"); or

(d) the shareholders of Kodak approve a plan of complete liquidation or dissolution of Kodak.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of Kodak Voting Securities as a result of the acquisition of Kodak Voting Securities by Kodak which reduces the number of Kodak Voting Securities outstanding; provided that if after such acquisition by Kodak such person becomes the beneficial owner of additional Kodak Voting Securities that increases the percentage of outstanding Kodak Voting Securities beneficially owned by such person, a Change in Control shall then occur.

2.10 Change In Ownership

"Change In Ownership" means a Change In Control that results directly or indirectly in Kodak's Common Stock ceasing to be actively traded on the New York Stock Exchange.

2.11 Code

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

2.12 Committee

"Committee" means the Executive Compensation and Development Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan; provided that the Committee shall consist of three or more directors, all of whom are both a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act and an "outside director" within the meaning of the definition of such term as contained in Proposed Treasury Regulation Section 1.162-27(e)(3), or any successor definition adopted.

2.13 Common Stock

"Common Stock," means the common stock, $2.50 par value per share, of Kodak that may be newly issued or treasury stock.

2.14 Company

"Company" means Kodak and its Subsidiaries.

2.15 Cost of Capital

"Cost of Capital" means, for a Performance Period, the estimated weighted average of the Company's cost of equity and cost of debt for the Performance Period as determined by the Committee in its sole and absolute discretion. The Committee will determine the Cost of Capital for a Performance Period within the first 90 days of the Performance Period.

2.16 Covered Employee

"Covered Employee" means a Key Employee who is either a "Covered Employee" within the meaning of Section 162(m) of the Code or a Key Employee who the Committee has identified as a potential "Covered Employee" within the meaning of Section 162(m) of the Code.

2.17 Disability

"Disability" means a disability under the terms of any long-term disability plan maintained by the Company.

2.18 Economic Profit

"Economic Profit" means, for a Performance Period, the Net Operating Profit After Tax that remains after subtracting the Capital Charge for such Performance Period. Economic Profit may be expressed as follows: Economic Profit = Net Operating Profit After Tax – Capital Charge. Economic Profit may be either positive or negative.

2.19 Effective Date

"Effective Date" means the date an Award is determined to be effective by the Committee upon its grant of such Award.

2.20 Exchange Act or Act

"Exchange Act" or "Act" means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto.

2.21 Key Employee

"Key Employee" means either (a) a salaried employee of the Company in wage grade 48 or above, or the equivalent thereof; or (b) a salaried employee of the Company who holds a position of responsibility in a managerial, administrative, or professional capacity and is in wage grade 43 or above.

2.22 Kodak

"Kodak" means Eastman Kodak Company.

2.23 Negative Discretion

"Negative Discretion" means the discretion granted to the Committee pursuant to Section 7.2(c) to reduce or eliminate the portion of the Award Pool allocated to a Covered Employee.

2.24 Net Operating Profit After Tax

"Net Operating Profit After Tax" means, for a Performance Period, the after-tax operating earnings of the Company for the Performance Period adjusted for interest expense and Wang in-process R&D. The Committee is authorized at any time during the first 90 days of a Performance Period, or at any time thereafter in its sole and absolute discretion, to adjust or modify the calculation of Net Operating Profit After Tax for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any dividend or other distribution (whether in the form of cash, securities or other property), recapitalization, restructuring, reorganization, merger, consolidation, spin off, combination, repurchase, share exchange, liquidation, dissolution, or other similar corporate transaction, event or development; (b) in recognition of, or in anticipation of, any other unusual or nonrecurring event affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; (c) in recognition of, or in anticipation of, any other extraordinary gains or losses; and (d) in view of the Committee's assessment of the business strategy of the Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant. However, if and to the extent the exercise of such authority after the first 90 days of a Performance Period would cause the Awards granted to the Covered Employees for the Performance Period to fail to qualify as "Performance-Based Compensation" under Section 162(m) of the Code, then such authority shall only be exercised with respect to those Participants who are not Covered Employees.

2.25 Operating Net Assets

"Operating Net Assets" means, for a Performance Period, the net investment used in the operations of the Company. Operating Net Assets is calculated from the Company's audited consolidated financial statements as being total assets minus non-interest-bearing liabilities adjusted for last in first out LIFO inventories, postemployment benefits other than pensions (OPEB) and Wang in-process R&D. The Committee is authorized at any time during a Performance Period to adjust or modify the calculation of Operating Net Assets for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any dividend or other distribution (whether in the form of cash, securities or other property), recapitalization, restructuring, reorganization, merger, consolidation, spin off, combination, repurchase, share exchange, liquidation, dissolution, or other similar corporate transaction, event or development; (b) in recognition of, or in anticipation of, any other unusual or nonrecurring event affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; (c) in recognition of, or in anticipation of, any other extraordinary gains or losses; and (d) in view of the Committee’s assessment of the business strategy of the Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant. However, if and to the extent the exercise of such authority after the first 90 days of a Performance Period would cause the Awards granted to the Covered Employees for the Performance Period to fail to qualify as “Performance-Based Compensation” under Section 162(m) of the Code, then such authority shall only be exercised with respect to those Participants who are not Covered Employees.

2.26 Participant

“Participant,” means for a Performance Period, a Key Employee who is designated to participate in the Plan for the Performance Period pursuant to Article 3.

2.27 Performance Criteria

“Performance Criteria” shall mean any of the following for the Company on a consolidated basis and/or for any subsidiary, division, business unit or one or more business segments: return on net assets (RONA), return on shareholders’ equity, return on assets, return on capital, shareholder returns, total shareholder return, return on invested capital, profit margin, earnings per share, net earnings, operating earnings, Common Stock price per share, sales or market share, unit manufacturing cost, working capital, productivity, days sales in inventory, days sales outstanding, revenue, revenue growth, cash flow and investable cash flow.

2.28 Performance Formula

“Performance Formula” means, for a Performance Period, the one or more objective formulas applied against the Performance Goals to determine the Award Pool for the Performance Period. The Performance Formula for a Performance Period shall be established in writing by the Committee within the first 90 days of the Performance Period (or, if later, within the maximum period allowed pursuant to Section 162(m) of the Code).

2.29 Performance Goals

“Performance Goals” means, for a Performance Period, the one or more goals for the Performance Period established by the Committee in writing within the first 90 days of the Performance Period (or, if longer, within the maximum period allowed pursuant to Section 162(m) of the Code) based upon the Performance Criteria. The Committee is authorized at any time during the first 90 days of a Performance Period, or at any time thereafter in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development; (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; and (c) in view of the Committee's assessment of the business strategy of the

Company, performance of comparable organizations, economic and business conditions, and any other circumstances deemed relevant. However, to the extent the exercise of such authority after the first 90 days of a Performance Period would cause the Awards granted to the Covered Employees for the Performance Period to fail to qualify as "Performance-Based Compensation" under Section 162(m) of the Code, then such authority shall only be exercised with respect to those Participants who are not Covered Employees.

2.30 Performance Period

"Performance Period" means Kodak's fiscal year.

2.31 Plan

"Plan" means the Executive Compensation for Excellence and Leadership plan.

2.32 Retirement

"Retirement" means, in the case of a Participant employed by Kodak, voluntary termination of employment: (i) on or after age 55 with 10 or more years of service or on or after age 65; or (ii) at any time if the Participant had an age and years of service combination of at least 75 points on December 31, 1995. In the case of a Participant employed by a Subsidiary, "Retirement" means early or normal retirement under the terms of the Subsidiary's retirement plan, or if the Subsidiary does not have a retirement plan, termination of employment on or after age 60. A Participant must voluntarily terminate his or her employment in order for his or her termination of employment to be for "Retirement."

2.33 Subsidiary

Subsidiary means a corporation or other business entity in which Kodak directly or indirectly has an ownership interest of at least 50%.

2.34 Target Award

"Target Award" means, for a Performance Period, the target award amounts established for each wage grade by the Committee for the Performance Period. A Participant's Target Award for a Performance Period is expressed as a percentage of his or her annual base salary in effect as of the last day of the Performance Period. The Target Awards shall serve only as a guideline in making Awards under the Plan. Depending upon the Committee's exercise of its discretion pursuant to Sections 7.2(c), (d) and (e), but subject to Section 7.3, a Participant may receive an Award for a Performance Period that may be more or less than the Target Award for his or her wage grade for that Performance Period. Moreover, the fact that a Target Award is established for a Participant's wage grade for a Performance Period shall not in any manner entitle the Participant to receive an Award for such period.

2.35 Investable Cash Flow

"Investable Cash Flow" means the Company's operating cash flow for the year less the cost of acquisitions.

ARTICLE 3 -- ELIGIBILITY

All Key Employees are eligible to participate in the Plan. The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period which Key Employees will be Participants for such Performance Period. However, the fact that a Key Employee is a Participant for a Performance Period shall not in any manner entitle such Participant to receive an Award for the period. The determination as to whether or not such Participant shall be paid an Award for such Performance Period shall be decided solely in accordance with the provisions of Articles 7 and 8 hereof.

ARTICLE 4 -- PLAN ADMINISTRATION

4.1 Responsibility

The Committee shall have total and exclusive responsibility to control, operate, manage and administer the Plan in accordance with its terms.

4.2 Authority of the Committee

The Committee shall have all the authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the preceding sentence, the Committee shall have the exclusive right: to interpret the Plan, to determine eligibility for participation in the Plan, to decide all questions concerning eligibility for and the amount of Awards payable under the Plan, to establish and administer the Performance Goals and certify whether, and to what extent, they are attained, to construe any ambiguous provision of the Plan, to correct any default, to supply any omission, to reconcile any inconsistency, to issue administrative guidelines as an aid to administer the Plan, to make regulations for carrying out the Plan and to make changes in such regulations as it from time to time deems proper, and to decide any and all questions arising in the administration, interpretation, and application of the Plan. In addition, in order to enable Key Employees who are foreign nationals or are employed outside the United States or both to receive Awards under the Plan, the Committee may adopt such amendments, procedures, regulations, subplans and the like as are necessary or advisable, in the opinion of the Committee, to effectuate the purposes of the Plan.

4.3 Discretionary Authority

The Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan including, without limitation, its construction of the terms of the Plan and its determination of eligibility for participation and Awards under the Plan. It is the intent of Plan that the decisions of the Committee and its action with respect to the Plan shall be final, binding and conclusive upon all persons having or claiming to have any right or interest in or under the Plan.

4.4 Section 162(m) of the Code

With regard to all Covered Employees, the Plan shall for all purposes be interpreted and construed in accordance with Section 162(m) of the Code.

4.5 Delegation of Authority

Except to the extent prohibited by law, the Committee may delegate some or all of its authority under the Plan to any person or persons as long as any such delegation is in writing; provided, however, only the Committee may select and grant Awards to Participants who are Covered Employees.

ARTICLE 5 -- FORM OF AWARDS

All Awards will be paid in cash or Common Stock, or a combination thereof, at the discretion of the Committee. To the extent an award is paid in Common Stock, such Stock will be issued under the 2005 Omnibus Long-Term Compensation Plan of Eastman Kodak Company, or any applicable successor plan.

ARTICLE 6 -- SETTING PERFORMANCE GOALS AND PERFORMANCE FORMULA

Within the first 90 days of a Performance Period (or, if longer, within the maximum period allowed pursuant to Section 162(m) of the Code), the Committee shall establish in writing:

(a) the one or more Performance Goals for the Performance Period based upon the Performance Criteria;

(b) the one or more Performance Formulas for the Performance Period; and

(c) an objective means of allocating, on behalf of each Covered Employee, a portion of the Award Pool (not to exceed the amount set forth in Section 7.3(b)) to be granted, subject to the Committee's exercise of Negative Discretion, for such Performance Period in the event the Performance Goals for such period are attained.

ARTICLE 7 -- AWARD DETERMINATION

7.1 Certification

(a) **In General**. As soon as practicable following the availability of performance results for the completed Performance Period, the Committee shall determine the Company's performance in relation to the Performance Goals for that period and certify in writing whether the Performance Goals were satisfied.

(b) **Performance Goals Achieved**. If the Committee certifies that the Performance Goals for a Performance Period were satisfied, it shall determine the Awards for such Performance Period by following the procedure described in Section 7.2. During the course of this procedure, the Committee shall certify in writing for the Performance Period the amount of: (i) the Award Pool; and (ii) the Award Pool to be allocated to each Covered Employee in accordance with Section 7.2(c).

(c) **Performance Goals Not Achieved**. In the event the Performance Goals for a Performance Period are not satisfied, the limitation contained in Section 7.3(c) shall apply to the Covered Employees.

7.2 Calculation of Awards

(a) **In General**. As detailed below in the succeeding provisions of this Section 7.2, the procedure for determining Awards for a Performance Period involves the following steps:

(1) determining the Award Pool;
(2) allocating the Award Pool to Covered Employees;
(3) determining the Actual Award Pool; and
(4) allocating the Actual Award Pool among individual Participants other than Covered Employees.

Upon completion of this process, any Awards earned for the Performance Period shall be paid in accordance with Article 8.

(b) **Determining Award Pool**. The Committee shall determine the Award Pool for the Performance Period by applying the Performance Formula for such Performance Period against the Performance Goals for the same Performance Period.

(c) **Allocating Award Pool to Covered Employees**. The Committee shall determine, by way of the objective means established pursuant to Article 6, the portion of the Award Pool that is to be allocated to each Covered Employee for the Performance Period. The Committee shall have no discretion to increase the amount of any Covered Employee's Award as so determined, but may through Negative Discretion reduce the amount of or totally eliminate such Award if it determines, in its absolute and sole discretion, that such a reduction or elimination is appropriate.

(d) **Determining Actual Award Pool**. The Committee may use its discretion to adjust upward or downward the amount of the Award Pool for any Performance Period. No such adjustment will, however, affect the amount of the Awards paid to the Covered Employees for the Performance Period. To the extent the Committee determines to exercise discretion with regard to the Award Pool for a Performance Period, the amount remaining after such adjustment shall be the Actual Award Pool for the Performance Period. Thus, if the Committee elects not to exercise discretion with respect to the Award Pool for a Performance Period, the amount of the Actual Award Pool for the Performance Period will equal the amount of the Award Pool for such period. Examples of situations where the Committee may choose to exercise this discretion include unanticipated economic or market changes, extreme currency exchange effects, management or significant workforce issues, or dramatic shifts in customer satisfaction.

(e) **Allocating Actual Award Pool to Individual Participants Other Than Covered Employee**. Based on such factors, indicia, standards, goals, criteria and/or measures that the Committee shall determine, the Committee shall, in its sole and absolute discretion, determine for each Participant, other than those that are Covered Employees, the portion, if any, of the Actual Award Pool that will be awarded to such Participant for the Performance Period. By way of illustration, and not by way of limitation, the Committee may, but shall not be required to, consider: (1) the Participant's position and level of responsibility, individual merit, contribution to the success of the Company and Target Award; (2) the performance of the Company or the organizational unit of the Participant based upon attainment of financial and other performance criteria and goals; and (3) business unit, division or department achievements.

7.3 Limitations on Awards

The provisions of this Section 7.3 shall control over any Plan provision to the contrary.

(a) **Maximum Award Pool.** The total of all Awards granted for a Performance Period shall not exceed the amount of the Actual Award Pool for such Performance Period.

(b) **Maximum Award Payable to Covered Employees**. The maximum Award payable to any Covered Employee under the Plan for a Performance Period shall be $5,000,000.

(c) **Attainment of Performance Goals**. The Performance Goals for a Performance Period must be achieved in order for a Covered Employee to receive an Award for such Performance Period.

ARTICLE 8 -- PAYMENT OF AWARDS FOR A PERFORMANCE PERIOD

8.1 Termination of Employment

The Committee shall determine rules regarding the treatment of a Participant under the Plan for a Performance Period in the event of the Participant's termination of employment prior to the Award Payment Date for such Performance Period.

8.2 Timing of Award Payments

Unless deferred pursuant to Article 9 hereof and subject to Articles 11 and 12, the Awards granted for a Performance Period shall be paid to Participants on the Award Payment Date for such Performance Period, which date shall occur as soon as administratively practicable following the completion of the procedure described in Section 7.2, and in any event shall occur during the calendar year immediately following the Performance Period

ARTICLE 9 -- DEFERRAL OF AWARDS

At the discretion of the Committee, a Participant may, subject to such terms and conditions as the Committee may determine, elect to defer payment of all or any part of any Award which the Participant might earn with respect to a Performance Period and which is paid in cash by complying with such procedures as the Committee may prescribe. Any Award, or portion thereof, upon which such an election is made shall be deferred into, and be subject to the terms, conditions and requirements of, the Eastman Kodak Employees' Savings and Investment Plan, 1982 Eastman Kodak Company Executive Deferred Compensation Plan or such other applicable deferred compensation plan of the Company.

ARTICLE 10 --

Intentionally omitted.

ARTICLE 11 -- CHANGE IN OWNERSHIP

11.1 Background

Notwithstanding any provision contained in the Plan, including, but not limited to, Sections 1.1, 4.4 and 13.9, the provisions of this Article 11 shall control over any contrary provision. Upon a Change in Ownership: (a) the terms of this Article 11 shall immediately become operative, without further action or consent by any person or entity; (b) all terms, conditions, restrictions and limitations in effect on any unpaid and/or deferred Award shall immediately lapse as of the date of such event; and (c) no other terms, conditions, restrictions, and/or limitations shall be imposed upon any Awards on or after such date, and in no event shall an Award be forfeited on or after such date. Nothing herein overrides the terms of any plan under which an Award was deferred pursuant to Article 9, and any such deferred Awards remain subject to the terms of such deferred compensation plan.

11.2 Payment of Awards

Upon a Change in Ownership, any Key Employee, whether or not he or she is still employed by the Company, shall be paid, as soon as practicable but in no event later than 60 days after the Change in Ownership, the Awards set forth in (a) and (b) below:

(a) All of the Key Employee's unpaid Awards; and

(b) A pro-rata Award for the Performance Period in which the Change in Ownership occurs. The amount of the pro-rata Award shall be determined by multiplying the Target Award for such Performance Period for Participants in the same wage grade as the Key Employee by a fraction, the numerator of which shall be the number of full months in the Performance Period prior to the date of the Change in Ownership and the denominator of which shall be the total number of full months in the Performance Period. For purposes of this calculation, a partial month shall be treated as a full month to the extent 15 or more days in such month have elapsed. To the extent Target Awards have not yet been established for the Performance Period, the Target Awards for the immediately preceding Performance Period shall be used. The pro-rata Awards shall be paid to the Key Employee in the form of a lump-sum cash payment.

11.3 Miscellaneous

Upon a Change In Ownership, no action, including, but not by way of limitation, the amendment, suspension, or termination of the Plan, shall be taken which would affect the rights of any Key Employee or the operation of the Plan with respect to any Award to which the Key Employee may have become entitled hereunder on or prior to the date of such action or as a result of such Change In Ownership.

ARTICLE 12 -- CHANGE IN CONTROL

12.1 Background

Notwithstanding any provision contained in the Plan, including, but not limited to, Sections 1.1, 4.4 and 13.9, the provisions of this Article 12 shall control over any contrary provision. All Key Employees shall be eligible for the treatment afforded by this Article 12 if their employment with the Company terminates within two years following a Change In Control, unless the termination is due to (a) death; (b) Disability; (c) Cause; (d) resignation other than (1) resignation from a declined reassignment to a job that is not reasonably equivalent in responsibility or compensation (as defined in Kodak's Termination Allowance Plan), or that is not in the same geographic area (as defined in Kodak's Termination Allowance Plan), or (2) resignation within thirty days of a reduction in base pay; or (e) Retirement.

12.2 Vesting and Lapse of Restrictions

If a Key Employee qualifies for treatment under Section 12.1, his or her Awards shall be treated in the manner described in Subsections 11.1(b) and (c). Nothing herein overrides the terms of any plan under which an Award was deferred pursuant to Article 9, and any such deferred Awards remain subject to the terms of such deferred compensation plan.

12.3 Payment of Awards

If a Key Employee qualifies for treatment under Section 12.1, he or she shall be paid, as soon as practicable but in no event later than 60 days after his or her termination of employment, the Awards set forth in (a) and (b) below:

(a) All of the Key Employee's unpaid Awards; and

(b) A pro-rata Award for the Performance Period in which his or her termination of employment occurs. The amount of the pro-rata Award shall be determined by multiplying the Target Award for such Performance Period for Participants in the same wage grade as the Key Employee by a fraction, the numerator of which shall be the number of full months in the Performance Period prior to the date of the Key Employee's termination of employment and the denominator of which shall be the total number of full months in the Performance Period. For purposes of this calculation, a partial month shall be treated as a full month to the extent 15 or more days in such month have elapsed. To the extent Target Awards have not yet been established for the Performance Period, the Target Awards for the immediately preceding Performance Period shall be used. The pro-rata Awards shall be paid to the Key Employee in the form of a lump-sum cash payment.

Furthermore, during the two years following a Change in Control while these provisions remain in effect, Awards to any Key Employees who qualify for Awards (in accordance with the normal terms of the Plan or in accordance with this Article 12) will be paid no later than March 15th of the year following the Performance Period, in order to ensure that all Awards are paid within the short-term deferral period described in Section 1.409A-1(b)(4) of the Treasury Regulations.

12.4 Miscellaneous

Upon a Change In Control, no action, including, but not by way of limitation, the amendment, suspension, or termination of the Plan, shall be taken which would affect the rights of any Key Employee or the operation of the Plan with respect to any Award to which the Key Employee may have become entitled hereunder prior to the date of the Change In Control or to which he or she may become entitled as a result of such Change In Control.

ARTICLE 13 -- MISCELLANEOUS

13.1 Nonassignability

No Awards under the Plan shall be subject in any manner to alienation, anticipation, sale, transfer (except by will or the laws of descent and distribution), assignment, pledge, or encumbrance, nor shall any Award be payable to anyone other than the Participant to whom it was granted.

13.2 Withholding Taxes

The Company shall be entitled to deduct from any payment under the Plan, regardless of the form of such payment, the amount of all applicable income and employment taxes required by law to be withheld with respect to such payment or may require the Participant to pay to it such tax prior to and as a condition of the making of such payment.

13.3 Amendments to Awards

The Committee may at any time unilaterally amend any unearned, deferred or unpaid Award, including, but not by way of limitation, Awards earned but not yet paid, to the extent it deems appropriate; provided, however, that any such amendment which, in the opinion of the Committee, is adverse to the Participant shall require the Participant's consent.

13.4 No Right to Continued Employment or Grants

Participation in the Plan shall not give any Key Employee any right to remain in the employ of the Company. Kodak or, in the case of employment with a Subsidiary, the Subsidiary, reserves the right to terminate any Key Employee at any time. Further, the adoption of this Plan shall not be deemed to give any Key Employee or any other individual any right to be selected as a Participant or to be granted an Award.

13.5 Amendment/Termination

The Committee may suspend or terminate the Plan at any time with or without prior notice. In addition, the Committee, or any person to whom the Committee has delegated the requisite authority, may, from time to time and with or without prior notice, amend the Plan in any manner, but may not without shareholder approval adopt any amendment which would require the vote of the shareholders of Kodak pursuant to Section 162(m) of the Code, but only insofar as such amendment affects Covered Employees.

13.6 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the State of New York, except as superseded by applicable Federal Law, without giving effect to its conflicts of law provisions.

13.7 No Right, Title, or Interest in Company Assets

To the extent any person acquires a right to receive payments from the Company under this Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company and the Participant shall not have any rights in or against any specific assets of the Company. All of the Awards granted under the Plan shall be unfunded.

13.8 No Guarantee of Tax Consequences

No person connected with the Plan in any capacity, including, but not limited to, Kodak and its Subsidiaries and their directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, Federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts deferred under the Plan, or paid to or for the benefit of a Participant under the Plan, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

13.9 Compliance with Section 162(m)

If any provision of the Plan would cause the Awards granted to a Covered Employee not to constitute qualified Performance-Based Compensation under Section 162(m) of the Code, that provision, insofar as it pertains to the Covered Employee, shall be severed from, and shall be deemed not to be a part of, this Plan, but the other provisions hereof shall remain in full force and effect.

13.10 Exemption From Section 409A

The Plan is intended to be exempt from Section 409A of the Code, and shall be construed and administered accordingly.

Exhibit (10.22)

Kodak Executive Protection Plan
Effective Date: January 1, 2009
As Amended: December 12, 2008
No. of Pages: 16 plus
Exhibits A, B, C, D, E

Eastman Kodak Company Executive Protection Plan

ARTICLE I. PURPOSE AND EFFECTIVE DATE

1.1 Purpose

The purpose of the Eastman Kodak Company Executive Protection Plan is to secure the continued services of certain executives of the Eastman Kodak Company and its subsidiaries and their continued dedication to their duties in the event of any threat or occurrence of a Change in Control (as defined in Section 2.5).

This Plan is intended to comply with Section 409A of the Code, and all provisions herein shall be interpreted and administered accordingly. Without limitation of the foregoing, this Plan will be interpreted and administered in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance with respect to benefits subject to Code section 409A.

1.2 Effective Date

The Plan originally became effective December 9, 1999. The Plan was amended effective January 1, 2009, to adopt changes that enable the Plan to comply with Section 409A of the Code.

ARTICLE II. DEFINITIONS

2.1 Base Salary

"Base Salary" means the highest annual rate of base salary payable by the Company to a Participant during the 12-month period immediately prior to the Participant's Date of Termination.

2.2 Board

"Board" means the Board of Directors of Kodak or, in the event of a transaction described in Section 2.5(c), the Board of Directors of the "Parent Company," as defined in clause (1)(y) of such section.

2.3 Bonus Amount

"Bonus Amount" means the Participant's target bonus under the applicable Company annual incentive compensation plan for the year in which the Date of Termination occurs or, if greater, for the year in which the Change in Control occurs.

2.4 Cause

"Cause" means:

(a) for Tier 1 Employees (1) the willful and continued failure of the Participant to perform substantially the Participant's duties with the Company (other than any such failure resulting from the Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by the Board which specifically identifies the manner in which the Board believes that the Participant has not substantially performed the Participant's duties, or (2) the willful engaging by the Participant in illegal conduct or gross misconduct which is demonstrably and materially injurious to the Company or its affiliates. For purposes of this paragraph, no act or failure to act by the Participant shall be considered "willful" unless done or omitted to be done by the Participant in bad faith and without reasonable belief that the Participant's action or omission was in the best interests of the Company or its affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for Kodak shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. Cause shall not exist with respect to Tier 1 Employees who were Kodak's "named executive officers" (as defined in Item 402(a) of Regulation S-K under the Securities Exchange Act of 1934 (the "Act")) for the last fiscal year of Kodak prior to a Change in Control unless and until Kodak has delivered to the Participant a copy of a resolution duly adopted by three-quarters (3/4) of the entire Board (excluding the Participant if the Participant is a Board member) at a meeting of the Board called and held for such purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with counsel, to be heard before the Board), finding that in the good faith opinion of the Board an event set forth in clauses (1) or (2) has occurred and specifying the particulars thereof in detail; and

(b) for Tier 2 and Tier 3 Employees (1) the willful and continued failure of the Participant to perform substantially the Participant's duties with the Company (other than any such failure resulting from the Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by the Company which specifically identifies the manner in which the Company believes that the Participant has not substantially performed the Participant's duties, or (2) the willful engaging by the Participant in illegal conduct or gross misconduct which is demonstrably and materially injurious to the Company or its affiliates. For purpose of this paragraph, no act or failure to act by the Participant shall be considered "willful" unless done or omitted to be done by the Participant in bad faith and without reasonable belief that the Participant's action or omission was in the best interests of the Company or its affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for Kodak shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company.

2.5 Change In Control

"Change in Control" means the occurrence of any one of the following events:

(a) individuals who, on December 9, 1999, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to December 9, 1999, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of Kodak in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of Kodak as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) ("Election Contest") or any other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Act) other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed to be an Incumbent Director;

(b) any person is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of Kodak representing 25% or more of the combined voting power of Kodak's then outstanding securities eligible to vote for the election of the Board (the "Company Voting Securities"); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (1) by Kodak or any Subsidiary, (2) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates, or (3) by any underwriter temporarily holding securities pursuant to an offering of such securities;

(c) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Kodak or any of its Subsidiaries that requires the approval of Kodak's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or sale or other disposition of all or substantially all of

Kodak's assets to an entity that is not an affiliate of Kodak (a "Sale"), unless immediately following such Reorganization or Sale: (1) more than 60% of the total voting power of (x) the corporation resulting from such Reorganization or Sale (the "Surviving Company"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Company (the "Parent Company"), is represented by Company Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (2) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Company or the Parent Company), is or becomes the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (3) at least a majority of the members of the board of directors of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (1), (2) and (3) above shall be deemed to be a "Non-Qualifying Transaction"); or

(d) the shareholders of Kodak approve a plan of complete liquidation or dissolution of Kodak.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by Kodak which reduces the number of Company Voting Securities outstanding; provided that if after such acquisition by Kodak such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control shall then occur.

For purposes of Sections 3.2, 4.2 and 8.7, the Plan will be required to determine whether a Change in Control also qualifies as a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury Regulations.

2.6 Code

“Code” means the Internal Revenue Code of 1986, as amended.

2.7 Committee

"Committee" means the Executive Compensation and Development Committee of the Board or other Board committee appointed by the Board.

2.8 Company

"Company" means Kodak and the Subsidiaries.

2.9 Date of Termination

"Date of Termination" means the date on which the Participant's employment with the Participant's Employer terminates. The termination of employment must qualify as a “separation from service” within the meaning of Code section 409A (taking into account section 1.409A-1(h) of the Treasury Regulations and other guidance of general applicability issued thereunder), administered in accordance with Eastman Kodak Company’s Policy Regarding Section 409A Compliance, provided that this Plan shall utilize a more-than-50% common control standard as permitted by the Treasury regulations rather than the 80% rule normally applied under the Policy.

2.10 Employee

"Employee" means a regular, full-time employee in wage grade 48 or above or the equivalent thereof of an Employer.

2.11 Employer

"Employer" means Kodak or any Subsidiary that is participating in this Plan pursuant to Section 8.1.

2.12 Good Reason

"Good Reason" means:

(a) for Tier 1 Employees, the occurrence of any of the following events within the two-year period following a Change in Control without the Participant's express written consent:

(1) the assisnment of, or change in, the duties or responsibilities of the Participant that are not comparable in any adverse respect with the Participant's duties or responsibilities immediately prior to such Change in Control, other than a change in the Participant's titles or reporting relationship;

(2) a reduction in the Participant's Total Remuneration as in effect immediately prior to such Change in Control or as the same may be increased from time to time thereafter;

(3) a material reduction in the perquisites and fringe benefits provided to the Participant immediately prior to the Change in Control or as the same may be increased from time to time thereafter;

(4) the failure of a successor to assume the terms, conditions and obligations of this Plan in accordance with Section 8.3; or

(5) an amendment or termination of the Plan not permitted pursuant to Section 8.2.

An isolated, insubstantial and inadvertent action taken in good faith and which is remedied by the Company within seven (7) days after receipt of written notice thereof given by the Participant to the Company shall not constitute Good Reason. The Participant's right to terminate employment for Good Reason shall not be affected by the Participant's incapacities due to mental or physical illness and the Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any event or condition constituting Good Reason; and

(b) for Tier 2 Employees, the occurrence of any of the following events within the two-year period following a Change in Control without the Participant's express written consent:

(1) the assignment of, or change in, the duties or responsibilities of the Participant that are not comparable in any adverse respect with the Participant's duties or responsibilities immediately prior to such Change in Control, other than a change in the Participant's titles or reporting relationship;

(2) a reduction in the Participant's Total Remuneration as in effect immediately prior to such Change in Control or as the same may be increased from time to time thereafter; or

(3) reassignment of the Participant to a job that is not in the same geographic area as the Participant's job immediately prior to such Change in Control unless: (x) there is an agreement by the Participant, confirmed in an offer letter or other agreement, to reassignment; or (y) the Participant was in a position immediately prior to the Change in Control where periodic reassignment is standard practice;

(4) the failure of a successor to assume the terms, conditions and obligations of this Plan in accordance with Section 8.3; or

(5) an amendment or termination of the Plan not permitted pursuant to Section 8.2.

An isolated, insubstantial and inadvertent action taken in good faith and which is remedied by the Company within seven (7) days after receipt of written notice thereof given by the Participant shall not constitute Good Reason. The Participant's right to terminate employment for Good Reason shall not be affected by the Participant's incapacities due to mental or physical illness and the Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any event or condition constituting Good Reason; and

(c) for Tier 3 Employees, the occurrence of any of the following events within the two-year period following a Change in Control without such Participant's express written consent:

(1) the assignment of duties to the Participant that are materially inconsistent with the duties of the position held by the Participant immediately prior to such Change in Control;

(2) a reduction in the Participant's Total Remuneration as in effect immediately prior to such Change in Control or as the same may be increased from time to time thereafter;

(3) reassignment of the Participant to a job that is not in the same geographic area as the Participant's job immediately prior to such Change in Control unless: (x) there is an agreement by the Participant, confirmed in an offer letter or other agreement, to reassignment; or (y) the Participant was in a position immediately prior to the Change in Control where periodic reassignment is standard practice;

(4) the failure of a successor to assume the terms, conditions and obligations of this Plan in accordance with Section 8.3; or

(5) an amendment or termination of the Plan not permitted pursuant to Section 8.2.

An isolated, insubstantial and inadvertent action taken in good faith and which is remedied by the Company within fourteen (14) days after receipt of written notice thereof given by the Participant shall not constitute Good Reason. The Participant's right to terminate employment for Good Reason shall not be affected by the Participant's incapacities due to mental or physical illness and the Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any event or condition constituting Good Reason.

2.13 Kodak

"Kodak" means Eastman Kodak Company.

2.14 Participant

"Participant" means, as applicable, a Tier 1 Employee, a Tier 2 Employee or a Tier 3 Employee.

2.15 Plan

"Plan" means the Eastman Kodak Company Executive Protection Plan.

2.16 Qualifying Termination

"Qualifying Termination" means for all the Participants other than Kodak's Chief Executive Officer and President: (a) a termination of the Participant's employment by the Employer other than for Cause, or (b) a termination of the Participant's employment by such Participant for Good Reason. In the case of Kodak's Chief Executive Officer, "Qualifying Termination" means: (a) a termination of the Chief Executive Officer's employment by the Employer other than for Cause, or (b) a termination of the Chief Executive Officer's employment by the Chief Executive Officer for Good Reason or (c) a voluntary termination of employment by the Chief Executive Officer for any reason (or no reason at all) during the 30-day period commencing 23 months after the date of a Change in Control. In the case of Kodak's President, "Qualifying Termination" means: (a) a termination of the President's employment by the Employer other than for Cause, or (b) a termination of the President's employment by the President for Good Reason or (c) a voluntary termination of employment by the President for any reason (or no reason at all) during the 30-day period commencing 23 months after the date of a Change in Control. Termination of a Participant's employment on account of the Participant's death or on account of the Participant's disability, as defined under the Employer's long-term disability plan, shall not be treated as a Qualifying Termination.

2.17 Subsidiary

"Subsidiary" means any corporation or other entity in which Kodak has a direct or indirect ownership interest of more than 50% of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors or in which Kodak has the right to receive more than 50% of the distribution of profits or more than 50% of the assets in liquidation or dissolution.

2.18 Tier 1 Employee

"Tier 1 Employee" means an Employee selected by the Committee and named on Exhibit A.

2.19 Tier 2 Employee

"Tier 2 Employee" means an Employee selected by the Committee and named on Exhibit B.

2.20 Tier 3 Employee

"Tier 3 Employee" means an Employee selected by the Committee and named on Exhibit C.

2.21 Total Remuneration

"Total Remuneration" means the aggregate of the Participant's Base Salary, target annual bonus compensation, target long-term bonus compensation and benefits and coverage under all Company employee benefit plans.

ARTICLE III. ELIGIBILITY

3.1 In General

All Tier 1, Tier 2 and Tier 3 Employees participate in this Plan.

3.2 Termination Prior to Change In Control

If a Participant ceases to be an Employee prior to a Change in Control, such Participant shall have no further rights under this Plan; provided, however, that if (a) such Participant's employment is terminated prior to a Change in Control for reasons that would have constituted a Qualifying Termination if they had occurred following a Change in Control; (b) such Participant reasonably demonstrates that such termination (or Good Reason event) was in contemplation of a Change In Control by a third party who had indicated an intention or taken steps reasonably calculated to effect a Change in Control; (c) a Change in Control involving such third party (or a party competing with such third party to effectuate a Change in Control) does occur, and (d) the Change in Control also qualifies as a "change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury Regulations, then for purposes of this Plan, the date immediately prior to the date of such termination of employment or event constituting Good Reason shall be treated as a Change in Control with respect to such Participant for purposes of determining the Participant's entitlement to benefits hereunder. The timing of payments and benefits to the Participant under Article 4, with respect to a Participant described in the immediately preceding sentence, will be determined by treating the date of the actual Change in Control as the Employee's Date of Termination hereunder.

ARTICLE IV. PAYMENTS UPON TERMINATION OF EMPLOYMENT

4.1 In General

If during the two-year period following a Change in Control the employment of a Participant shall terminate, by reason of a Qualifying Termination, then the Company shall provide to such Participant the benefits described in this Article 4.

4.2 Accrued Compensation

To the extent permitted by Section 409A of the Code, within fourteen (14) days following a Participant's Date of Termination, the Company shall pay to such Participant a lump-sum cash amount equal to the sum of (1) the Participant's Base Salary (without regard to any reduction constituting Good Reason) through the Date of Termination and any bonus awards that have been awarded, but are not yet payable, (2) any accrued vacation or sick pay, and (3) any other accrued compensation, in each case to the extent not theretofore paid.

Notwithstanding the foregoing, any payment hereunder that constitutes a benefit subject to Section 409A of the Code shall be subject to the six-month waiting period following separation from service that the Company requires for certain executive employees as a result of Section

409A of the Code (to the extent applicable to the Participant), and any payment hereunder which is subject to Section 409A of the Code shall be paid as of its originally scheduled date rather than in accordance with this Plan unless permitted to be accelerated. By way of clarification, a Section 409A benefit may be accelerated pursuant to this Plan only to the extent that the Change in Control preceding the Participant’s Date of Termination qualifies as a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury Regulations, and only to the extent that the documents governing such payment do not contain a prohibition on acceleration in the event of such a change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation.

4.3 Severance

Within fourteen (14) days following the Participant's Date of Termination (or, if applicable to a given Participant, within fourteen (14) days after the expiration of the six-month waiting period following separation from service that the Company requires for certain executive employees as a result of Section 409A of the Code), the Company shall pay to such Participant a lump-sum cash amount, based upon the Participant's position (without regard to any change in position following a Change in Control which would constitute Good Reason hereunder) immediately prior to the Change in Control, equal to:

(a) for a Tier 1 Employee, three (3) times the sum of such Participant's Base Salary and Bonus Amount;

(b) for a Tier 2 Employee, two (2) times the sum of such Participant's Base Salary and Bonus Amount; and

(c) for a Tier 3 Employee, the greater of the amounts described in (1) or (2) below:

(1) one (1) times the sum of such Participant's Base Salary and Bonus Amount; or

(2) for all Participants employed by Kodak, the termination allowance payable to such Participant under the Kodak Employee Protection Plan assuming such Participant were eligible for benefits under such plan, and for all other Participants, the termination allowance payable under any plan or program adopted by the Participant's Employer which is similar in purpose to the Kodak Employee Protection Plan.

4.4 Continuation of Benefits

For a period commencing on the Date of Termination and continuing for twelve (12) months thereafter the Company shall continue to provide the Participant and the Participant's dependents with the same level of coverage under those of the medical, dental, disability and life insurance plans as shall have been in effect for such Participant (and dependents) immediately prior to the Date of Termination and on the same terms and conditions as in effect immediately prior to the Date of Termination (or, if more favorable to the Participant, immediately prior to the Change in Control); except, however, no employee contributions will be required for such coverages. If the Participant cannot continue to participate in the plans of Kodak (or the Participant's Employer) providing such benefits, the Company shall otherwise provide such benefits on the same after-tax basis as if participation had continued. The twelve (12) month period during which medical and dental coverage is provided to a Participant under this Section 4.4 will not be considered part of the "Continuation Period" for purposes of electing any COBRA continuation coverage.

Any taxable benefits provided in accordance with this Section which are not exempt from Section 409A of the Code will be provided by the end of the taxable year following the taxable year in which the Participant incurred (or would have incurred, but for this Section) the expense or premium payment obligation covered under this Section, and any caps or limits on benefits which result in benefits provided in one taxable year reducing those available in another taxable year will apply only to the extent the expenses in question are medical expenses permitted to be subject to caps of this kind under the Treasury Regulations. Although it is not anticipated that the six-month waiting period will apply to these benefits in light of available exemptions, the six-month waiting period will be imposed if required. With respect to any payments which qualify as tax gross-ups described in Section 1.409A-3(i)(1)(v) of the Treasury Regulations, payment shall be made no later than the deadline stated in the Treasury Regulations for such payments.

4.5 Additional Payments

Payments made to a Participant shall be subject to the additional payments of Exhibit D hereto, if applicable.

4.6 Withholding Taxes

The Company will withhold from all payments due to a Participant (or the Participant's beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, Kodak or any Employer is required to withhold therefrom.

ARTICLE V. FULL SETTLEMENT; NO MITIGATION

5.1 Full Settlement

The Company's obligation to make the payments provided for in this Plan and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Participant or others.

5.2 No Mitigation

In no event shall the Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment.

ARTICLE VI. REIMBURSEMENT OF EXPENSES

The Company shall pay all legal fees and related expenses which a Participant may reasonably incur in seeking to obtain or enforce any payment, benefit or right provided by this Plan after a Change in Control, including any such fees and expenses incurred in seeking advice with respect to the amount provided in Exhibit D; provided, however, the Participant shall be required to repay any such amounts to the Company to the extent that a court of competent jurisdiction issues a final and non-appealable order setting forth the determination that the position taken by the Participant was frivolous or advanced in bad faith. Such fees shall be paid by the Company as soon as administratively practicable after the Participant submits reasonably acceptable documentation that such fees have been incurred, and in any event no later than the end of the Participant’s taxable year following the taxable year in which such fees were incurred. All fees eligible to be reimbursed under this Article must be incurred during the Participant’s lifetime or relate to a claim filed no later than one year after the Participant’s death.

ARTICLE VII. ADMINISTRATION

The Plan shall be administered by the Committee. Consistent with the requirements of ERISA and the regulations thereunder of the Department of Labor, the Committee shall provide adequate written notice to any Participant whose claim for benefits under Article 4 has been denied, setting forth specific reasons for such denial, written in a manner calculated to be understood by such Participant, and affording such Participant a full and fair review of the decision denying the claim.

ARTICLE VIII. MISCELLANEOUS

8.1 Participating Employers

Each Subsidiary set forth on Exhibit E hereto shall be deemed to be an Employer and the provisions of this Plan shall be fully applicable to the Tier 2 and Tier 3 Employees of such Subsidiary.

8.2 Termination or Amendment of Plan

The Committee may amend or terminate this Plan at any time prior to a Change in Control; provided, however, that except as provided in Section 8.6 and except to the extent that Kodak’s counsel, accountants or auditors identify such amendment or termination as necessary to bring the Plan into compliance with applicable law and/or avoid the imposition of penalties (including adverse tax consequences other than those addressed under Exhibit D) on Participants, no such action which would adversely affect the rights or potential rights of Participants shall be effective if taken during the twelve (12) month period prior to a Change in Control. In no event may the Plan be amended or terminated within the 24-month period following a Change In Control, except to the extent Kodak’s counsel, accountants or auditors identify such amendment or termination as necessary to bring the Plan into compliance with applicable law and/or avoid the imposition of penalties (including adverse tax consequences other than those addressed under Exhibit D) on Participants.

8.3 Successors

(a) This Plan shall not be terminated by any merger, consolidation, share exchange or similar event involving Kodak whether or not Kodak is the surviving or resulting entity. In the event of any merger, consolidation, share exchange or similar event, the provisions of this Plan shall be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred.

(b) This Plan shall inure to the benefit of and be enforceable by each Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If a Participant shall die while any amounts are payable to the Participant hereunder (including any payments which may be owed under Article 4), all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such person or persons appointed in writing by the Participant to receive such amounts or, if no person is so appointed, to such Participant's estate.

8.4 Governing Law; Validity

The interpretation, construction and performance of this Plan, unless pre-empted by the Employee Retirement Income Act of 1974, as amended ("ERISA"), shall be governed by and construed and enforced in accordance with the laws of the State of New York without regard to the principle of conflicts of laws. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which other provisions shall remain in full force and effect.

8.5 Funding

Neither Kodak nor any Employer shall be required to fund or otherwise segregate assets to be used for the payment of any benefits under the Plan. The Company shall make such payments only out of its general corporate funds, and therefore its obligation to make such payments shall be subject to any claims of its other creditors having priority as to its assets.

8.6 Pooling of Interests

Notwithstanding anything contained herein to the contrary, if any provision of this Plan would, in the opinion of the Committee, cause any business combination approved by the Board to be ineligible for pooling-of-interests accounting treatment, the Committee may amend such provision in a manner to make such treatment available or terminate the Plan.

8.7 Other Severance Benefits

Any amounts payable to any Participant on account of the Participant's termination of employment pursuant to (a) any other plan, policy or program of, or agreement with, Kodak or another Employer (including, without limitation, the Kodak Employee Protection Plan) or (b) any statute or governmental regulation shall be offset against any payments made to such Participant pursuant to this Plan to the extent necessary to avoid the duplication of benefits. With respect to benefits paid by Kodak or another Employer (or a plan sponsored by Kodak or another Employer) rather than paid by a government agency, benefits will be paid first under the Plan, with benefits under the other plans, policies, programs or agreements reduced or eliminated as necessary to prevent duplication, unless Section 409A requires that benefits be paid first under another plan, in which case benefits under this Plan shall be reduced accordingly. For this purpose, the Plan will take into account rules permitting alternate times and forms of payment within two years following a "change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) of the Treasury Regulations to the extent such rules are applicable. Benefits paid by a government agency will be considered to be paid before benefits offered under this Plan or any other plan, policy or program of, or agreement with, Kodak or another Employer, unless otherwise required by law, and benefits paid under this Plan will be reduced accordingly.

Exhibit A

List of Tier 1 Employees

CEO, President, Executive Vice President(s), Senior Vice Presidents and direct reports to CEO

Exhibit B

List of Tier 2 Employees

All other corporate officers

Exhibit C

List of Tier 3 Employees

Up to all other worldwide employees in wage grade 48 or above

<u>Exhibit D</u>

<u>Certain Additional Payments by the Company</u>

(a) Anything in this Plan to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of a Participant (whether pursuant to the terms of this Plan or otherwise, but determined without regard to any additional payments required under this Exhibit D) (the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by a Participant with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to such Participant an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Participant of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment, the Participant retains an amount of the Gross-Up Payment equal to the sum of (x) the Excise Tax imposed upon the Payments and (y) the product of any deductions disallowed because of the inclusion of the Gross-up Payment in the Participant's adjusted gross income and the highest applicable marginal rate of federal income taxation for the calendar year in which the Gross-up Payment is to be made. For purposes of determining the amount of the Gross-up Payment, the Participant shall be deemed to (i) pay federal income taxes at the highest marginal rates of federal income taxation for the calendar year in which the Gross-up Payment is to be made, (ii) pay applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes and (iii) have otherwise allowable deductions for federal income tax purposes at least equal to those which could be disallowed because of the inclusion of the Gross-up Payment in the Participant's adjusted gross income. Notwithstanding the foregoing provisions of this Exhibit D, if it shall be determined that the Participant is entitled to a Gross-Up Payment, but that the Payments would not be subject to the Excise Tax if the Payments were reduced by an amount that is less than 10% of the portion of the Payments that would be treated as "parachute payments" under Section 280G of the Code, then the amounts payable to the Participant under this Plan shall be reduced (but not below zero) to the maximum amount that could be paid to the Participant without giving rise to the Excise Tax (the "Safe Harbor Cap"), and no Gross-Up Payment shall be made to the Participant. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments under Section 4.3. For purposes of reducing the Payments to the Safe Harbor Cap, only amounts payable under this Plan (and no other Payments) shall be reduced. If the reduction of the amounts payable hereunder would not result in a reduction of the Payments to the Safe Harbor Cap, no amounts payable under this Plan shall be reduced pursuant to this provision.

(b) All determinations required to be made under this Exhibit D, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment, the reduction of the Payments to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made by the public accounting firm that is retained by Kodak as of the date immediately prior to the Change in Control (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Participant within fifteen (15) business days of the receipt of notice from the Company or the Participant that there has been a Payment, or such earlier time as is requested by the Company (collectively, the "Determination"). In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Participant may appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company and the Company shall enter into any Agreement requested by the Accounting Firm in connection with the performance of the services hereunder. The Gross-up Payment with respect to any Payments shall be made no later than thirty (30) days following such Payment. If the Accounting Firm determines that no Excise Tax is payable by the Participant, it shall furnish the Participant with a written opinion to such effect, and to the effect that failure to report the Excise Tax, if any, on the Participant's applicable federal income tax return will not result in the imposition of a negligence or similar penalty. In the event the Accounting Firm determines that the Payments shall be reduced to the Safe Harbor Cap, it shall furnish the Participant with a written opinion to such effect. The Determination by the Accounting Firm shall be binding upon the Company and the Participant. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the Determination, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment") or Gross-up Payments are made by the Company which should not have been made ("Overpayment"), consistent with the calculations required to be made hereunder. In the event that the Participant thereafter is required to make payment of any Excise Tax or additional Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) shall be promptly paid by the Company to or for the benefit of the Participant. In the event the amount of the Gross-up Payment exceeds the amount necessary to reimburse the Participant for the Participant's Excise Tax, the Accounting Firm shall determine the amount of the Overpayment that has been made and any such Overpayment (together with interest at the rate provided in Section 1274(b)(2) of the Code) shall be promptly paid by the Participant (to the extent he has received a refund if the applicable Excise Tax has been paid to the Internal Revenue Service) to or for the benefit of the Company. The Participant shall cooperate, to the extent the Participant's expenses are reimbursed by the Company, with any reasonable requests by the Company in connection with any contests or disputes with the Internal Revenue Service in connection with the Excise Tax. Without limitation of any provision requiring amounts to be paid more quickly, all amounts due under this Appendix must be paid no later than the end of the Employee’s taxable year following the taxable year in which the Employee paid the relevant taxes.

<u>Exhibit E</u>

<u>Included Subsidiaries</u>

Exhibit (10.24)

December 9, 2008

Mr. Antonio M. Perez
Chairman and Chief Executive Officer
Eastman Kodak Company
343 State Street
Rochester, NY 14650

Re: Second Amendment to March 3, 2003 Letter Agreement

Dear Antonio:

By way of a letter agreement dated March 3, 2003 (the "Agreement"), Eastman Kodak Company ("Kodak") and you agreed to certain terms regarding your employment. Certain terms of the Agreement were changed by the letter to you from Timothy M. Donahue dated May 10, 2005 on behalf of the Executive Compensation and Development Committee of the Kodak Board of Directors in connection with your election by the Board as Chief Executive Officer, effective June 1, 2005, and reflected in the First Amendment to the Agreement dated February 27, 2007. The purpose of this letter is to amend the Agreement as set forth herein, for such consideration as the parties acknowledge is mutually sufficient, for the purpose of complying with certain requirements of Section 409A of the Internal Revenue Code. Any defined term used in this letter agreement, unless otherwise defined herein, will have the same meaning as that ascribed to it under the Agreement. This letter supersedes the Agreement (as amended) to the extent inconsistent therewith.

1. Supplemental Enhanced Pension Benefit

A. The following paragraph will replace the second paragraph in Section 13(C) of the Agreement:

> Provided, however, in the event of termination as a result of your death, your spouse or beneficiary will be entitled to a survivor benefit calculated as set forth in Section 13(E) below, using the service crediting set forth in the prior paragraph and subject to the offset set forth in Section 13(D). By way of clarification, your survivors are not eligible for the post-retirement survivor income benefit which is provided under our life insurance plans for a specified grandfathered population.

B. Section 13(E) of the Agreement is hereby amended in its entirety to read as follows:

E. **Payment**. The amount of the supplemental enhanced retirement benefit, if any, payable to you or your beneficiary under this Section 13 will be paid in the form set forth below. Such amount shall (i) be paid out of Kodak's general assets, not under KRIP; (ii) not be funded in any manner; (iii) be included in the gross income of you or your beneficiary as ordinary income, subject to all income and payroll tax withholding required to be made under all applicable laws; and (iv) not be grossed up or be given any other special tax treatment by Kodak. For purposes of calculating any benefits, you will be considered a pre-1996 lump-sum eligible hire who has attained age 65, all benefits under this Agreement will be treated as post-1995 accrued benefits, and the actuarial assumptions used will be those in effect under KRIP with respect to the Annuity Starting Date (as defined under KRIP).

I. **Form of Payment to You.** Your supplemental enhanced pension benefit will be paid in a single lump sum within 90 days following the six-month anniversary of your termination of employment from Kodak. If you die after separation from service but before expiration of the six-month waiting period, payment of your supplemental enhanced pension benefit will be made to your estate within 90 days following the date of your death, and no survivor benefits will be paid under paragraph (II).

II. **Form of Payment to Your Beneficiary.** The survivor benefit attributable to your supplemental enhanced pension benefit hereunder will be paid in the form of a lump sum that, in the case of your surviving spouse who would qualify to select between the Pre-retirement Survivor Income Benefit or a qualified pre-retirement survivor annuity under Section 10.02 of KRIP if you were a participant in traditional KRIP, is actuarially equivalent to the greater of (i) an annuity that would be calculated under the formula for the Pre-retirement Survivor Income Benefit set forth in Section 10.02 of KRIP, or (ii) a qualified pre-retirement survivor annuity as calculated pursuant to Section 10.02(h) of KRIP, and if you have no surviving spouse who would qualify for a benefit under Section 10.02 of KRIP but have a beneficiary who would be entitled to a Pre-retirement Survivor Income Benefit if you were a participant in traditional KRIP, is actuarially equivalent to an annuity that would be calculated under the formula for the Pre-retirement Survivor Income Benefit set forth in Section 10.02 of

KRIP with payment to be made to the person(s) who would receive the first monthly payment of the Pre-retirement Survivor Income Benefit or the qualified pre-retirement survivor annuity (if greater). If no such person(s) exist(s), no survivor benefits will be paid.

2. Stock Options

In order to clarify and ensure compliance with Section 409A, Section 14(A)(V) is amended to read as follows:

V. any outstanding stock option award at the time of your death will become fully vested and your estate or, in the event of an assignment of your stock option award, your transferee will have the right to exercise any such award for the remainder of the full original term of the option (but no longer than ten years);

Also, Section 14(B)(VII) is amended to read as follows:

VII. any stock option award, other than the stock option award described in Section 7, outstanding for at least one year at the time of your termination of employment and, if the award is unvested at the time of your termination, it will continue to vest per its terms as if you continued your employment through each vesting date and, once vested, you will have the right to exercise the award for the remainder of its original term (but no longer than ten years) unless they are forfeited sooner pursuant to their terms relating to inimical conduct or breach of Employee's Agreement

Furthermore, Section 14(C)(VI) is amended to read as follows:

VI. sixty days (or through the expiration of the option's original term, if earlier) in which to exercise any vested stock option held by you on the date of your termination of employment unless such stock option is forfeited by its terms as a result of the circumstances resulting in your termination for Cause;

Section 14(D)(VII) is amended to read as follows:

VII. any stock option award, other than the stock option award described in Section 7, outstanding at the time of your termination of employment and, if the award is unvested at the time of your termination, it will continue to vest per its terms as if you continued your employment through each vesting date and, once vested, you will have the right to exercie the award for the remainder of its original term (but no longer than ten years) unless they are forfeited sooner pursuant to their terms relating to inimical conduct or breach of Employee's Agreement;

Finally, Section 14(E)(VII) is amended to read as follows:

VII. any stock option award, other than the stock option award described in Section 7, outstanding at the time of your termination of employment and, if the award is unvested at the time of your termination, it will continue to vest per its terms as if you continued your employment through each vesting date and, once vested, you will have the right to exercise the award for the remainder of its original term (but no longer than ten years) unless they are forfeited sooner pursuant to their terms relating to inimical conduct or breach of Employee's Agreement;

In addition, Section 14(F)(VIII) is amended to read as follows:

VIII. sixty days (or through the expiration of the option's original term, if earlier) in which to exercise any other vested stock option held by you on the date of your termination of employment;

3. Severance Allowance

Section 14(D) (Termination Without Cause) and Section 14(E) (Good Reason) provide for payment of a severance allowance in the event that Kodak terminates your employment without Cause, or you terminate your employment for Good Reason. Since this severance allowance is subject to Section 409A, paragraph II of both Section 14(D) and Section 14(E) is amended to delete the phrase "on the date of your termination of employment" and replace it with "in accordance with the six-month waiting period that Kodak requires for certain executive employees as a result of Internal Revenue Code Section 409A, six months after your termination of employment, at which time payments will commence on the bi-weekly schedule and continue for the two (2) year period;"

Furthermore, Section 14(G) is amended to read as follows:

G. **Exclusivity of Severance Allowance**. The severance allowance payable to you under this Section 14 will be paid to you in lieu of any other severance, termination, or separation pay or benefit to which you may otherwise be entitled, except any benefits payable to you under any Kodak severance plan. To the extent, however, you are eligible for a benefit under a Kodak severance plan, the severance allowance payable to you under this Section 14 will be reduced by the amount of such severance benefit. You acknowledge that pursuant to Section 409A of the Internal Revenue Code, any benefit provided to you under a Kodak severance plan may be required to be paid at the time and in the form prescribed for the severance allowance hereunder (notwithstanding the terms of the applicable plan), but that otherwise, benefits under a Kodak severance plan will be paid in the form provided thereunder and will not be controlled by the terms of this Agreement.

4. Financial Counseling Benefits

Sections 14(A)(VIII), B(XI), D(XV), and E(XV) state that Kodak will provide you with services under Kodak's financial counseling program for the two year period immediately following the date of your termination of employment.

Section 14(A)(VIII) is amended to read as follows:

VIII. services for your spouse or estate under Kodak's financial counseling program for the two year period immediately following the date of your death, with all reimbursements for services to be completed no later than the end of the taxable year following the taxable year in which the expense was incurred;

Sections 14(B)(XI), D(XV), and E(XV) are amended to read as follows:

services under Kodak's financial counseling program for the two year period immediately following the date of your termination of employment, provided that during the six-month waiting period that Kodak requires for certain executive employees as a result of Internal Revenue Code Section 409A, you will be required to pay for any services provided prior to that six-month anniversary at the time such services are rendered and Kodak will reimburse you upon receipt from you of proper documentation, as soon as administratively practicable after the six month waiting period has expired; and further provided that all reimbursements for services will be completed no later than the end of the taxable year following the taxable year in which the expense was incurred;

The sixth paragraph of Section 16 is amended to read as follows:

Our executives are provided with individual financial counseling services through one of three companies. You may, in lieu thereof, choose to continue using your current financial counselor for such services and we will reimburse you for the cost of these services; subject, however, to a maximum reimbursement of $6,000 per taxable year. You will be immediately eligible for this benefit. If you elect to utilize your own financial planner, reimbursement claims must be submitted in a timely manner and reimbursement must be completed by the end of the taxable year after the taxable year in which the expense is incurred. This benefit will cease upon termination of employment except as otherwise provided under the terms of Kodak's financial counseling services program or Section 14.

5. Miscellaneous

Section 29 of the Agreement is hereby amended to revise the paragraphs added to the end of such Section by the First Amendment to read as follow:

The arrangements described in this letter agreement are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law, and shall be interpreted and administered accordingly. The parties agree that they will negotiate in good faith regarding amendments necessary to bring the arrangements into compliance with the terms of that Section or an exemption therefrom as interpreted by guidance issued by the Internal Revenue Service; provided, however, that Kodak may unilaterally amend this Agreement for purposes of such compliance if, in its sole discretion, Kodak determines that such amendment would not have a material adverse effect with respect to your rights under the Agreement. The parties further agree that to the extent an arrangement described in this letter fails to qualify for exemption from or satisfy the requirements of Section 409A, the affected arrangement may be operated in compliance with Section 409A pending amendment to the extent authorized by the Internal Revenue Service. In such circumstances Kodak will administer the letter in a manner which adheres as closely as possible to the existing terms and intent of the letter while complying with Section 409A. This paragraph does not restrict Kodak's rights (including, without limitation, the right to amend or terminate) with respect to arrangements described in this letter to the extent such rights are reserved under the terms of such arrangements.

By signing this Agreement you agree that the Company has not provided you with advice regarding the tax treatment of any of the benefits or payments provided hereunder. In particular, you hereby acknowledge that Kodak makes no representations with respect to the tax consequences of the compensation arrangements described in this Agreement under Section 409A of the Internal Revenue Code of 1986, as amended, or administrative guidance thereunder.

To the extent that the terms of this Agreement relate to a compensation or benefit plan, such terms are subject to the provisions of the applicable governing documents (such as plan documents, administrative guides and award notices), which are subject to change.

Except as otherwise provided herein, the benefits described in this Agreement will be administered by the Kodak employee with the title Director of Human Resources for Kodak ("Administrator"), in accordance with the terms of this Agreement. The Administrator will have total and exclusive responsibility to control, operate, manage and administer the Agreement in accordance with its terms and all the authority that may be necessary or helpful to enable him or her to discharge his or her responsibilities with respect to such benefits. Without limiting the generality of the preceding sentence, the Administrator will have the exclusive right to: interpret this Agreement, decide all questions concerning eligibility for and the amount of benefits payable under this Agreement (including, without limitation, whether Kodak has offered you a reasonably comparable position for purposes of this Agreement), construe any ambiguous provision of the this Agreement, correct any default, supply any omission, reconcile any inconsistency, and decide all questions arising in the administration, interpretation and application of this Agreement. The Administrator will have full discretionary authority in all matters related to the discharge of his or her responsibilities and the exercise of his or her authority under this Agreement, including, without limitation, his or her construction of the terms of this Agreement and his or her determination of eligibility for benefits under this Agreement. It is the intent of this Agreement, as well as both parties hereto, that the decisions of the Administrator and his or her actions with respect to this Agreement will be final and binding upon all persons having or claiming to have any right or interest in or under this Agreement and that no such decision or actions shall be modified upon judicial review unless such decision or action is proven to be arbitrary or capricious.

6. Remaining Terms of the Agreement

All of the remaining terms of the Agreement, as amended by the First Amendment, to the extent that they are not inconsistent with this letter agreement, will remain in full force and effect, without amendment or modification.

Your signature below means that:

1. You have had ample opportunity to discuss the terms and conditions of this letter agreement with an attorney and/or financial advisor of your choice and as a result fully understand its terms and conditions; and

2. You accept the terms and conditions set forth in this letter agreement; and

3. This letter agreement supersedes and replaces any and all agreements or understandings, whether written or oral, that you may have had with the Company concerning the matters discussed herein.

If you find the foregoing acceptable, please sign your name on the signature line provided below. Once the letter agreement is executed, please return it directly to my attention.

Very truly yours,

/s/ Richard S. Braddock

Richard S. Braddock
Chairman,
Executive Compensation and Development Committee

RSB:gjg

I accept the terms and conditions of this letter agreement.

Signed: /s/ Antonio M. Perez
Antonio M. Perez

Dated:

Exhibit (12)

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(in millions)	Year Ended December 31 2008	2007	2006	2005	2004
Loss from continuing operations before provision for income taxes	$ (874)	$ (256)	$ (583)	$ (1,208)	$ (625)
Adjustments:					
Minority interest in income of subsidiaries with fixed charges	-	(1)	-	(3)	(3)
Undistributed (earnings) loss of equity method investees	-	(1)	(7)	(12)	(30)
Interest expense	108	113	172	139	111
Interest component of rental expense (1)	39	43	53	50	54
Amortization of capitalized interest	2	9	43	22	25
Earnings as adjusted	$ (725)	$ (93)	$ (322)	$ (1,012)	$ (468)
Fixed charges:					
Interest expense	108	113	172	139	111
Interest component of rental expense (1)	39	43	53	50	54
Capitalized interest	3	2	3	3	2
Total fixed charges	$ 150	$ 158	$ 228	$ 192	$ 167
Ratio of earnings to fixed charges	*	**	***	****	*****

(1) Interest component of rental expense is estimated to equal 1/3 of such expense, which is considered a reasonable approximation of the interest factor.

* Earnings for the year ended December 31, 2008 were inadequate to cover fixed charges. The coverage deficiency was $875 million.

** Earnings for the year ended December 31, 2007 were inadequate to cover fixed charges. The coverage deficiency was $251 million.

*** Earnings for the year ended December 31, 2006 were in adequate to cover fixed charges. The coverage deficiency was $550 million.

**** Earnings for the year ended December 31, 2005 were inadequate to cover fixed charges. The coverage deficiency was $1,204 million.

***** Earnings for the year ended December 31, 2004 were inadequate to cover fixed charges. The coverage deficiency was $635 million.

Exhibit (21)

Subsidiaries of Eastman Kodak Company

Companies Consolidated	Organized Under Laws of
Eastman Kodak Company	New Jersey
Laser-Pacific Media Corporation	Delaware
FPC, Inc.	California
Qualex Inc.	Delaware
Qualex Canada Photofinishing Inc.	Canada
Eastman Gelatine Corporation	Massachusetts
Kodak Imaging Network, Inc. (formerly Ofoto, Inc.)	Delaware
Kodak Graphic Communications Canada Company	Canada
Creo Capital Netherlands B.V.	Netherlands
Kodak SA/NV	Belgium
Kodak Canada Inc.	Canada
Kodak Argentina S.A.I.C.	Argentina
Kodak Chilena S.A. Fotografica	Chile
Kodak Americas, Ltd.	New York
Kodak Venezuela, S.A.	Venezuela
Kodak (Near East), Inc.	New York
Kodak (Singapore) Pte. Limited	Singapore
Kodak Philippines, Ltd.	New York
Kodak Polychrome Graphics Company Ltd.	Barbados
Kodak Limited	England
Cinesite (Europe) Limited	England
Kodak India Limited	India
Kodak International Finance Limited	England
Kodak Polska Sp.zo.o	Poland
Kodak OOO	Russia
Kodak Czech Spol s.r.o.	Czech Republic
Kodak S.A.	France
Kodak Verwaltung GmbH	Germany
Eastman Kodak Holdings B.V.	Netherlands
Eastman Kodak Sarl	Switzerland
Kodak Brasileira Comercio de Produtos para Imagem e Servicos Ltda.	Brazil
Kodak Nederland B.V.	Netherlands
Kodak (China) Investment Company Ltd.	China
Kodak (Hong Kong) Limited	Hong Kong
Kodak (China) Limited	Hong Kong

Exhibit (21)
(Continued)

Companies Consolidated	Organized Under Laws of
Eastman Kodak Company	
Kodak Korea Ltd.	South Korea
Kodak New Zealand Limited	New Zealand
Kodak (Australasia) Pty. Ltd.	Australia
Kodak (South Africa) (Proprietary) Limited	South Africa
Kodak (Egypt) S.A.E.	Egypt
Kodak (Malaysia) Sdn.Bhd.	Malaysia
Kodak (Taiwan) Limited	Taiwan
Eastman Kodak International Capital Company, Inc.	Delaware
Kodak de Mexico S.A. de C.V.	Mexico
Kodak Export de Mexico, S. de R.L. de C.V.	Mexico
Kodak Mexicana, S.A. de C.V.	Mexico
N.V. Kodak S.A.	Belgium
Kodak A/S	Denmark
Kodak Norge A/S	Norway
Kodak Societe Anonyme	Switzerland
Kodak (Thailand) Limited	Thailand
Kodak Gesellschaft m.b.H.	Austria
Kodak Kft.	Hungary
Kodak Oy	Finland
Kodak S.p.A.	Italy
Kodak Portuguesa Limited	New York
Kodak, S.A.	Spain
Kodak Nordic AB	Sweden
Kodak K. K.	Japan
K. K. Kodak Information Systems	Japan
Kodak Digital Product Center, Japan Ltd.	Japan
Kodak Electronic Products (Shanghai) Company Limited	China
Kodak (China) Company Limited	China
Kodak (China) Graphic Communications Company Ltd.	China
Kodak (Wuxi) Company Limited	China
Kodak (Xiamen) Company Limited	China
Kodak (Shanghai) International Trading Co. Ltd.	China
Shanghai Da Hai Camera Co., Ltd.	China

Note: Subsidiary Company names are indented under the name of the parent company.

Exhibit (23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-111726) and Form S-8 (No. 33-56499, No. 33-65033, No. 33-65035, No. 333-57729, No. 333-57659, No. 333-57665, No. 333-23371, No. 333-43526, No. 333-43524, and No. 333-125355) of Eastman Kodak Company of our report dated February 26, 2009 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Annual Report on Form 10-K**.**

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Rochester, New York
February 26, 2009

Exhibit (31.1)

CERTIFICATION

I, Antonio M. Perez, certify that:

1. I have reviewed this annual report on Form 10-K;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ Antonio M. Perez
Antonio M. Perez
Chairman and Chief Executive Officer

Exhibit (31.2)

CERTIFICATION

I, Frank S. Sklarsky, certify that:

1. I have reviewed this annual report on Form 10-K;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ Frank S. Sklarsky
Frank S. Sklarsky
Chief Financial Officer

Exhibit (32.1)

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Eastman Kodak Company (the "Company") on Form 10-K for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Antonio M. Perez, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Antonio M. Perez
Antonio M. Perez
Chairman and Chief Executive Officer

February 27, 2009

Exhibit (32.2)

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Eastman Kodak Company (the "Company") on Form 10-K for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank S. Sklarsky, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank S. Sklarsky
Frank S. Sklarsky
Chief Financial Officer

February 27, 2009