SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 1996

or

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

For the transition period from to

Commission File Number 1-87

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

NEW JERSEY (State of incorporation)	16-0417150 (IRS Employer Identification No.)
343 STATE STREET, ROCHESTER, NEW YORK (Address of principal executive offices)	14650 (Zip Code)
Registrant's telephone number, including area code:	716-724-4000

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

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

Class	Number of Shares Outstanding at March 31, 1996
Common Stock, $2.50 par value	339,586,051

Eastman Kodak Company and Subsidiary Companies
CONSOLIDATED STATEMENT OF EARNINGS

(in millions)	First Quarter 1996	First Quarter 1995
REVENUES		
Sales	$3,388	$3,137
Earnings from equity interests and other revenues	58	72
TOTAL REVENUES	3,446	3,209
COSTS		
Cost of goods sold	1,776	1,613
Selling, general and administrative expenses	971	895
Research and development costs	241	219
Interest expense	18	19
Other costs	19	48
TOTAL COSTS	3,025	2,794
Earnings before income taxes	421	415
Provision for income taxes	147	153
NET EARNINGS	$ 274	$ 262
Earnings per share	$ .80	$ .77

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	First Quarter 1996 (in millions)	First Quarter 1995 (in millions)
Retained earnings at beginning of year	$5,184	$4,485
Net earnings	274	262
Cash dividends declared	(137)	(136)
Other changes	2	(6)
RETAINED EARNINGS at end of quarter	$5,323	$4,605

See Notes to Financial Statements

Eastman Kodak Company and Subsidiary Companies
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions)	March 31, 1996	Dec. 31, 1995
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,139	$ 1,764
Marketable securities	28	47
Receivables	2,838	3,145
Inventories	1,898	1,660
Deferred income tax charges	515	520
Other	247	173
Total current assets	6,665	7,309
PROPERTIES		
Land, buildings and equipment at cost	12,716	12,652
Less: Accumulated depreciation	7,343	7,275
Net properties	5,373	5,377
OTHER ASSETS		
Goodwill (net of accumulated amortization of $353 and $346)	534	536
Deferred income tax charges	330	344
Long-term receivables and other noncurrent assets	966	911
TOTAL ASSETS	$13,868	$14,477

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Payables	$ 3,024	$ 3,327
Short-term borrowings	557	586
Taxes-income and other	787	567
Dividends payable	137	137
Deferred income tax credits	32	26
Total current liabilities	4,537	4,643
OTHER LIABILITIES		
Long-term borrowings	507	665
Postemployment liabilities	3,273	3,247
Other long-term liabilities	701	704
Deferred income tax credits	97	97
Total liabilities	9,115	9,356
SHAREHOLDERS' EQUITY		
Common stock at par*	978	974
Additional capital paid in or transferred from retained earnings	881	803
Retained earnings	5,323	5,184
Accumulated translation adjustment	75	93
	7,257	7,054
Less: Treasury stock shares at cost*	2,504	1,933
Total shareholders' equity	4,753	5,121
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$13,868	$14,477

*Common stock: $2.50 par value, 950 million shares authorized, 391.0 million shares issued as of March 31, 1996. Treasury stock shares at cost consists of approximately 51 million shares at March 31, 1996 and 44 million shares at December 31, 1995.

See Notes to Financial Statements

Eastman Kodak Company and Subsidiary Companies
CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)	First Quarter 1996	First Quarter 1995
Cash flows from operating activities:		
Net earnings	$ 274	$ 262
Adjustments to reconcile above earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	213	219
Provision (benefit) for deferred income taxes	1	(1)
Loss on sale and retirement of properties	13	19
Decrease in receivables	286	301
Increase in inventories	(247)	(296)
Decrease in liabilities excluding borrowings	(24)	(113)
Other items, net	(92)	(187)
Total adjustments	150	(58)
Net cash provided by operating activities	424	204
Cash flows from investing activities:		
Additions to properties	(250)	(238)
Proceeds from sale of properties	15	13
Marketable securities - purchases	(8)	-
Marketable securities - sales	27	19
Cash flows related to sales of non-imaging health businesses	(7)	(1,328)
Net cash used in investing activities	(223)	(1,534)
Cash flows from financing activities:		
Net decrease in borrowings with original maturity of 90 days or less	(185)	(215)
Proceeds from other borrowings	213	217
Repayment of other borrowings	(217)	(8)
Dividends to shareholders	(137)	(136)
Exercise of employee stock options	70	20
Stock repurchases	(571)	-
Net cash used in financing activities	(827)	(122)
Effect of exchange rate changes on cash	1	5
Net decrease in cash and cash equivalents	(625)	(1,447)
Cash and cash equivalents, beginning of year	1,764	2,020
Cash and cash equivalents, end of quarter	$ 1,139	$ 573

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

BASIS OF PRESENTATION

The financial statements have been prepared by the Company in accordance with the accounting policies stated in the 1995 Annual Report and should be read in conjunction with the Notes to Financial Statements appearing therein. In the opinion of the Company, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation have been included in the financial statements. The statements are based in part on estimates and have not been audited by independent accountants. The annual statements will be audited by independent accountants.

COMMITMENTS AND CONTINGENCIES

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

David J. FitzPatrick, Vice President
and Controller
May 6, 1996

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY

(in millions, except earnings per share)	First Quarter 1996	1995	Change
Sales	$3,388	$3,137	+8%
Net earnings	274	262	
Earnings per share	.80	.77	

1996

Sales for the first quarter of 1996 were $3,388 million and net earnings were $274 million ($.80 per share). Net earnings increased over the comparable period a year ago as the benefits of volume increases were only partially offset by lower effective selling prices, higher selling, general and administrative activity and increased research and development expenditures. On April 16, 1996, the Company announced a program, expected to extend over the next two to three years, to repurchase up to an additional $2 billion of its outstanding common stock. This follows a $1 billion stock repurchase program the Company commenced during the fourth quarter of 1995. At March 31, 1996, approximately $870 million of the original $1 billion has been repurchased, with the remaining $130 million expected to be repurchased in the near future.

On January 18, 1996, the Company announced its intention to strengthen and reposition its Office Imaging business. The Office Imaging business is involved primarily with the development, production, sale and service of office reprographics, document processing and reproduction equipment. The Company continues to explore a variety of strategic options and structural alternatives, which include expanding its use of strategic alliances, the formation of joint ventures and potential divestiture.

1995

Sales for the first quarter of 1995 were $3,137 million and net earnings were $262 million ($.77 per share).

Sales by Industry Segment

(in millions)	First Quarter 1996	1995	Change
Consumer Imaging			
Inside the U.S.	$ 558	$ 486	+15%
Outside the U.S.	897	781	+15
Total Consumer Imaging	1,455	1,267	+15
Commercial Imaging			
Inside the U.S.	933	925	+ 1
Outside the U.S.	1,008	952	+ 6
Total Commercial Imaging	1,941	1,877	+ 3
Deduct: Intersegment Sales	(8)	(7)	
Total Sales	$3,388	$3,137	+ 8%

Earnings from Operations by Industry Segment
(in millions)

	First Quarter 1996	1995*	Change
Consumer Imaging	$ 161	$ 147	+10%
Percent of Segment Sales	11.1%	11.6%	
Commercial Imaging	$ 239	$ 269	-11%
Percent of Segment Sales	12.3%	14.3%	

Total Earnings from Operations	$ 400	$ 416	- 4%

* Certain amounts have been reclassified to conform to the 1996 presentation.

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COSTS AND EXPENSES (in millions)	First Quarter 1996	1995	Change
Gross profit	$1,612	$1,524	+ 6%
Percent of Sales	47.6%	48.6%	
Selling, general and administrative expenses	$ 971	$ 895	+ 8%
Percent of Sales	28.7%	28.5%	
Research and development costs	$ 241	$ 219	+10%
Percent of Sales	7.1%	7.0%	

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1996 COMPARED WITH 1995

First quarter 1996 sales increased 8% compared with the first quarter of 1995, primarily due to higher unit volumes. Currency changes against the U.S. dollar negatively affected sales by $15 million in 1996. Sales for the Consumer Imaging segment increased significantly, while Commercial Imaging segment sales increased slightly. Consumer Imaging sales increased significantly both to customers in the U.S. and outside the U.S., due to worldwide volume increases of Kodacolor 35mm films, Ektacolor papers, photofinishing services and cameras. Commercial Imaging sales to customers in the U.S. were essentially level with the first quarter of 1995. Sales to customers outside the U.S. showed a moderate increase from the prior year, as good volume gains were partially offset by lower effective selling prices. Sales of motion picture films and many of the newer digital products led the worldwide sales increase.

Earnings from operations decreased 4% from the first quarter of 1995, as the benefits of increased unit volumes were more than offset by lower gross profit, higher levels of selling, general and administrative activity, and higher research and development activity. The primary factors contributing to the decrease of one percentage point in the gross profit rate were price declines in certain product categories and a slightly different product mix with proportionately less sales coming from higher margin sensitized products. Additionally, advertising and other costs for the Company's new Advantix system products contributed to the increase in selling, general and administrative expenses.

Consumer Imaging operating earnings increased 10%, as the benefits of increased unit volumes were partially offset by higher levels of advertising associated with the new Advantix system products and lower effective selling prices. Commercial Imaging operating earnings decreased 11% from the first quarter of 1995, as the adverse effects of lower effective selling prices, higher research and development activity and increased selling, general and administrative activity more than offset the benefits of increased unit volumes.

Earnings from equity interests and other revenues decreased for the first quarter of 1996 compared with 1995, due primarily to lower earnings from equity interests. Interest expense for the first quarter of 1996 was essentially level with 1995, as total borrowings were generally consistent year over year. The decrease in other costs in 1996 compared with 1995 is due primarily to lower net losses in 1996 from foreign exchange transactions and the translation of net monetary items in highly inflationary economies. The lower effective tax rate in 1996 principally results from the utilization of certain foreign tax loss carryforwards.

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LIQUIDITY AND CAPITAL RESOURCES

Available cash reserves and cash from operations have been and will be used to complete the $1 billion and $2 billion stock repurchase programs.

Cash flow from operations for the first quarter of 1996 was $424 million, primarily due to net earnings of $274 million, which included non-cash expenses for depreciation and amortization of $213 million, and a $286 million decrease in receivables. Net cash outflow from investing activities was $223 million for the first quarter of 1996, due primarily to capital expenditures of $250 million. Net cash outflow from financing activities of $827 million for the first quarter of 1996 was primarily due to the $571 million stock repurchase and $137 million of dividend payments.

Total cash dividends of approximately $137 million ($.40 per share) and $136 million ($.40 per share) were declared in the first quarters of 1996 and 1995, respectively.

Cash, cash equivalents and marketable securities decreased from $1,811 million at December 31, 1995 to $1,167 million at March 31, 1996. Net working capital also decreased from $2,666 million at year-end 1995 to $2,128 million at March 31, 1996. Both decreases are primarily attributable to the stock repurchase program.

Capital additions for the first quarter of 1996 were $250 million compared with $238 million for the first quarter of 1995.

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Part II. OTHER INFORMATION

Item 1. Legal Proceedings

In April 1987, the Company was sued in federal district court in San Francisco by a number of independent service organizations who alleged violations of Sections 1 and 2 of the Sherman Act and of various state statutes in the sale by the Company of repair parts for its copier and micrographics equipment (Image Technical Service, Inc. (ITS), et al v. Eastman Kodak Company). The complaint sought unspecified compensatory and punitive damages. Trial began on June 19, 1995 and concluded on September 18, 1995 with a jury verdict for plaintiffs of $23,948,300, before trebling. The Company has appealed the jury's verdict and intends to continue to defend this action vigorously.

Two cases that raise essentially the same antitrust issues as ITS are pending in federal district court in San Francisco (Nationwide, et al v. Eastman Kodak Company, filed March 10, 1995, and A-1 Copy Center, et al v. Eastman Kodak Company, filed December 13, 1993, the latter a consolidated class action). The complaints in Nationwide and A-1 seek unspecified compensatory and punitive damages. Stays in both these cases were lifted effective March 1, 1996, and trials are possible within the next two years. The Company is defending both of these matters vigorously.

The Company is participating in the Environmental Protection Agency's (EPA) Toxic Substances Control Act (TSCA) Section 8 (e) Compliance Audit Program. As a participant, the Company has agreed to audit its files for materials which under current EPA guidelines would be subject to notification under Section 8 (e) of TSCA and to pay stipulated penalties for each report submitted under this program. The Company anticipates that its liability under the Program will be $1,000,000.

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

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits and financial statement schedules required as part of this report are listed in the index appearing on page 10.

(b) Reports on Form 8-K
No reports on Form 8-K were filed or required to be filed for the quarter ended March 31, 1996.

SIGNATURES

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

EASTMAN KODAK COMPANY
(Registrant)

David J. FitzPatrick, Vice President
and Controller

Date May 6, 1996

Eastman Kodak Company and Subsidiary Companies

Index to Exhibits

Eastman Kodak Company and Subsidiary Companies

Exhibit (11)

Computation of Earnings Per Common Share

	First Quarter 1996	First Quarter 1995
	(in millions, except per share amounts)	
Earnings before income taxes	$ 421	$ 415
Provision for income taxes	147	153
Net Earnings	$ 274	$ 262
Average number of common shares outstanding	343.4	340.0
Earnings per share	$ .80	$ .77

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
THE FIRST QUARTER 1996 FORM 10-Q OF EASTMAN KODAK COMPANY, AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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

3-MOS
DEC-31-1996
JAN-01-1996
MAR-31-1996
1.0
1139
28
2838
102
1898
6665
12716
7343
13868
4537
507
0
0
978
3775
13868
3388
3446
1776
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1231
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18
421
147
274
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274
.80
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