

Agenda

Strategy Overview

Dan Carp

Operating Goals

Antonio Perez

Digital & Film Imaging

Bernard Masson

Health Imaging

Dan Kerpelman

Commercial Printing

James Langley



The Opportunity

The Digital Disruption of Commercial Printing Enables

- New players
- New business models

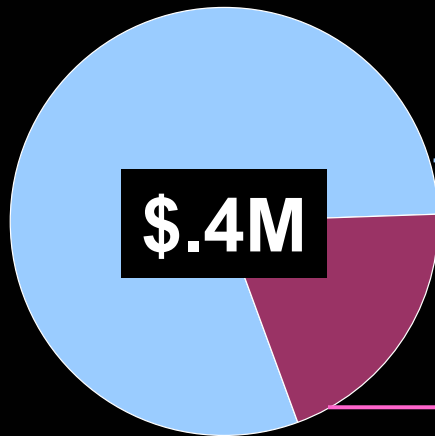
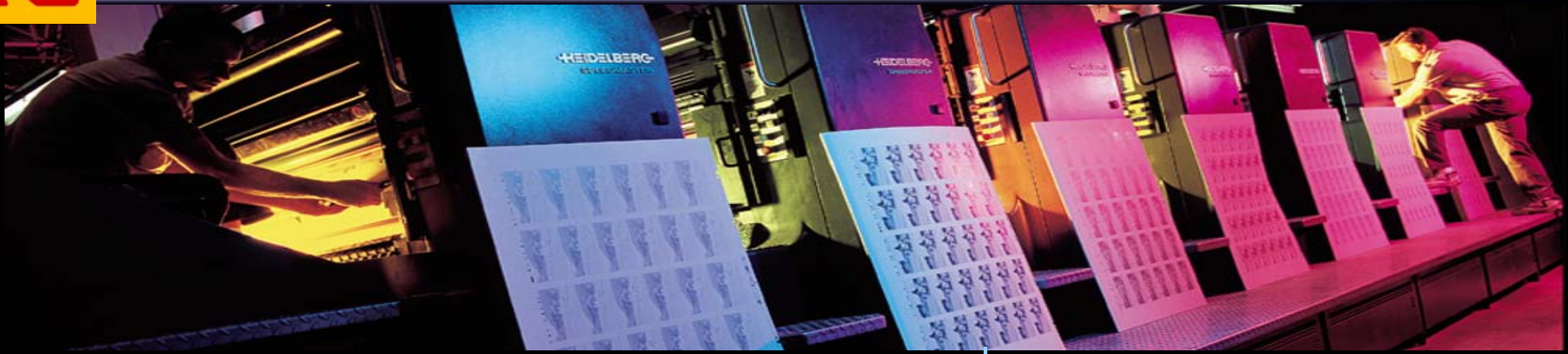
In a Very Large Space



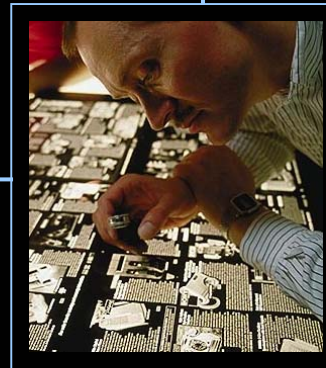
NexPress 2100 Digital Color Press



Portfolio



Graphics



JVs:

NEXPRESS

Kodak Polychrome
GRAPHICS

Wide Format Inkjet



ENCAD, Inc.
A Kodak Company

Subsidiary



Printing Is a Very Large Industry

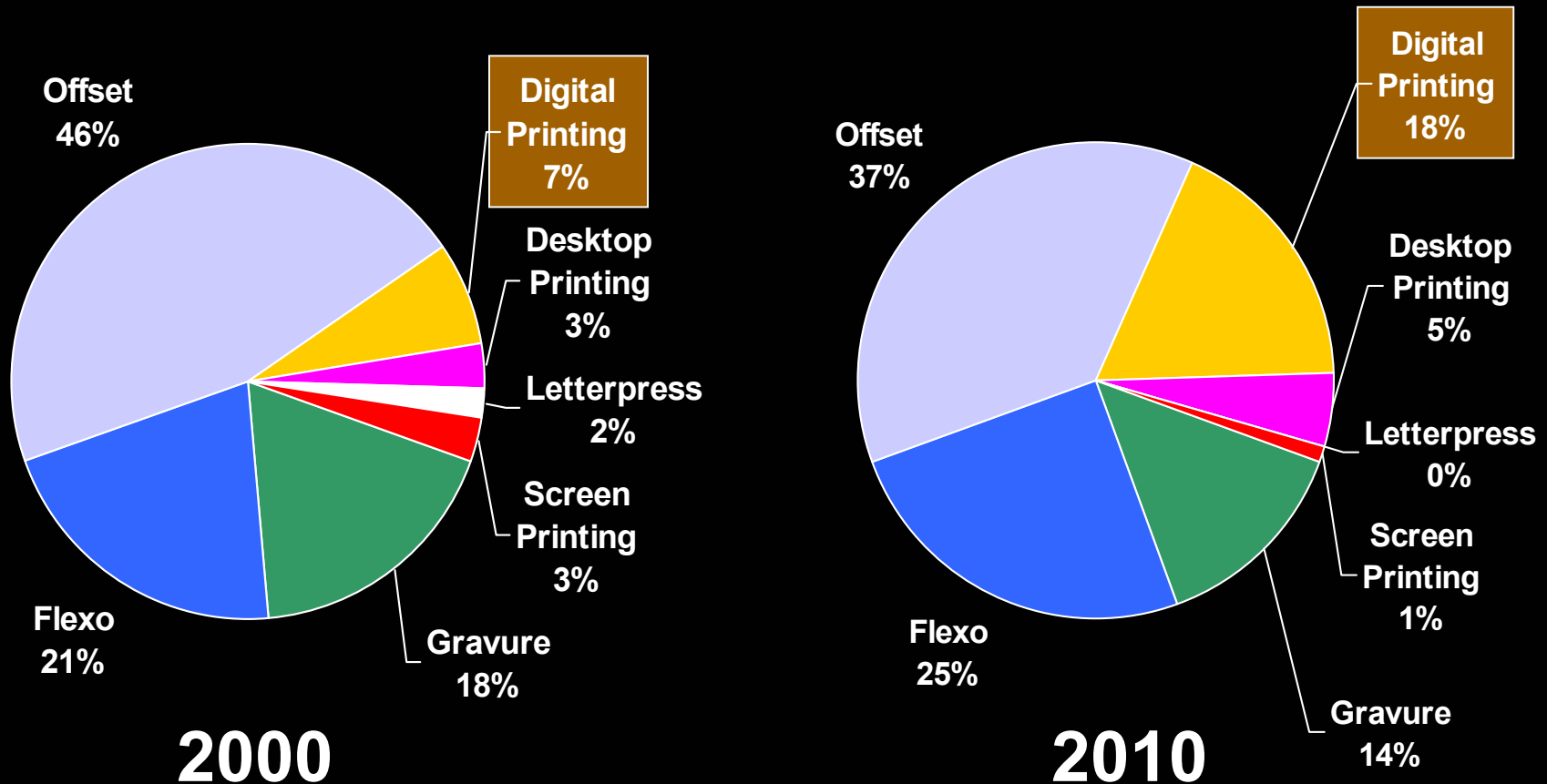
Value of Shipments

Client	Ad Agency	Publisher	Prepress	Printer
Top Advertisers: Phone \$28B Drugs \$23B Food \$21B Cars \$20B Cigarettes \$15B Computer \$11B Dept.Store \$6.3B (2001, U.S.)	Newspaper \$59B Direct Mktg \$55B Magazines \$20B Yellow Pgs \$14B TV \$59B Radio \$16B Interactive \$17B Other \$21B (2002 projected, U.S.)	Magazines \$32B Newspaper \$49B Catalog \$6B Book \$26B Misc. \$15B (2000, U.S.)	Trade \$4.2B (2000, U.S.)	General \$53B Magazine \$8.7B Catalog \$9.8B Direct Mail \$7.4B Inserts \$6.5B Book \$6B Financial \$5.3B Newspaper \$14B Specialty \$10B Business \$11B Package \$37.5B Trade \$12.5B (2001 U.S. Print Mkt Segments)

>\$400 Billion



Pages Are Migrating to Digital

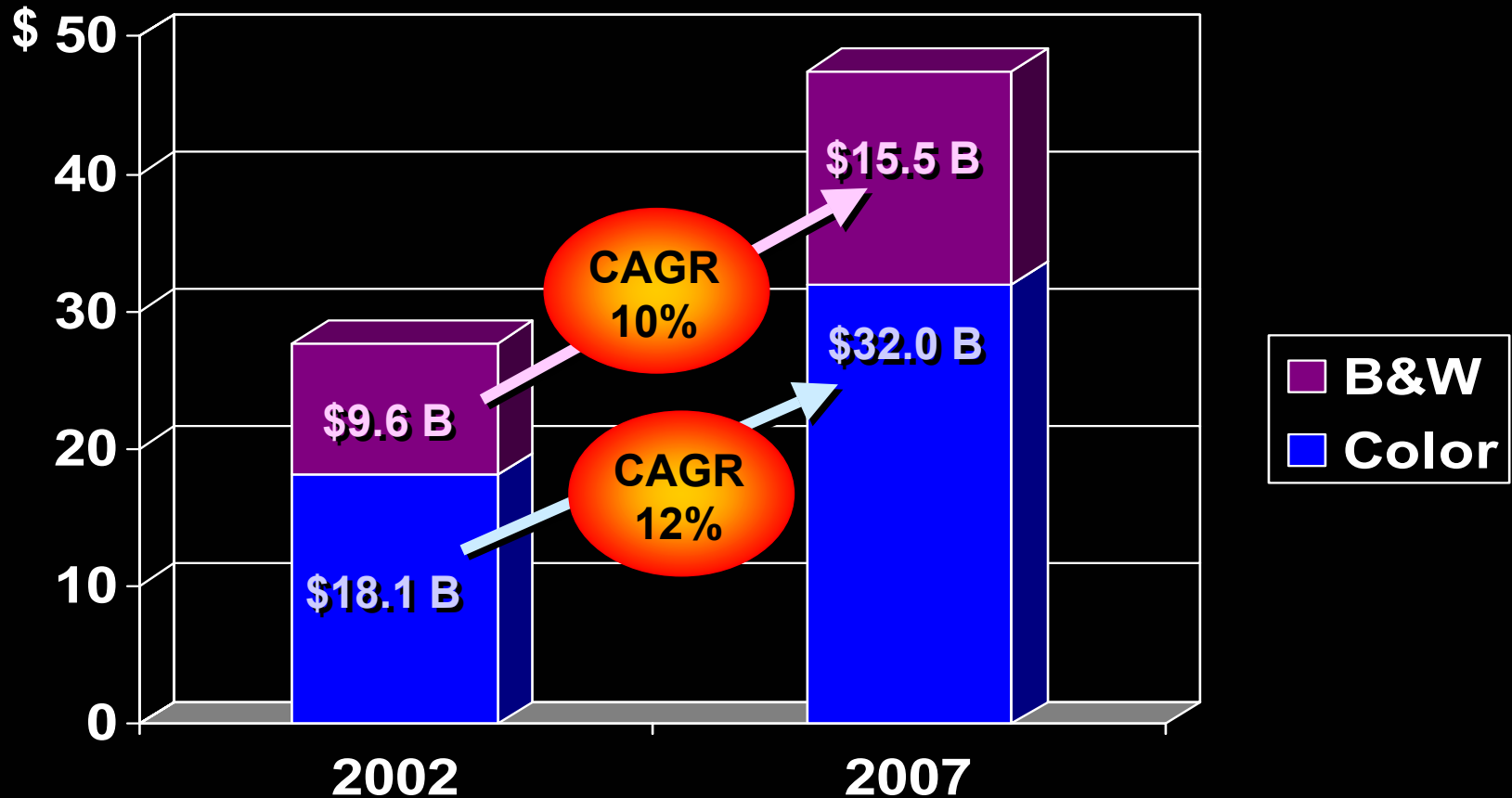


Source: The Future of Print, PIRA 2000 // Drucken im Jahr 2010, Deutscher Drucker 2000



Digital Printing Is Growing

Retail Value of Print (\$B)



Source: CAP Ventures, Inc. preliminary forecast

Digital Printing Competition



Output Devices

- Dry EP technology

Pages:

- Vertical Solutions



Output Devices

- Dry EP
- Wide format inkjet
- Inkjet proofers
- High end proofers
- Soft proofers

Pages:

- Creatives / pre-press



Output Devices

- Liquid EP Technology
- Wide format inkjet
- Inkjet proofers

Pages:

- Large corporations



Digital Printing Presses



- **Cost Effective Short Runs Enable Print On Demand**
- **Each Page Can Be Unique**

Personalized Content



Letters

Mailers

Catalogs

➡ *Many Short Run Jobs Move to Digital Presses*

➡ *New Class of “Variable Data” Jobs Emerging*



“Variable Data” Printing

- **Increases advertising effectiveness**
- **Slow to emerge**
- **Requires new end-to-end solutions**
 - Enhanced Workflows
 - Database Integration
 - Digital Asset Management
 - Web based





Benefits of Migrating to Digital



**Print
Purchaser**

- **Effective Reach**
- **Better Return on Ad Dollars**
- **Short Runs**
- **Less / No Warehousing**

**Creative
Process**

- **Simplified Workflow**
- **End to End Quality**
- **Turnaround Time**

**Print
Shop**

- **Differentiation**
- **Growth**
- **Profitability**



Profit Pools



**Print
Purchaser**

Services:

- DAM
- CRM/IT Integration
- Integrate Web/CP
- Training / Support

**Creative
Process**

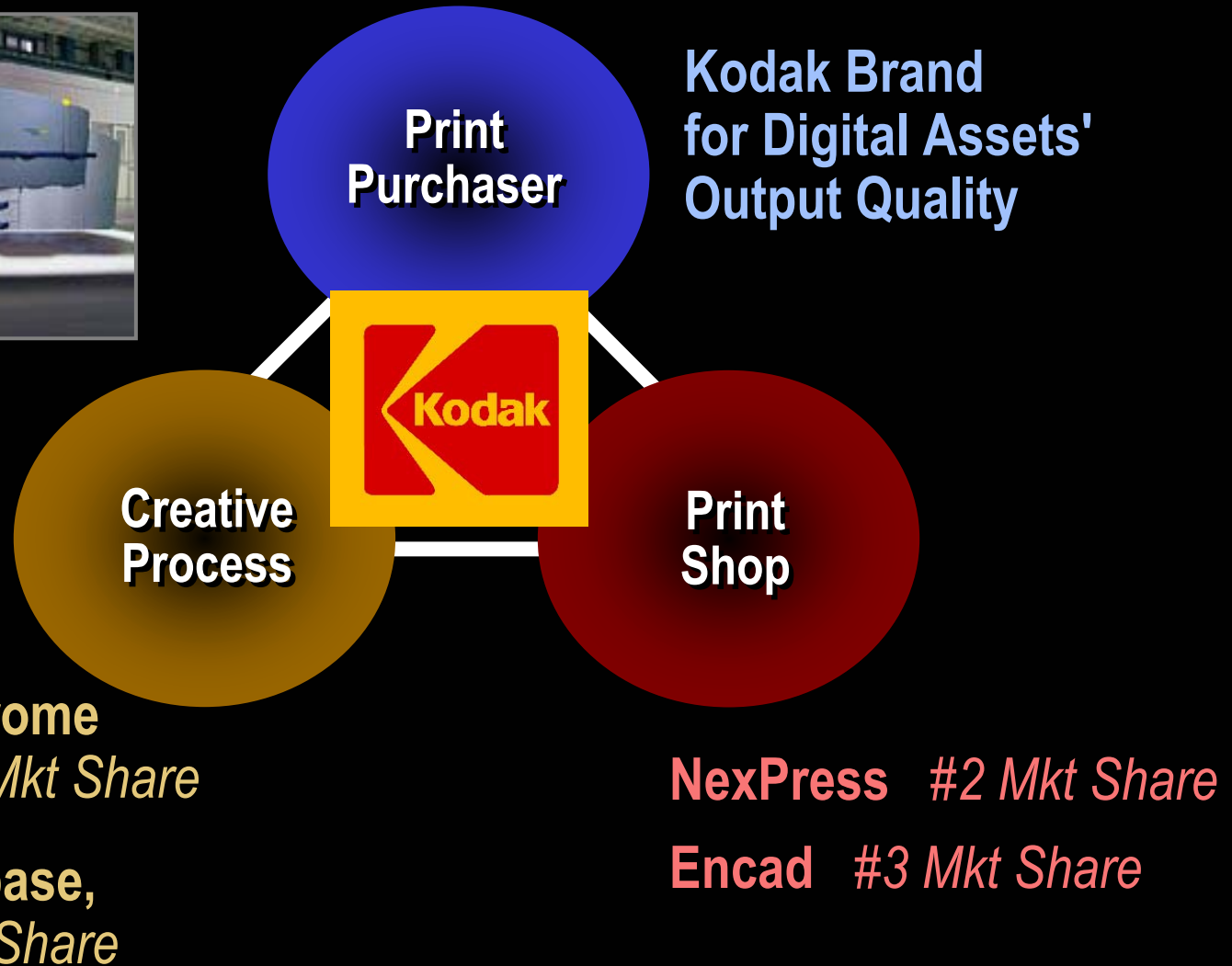
- Workflow Solutions
- Consulting Services
- Proofing
- Consumables

**Print
Shop**

- Equipment Sales
- Consumables
- Shop Floor Workflows
- Repair Service



Kodak Assets





Kodak JV Assets

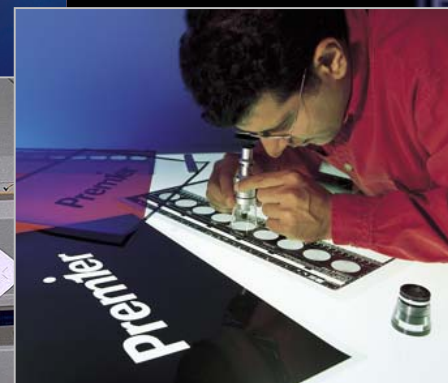
■ NexPress

- World Class Marking Engine
Built on Kodak IP
- Duty Cycle / Reliability from
Heidelberg for CP
- #1 AMPV in Class



■ Kodak Polychrome Graphics

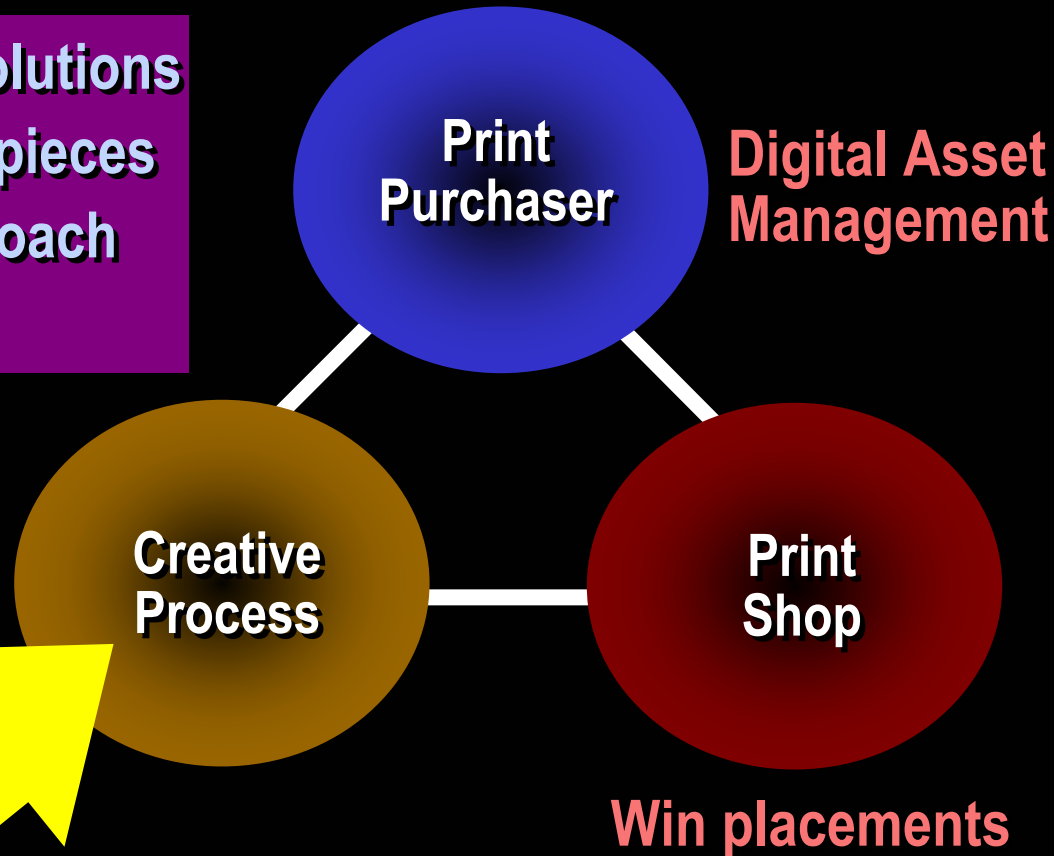
- #1 in Pre-press Supplies
- #1 in Proofing
- Large Print Shop Footprint





Kodak Assets – What is Needed

- End to end solutions
- Integrate the pieces
- Modular approach
- Partners

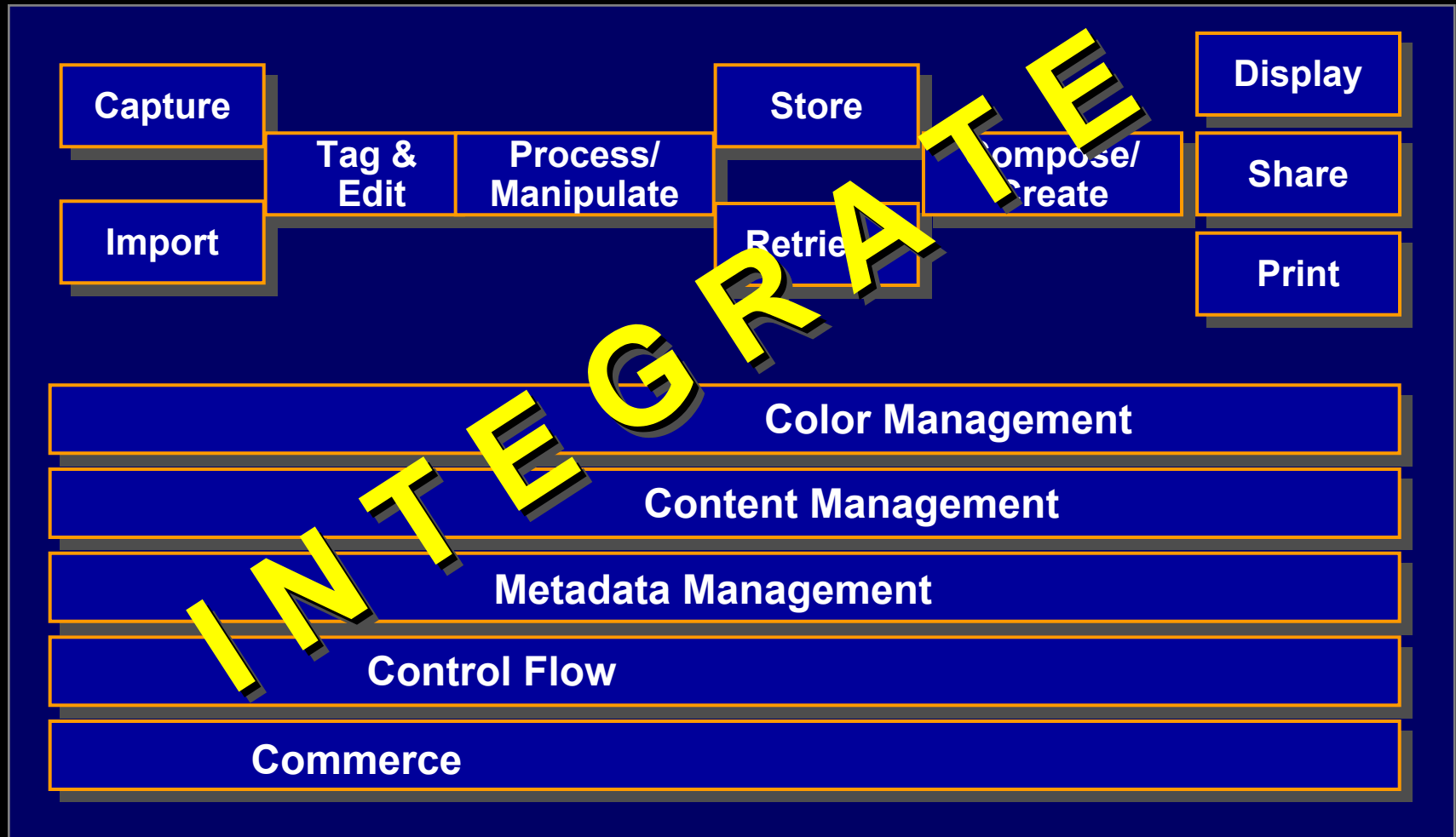


**Kodak
Entry Point**

Integrated workflow solutions



End-to-end Workflow





Summary

- **The Digital Opportunity Is Large and Growing**
- **Kodak and JV Partners Enjoy ~\$2 B in Commercial Printing Revenues Today**
- **Kodak Will Be a Major Player in Commercial Printing**
- **I Am Excited to Be Here**