Consumer Output

KODAK Picture Maker

WW Kiosk Business Overview

February, 2005

KODAK Picture Maker – Leadership

Kiosk Category Creation

Kodak first introduced a retail digital imaging workstation as an in-market test in the 4th quarter of '93:

- **Integrated System**
  - Computer
  - Monitor
  - Print scanner
  - Thermal printer
  - Easy-to-use software
- **Consumer Value Proposition**
  - Copy prints & enlargements from prints in minutes
- **Channel Participation**
  - Traditional Photo

System Evolution

Digital Print Station Gen 1.5

Picture Maker Gen 1

Picture Maker Model 4

Picture Maker Model 6

Picture Maker G3 Portfolio

'93 '94 '95 '96 '97 '98 '99 '00 '01 '02

Copy Print Station Gen 1

Picture Maker AGI

Image Magic Print Station Gen 2

Picture Maker Model 5

Picture Maker II Model 7

Ongoing Development

Market Growth Opportunity

Kodak Picture Maker G3

Order Station

Digital Station

Print Station 24”

Print Station 36”

Driven by the penetration of DSCs and the market need for easy, convenient and affordable photo quality prints from digital files:

The Right Fit Today, The Right Fit Tomorrow

- **Modular** – Continuity between components, plug & play
- **Configurable** – Customize system to meet needs
- **Upgradeable** – Easily modified as business grows/evolves

New Consumer Value Propositions

- **Prints in seconds from digital sources**
- **Preview & Select w/ batch printing**
- **Picture CD Authoring**

Market & Channel Expansion

- **Europe and rest-of-world**
- **Traditional Photo:** Low volume/service (Food, Convenience)
- **Non-traditional:** Computer/DSC involved (Electronic, Office)
- **New:** High traffic/photo activity (Resorts, Convenience)

Introducing KODAK Picture Maker G3

G3 Order Station

- Console
- Bluetooth & IRDA (Wireless)
- Receipt Printer
- Standard Inputs: Jpeg, bitmap, & TIFF images from multimedia (MMC), Secure Digital (SD), Smart Media, Compact Flash, Memory Stick (& Pro), XD, Floppy Disk, CD-ROM

G3 Accessories

- Automatic CD Writer/Dispenser
- Minilab Connectivity Kits
- Payment Processing

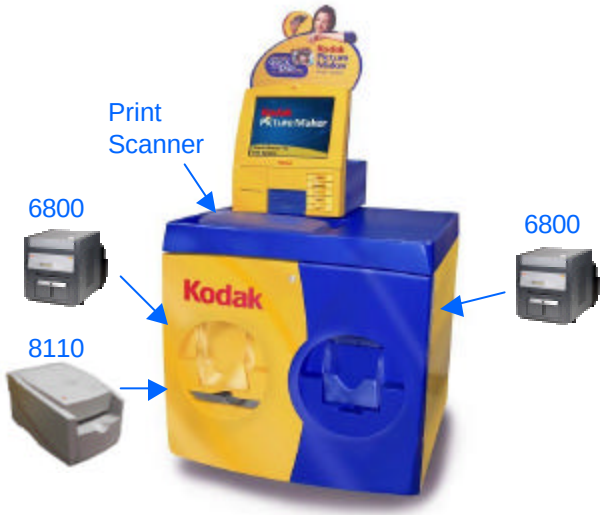
G3 17" Digital Station

- Order Station w/ 17" Cabinet
- Holds (2) 6800 printers

G3 24" Print Station

- Order Station w/ 24" Cabinet
- Print Scanner
- Holds (1) 8110 printer & (1) 6800 printer

G3 36" Print Station



- Order Station w/ 36" Cabinet
- Holds (1) 8110 printer & (2) 6800 printers
- Print Scanner

Industry & Consumer Recognition

Kodak has received 8 Industry & Consumer awards in the last year…

Source of Award	Product	Name of Award
DIMA	KPM G3 Kiosk	Innovative Digital Product Award (PMA 2004)- Only Kiosk to Win
DIMA	KPM G3 Order Station	1st Annual DIMA Photo Kiosk Shoot-Out, Remote Output (PMA 2004)
DIMA	KPM G3 Print Station	1st Annual DIMA Photo Kiosk Shoot-Out, Stand-Alone/Remote Output Combination (PMA 2004)
DIMA	Photo Printer 6800	DIMA Digital Printer Shoot-Out, Printers Capable of 5x7 prints (PMA 2004)
Technical Imaging Press Association	Photo Printer 6800	TIPA award for Best Dye Sub Printer (Photokina 2004)
CES	KPM G3 Kiosk	Consumer Electronics Innovation Award for uniqueness of product
Good Housekeeping	KPM G3 Kiosk	KPM Digital Print Kiosk- superior print quality (Jun 2004 Issue)
Photographic Processing's Reader's Choice Award	KPM G3 Kiosk	Digital Kiosk Category (Nov 2003)

Picture Maker User Satisfaction

High consumer satisfaction with the KPM is driving repeat usage and strong word of month recommendations…

- **91%** of consumers say they are likely to use the Kodak Picture Maker again (top 2 box)
  - Top 2 reasons cited are Convenient/Easy to Use & Better Quality
- **93%** of consumers say they are likely to recommend the Kodak Picture Maker to others (top 2 box)

Source: KPM 2004 US DSC Printing Consumer Satisfaction Study

Competitive Situation

FUJIFILM

KODAK has sustained strong leadership in kiosk category

Direct kiosk competitive challengers:

- Fuji
- Pixel Magic
- Sony
- PMI/KIS
- Many other small competitors continue to come and go

Indirect competitive threats:

- Alternative means of printing (digital minilabs, online, in-home & etc.)
- Soft display and/or sharing

Satisfaction by Printing Methods

Consumers are extremely satisfied with Kodak Picture Makers

In fact, overall satisfaction exceeds home, on-line, and even traditional film printing

Consumer Satisfaction with KPM vs Other Printing Methods

Top 2 Box Satisfaction (7 point scale)	KPM	Home	Online	Film
OVERALL SATISFACTION	75%	42%	54%	69%
Easy to Use ★	**90%**	**79%**	**66%**	**80%**
Price	**69%**	**68%**	**59%**	**48%**
Value for Price Paid	**74%**	**64%**	**59%**	**49%**
Quality of Prints ★	**81%**	**50%**	**59%**	**72%**
Length of Processing Time	**72%**	**61%**	**52%**	**35%**
Convenience of Location	**84%**	**91%**	**74%**	**48%**
Prints Won't Fade	**84%**	**53%**	**59%**	**72%**
Prints Feel Like Real Pictures	**85%**	**49%**	**58%**	**82%**
Variety of Print Sizes	**84%**	**70%**	**63%**	**58%**
Edit Pictures before Printing	**85%**	**84%**	**71%**	**15%**

Source: KPM 2004 US DSC Printing Consumer Satisfaction Study

★ 2 Most Important Attributes to Consumers

KODAK Picture Maker – Leadership

Kiosk Business Success

- Worldwide install base of over **60K** systems
  - Approximately half are new PM G3s
- Increase of over **800%** in A6 thermal media burn over past 3 years

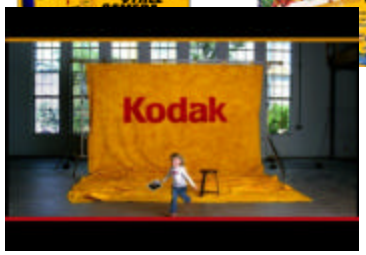
Continued Growth

- Expanded portfolio in support of new market and channel opportunities
- Product innovation with cutting edge feature/functionality
  - Superior User Interface
  - Connected Services
  - WW payment processing
  - Image quality
- WW Service & Support infrastructure
- Drive consumer awareness and demand
  - National & local advertising
  - Consumer Promotions
  - In-store communications

2005 Toolkit

Disney

NASCAR



"The Best Part of Photography"

Market Opportunity Map

Dedicated Clerk Support

3. Photo Specialty
KEX, Emerging Markets

1. Traditional Retail – high volume/service
Photo Specialty, Mass & Drug w/ on-site lab

5. Non-traditional Photo – DCS/Computer
Electronics, Office Supply, Phone cam, Convenience

2. Traditional Retail – low volume/service
Mass & Drug w/o on-site lab, Food

Low Store Volume

High Store Volume

4. High Photo Activity
Resorts, Theme Parks, Schools

4. Public Access/High Traffic & Others
Shopping Malls, Convenience, Airports, Train Stations

Consumer Self-Serve

Market Opportunity Map

Dedicated Clerk Support

Current PM G3 Market Participation Space

Minilab

Low Volume

High Volume

In Home

Consumer Self-Serve

Market Opportunity Map

Dedicated Clerk Support

Minilab

Kiosks
"Anytime, Anywhere"

Performance

Low Cost

Low Volume

High Volume

Public Access

In Home

Consumer Self-Serve

Picture Maker Highlights at PMA

PM G3 Version 5.0 Software

- Enhanced UI product merchandising and up-sells
- New image science

Connected Services

- Remote Business Management
- Remote Service Support

Low Cost Kiosk

- Small foot print countertop Order Station
- Focus on 4X6 prints from DSC

Next Generation Order Console

- High performance
- New design style and smaller size

New Thermal Printers

- Fastball 8800 – Faster, roll-feed 8”
- Spitfire SE 6850 – Faster (8 sec) 6”

Enhanced Retail Merchandising Solutions

- Destination for Photo
- Changeable / Expandable

Thank You!