

Real KODAK Pictures. Anytime, Anywhere.



Peter Jameson
Director and VP
WW Marketing
Consumer Digital Group
Eastman Kodak Company

Digital Capture Product Group Overview

Digital Capture SPG

Digital Cameras & Accessories



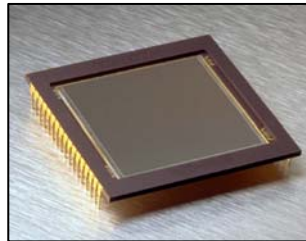
Mobile Imaging



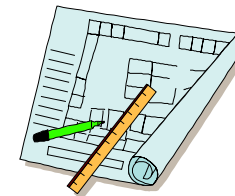
Memory



Image Sensor Solutions



Intellectual Property



Digital Cameras & Accessories



Accomplishments/Awards

Accomplishments

- Tied for #2 Worldwide Market Share position
 - **Sustained #1 US and #1 Australia**
- Continued portfolio breadth with new product launches
 - 16 new cameras, 7 camera-printer bundles
- World's first wireless digital camera

Kodak EasyShare-one



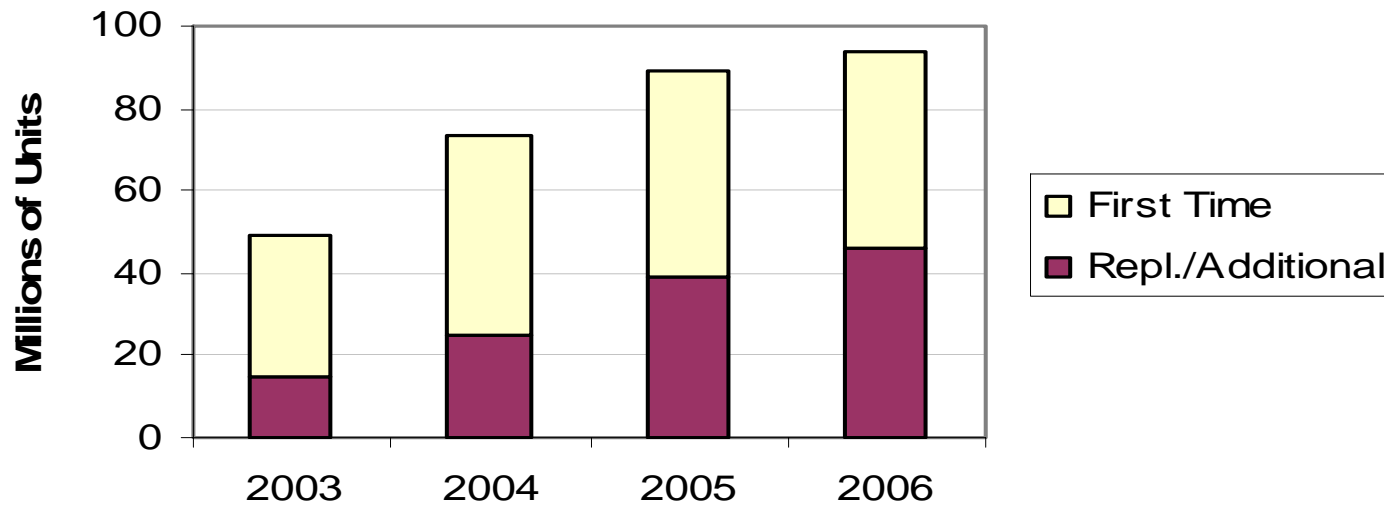
Awards

- 2006 PC World Innovation Award to V570
- 2006 Best Of Innovations to EasyShare-one
- 2005 BusinessWeek "Best New Product" to EasyShare-one
- "American Photo Editor's Choice A, Digital Point and Shoot"
- "Best of What's New Grand Award" Popular Science
- "**Highest Ranked Customer Satisfaction**" (\$200-\$399, \$199 or less): J.D. Power and Associates 2005 Digital Camera Satisfaction Study SM



Who is Buying

WW DSC Market Trend



- % of DSCs purchased by new to digital
 - In 2003: 69%
 - In 2006: 50%
- Slowing Market Growth
- Easyshare high brand retention rate

Essence of Kodak EasyShare cameras

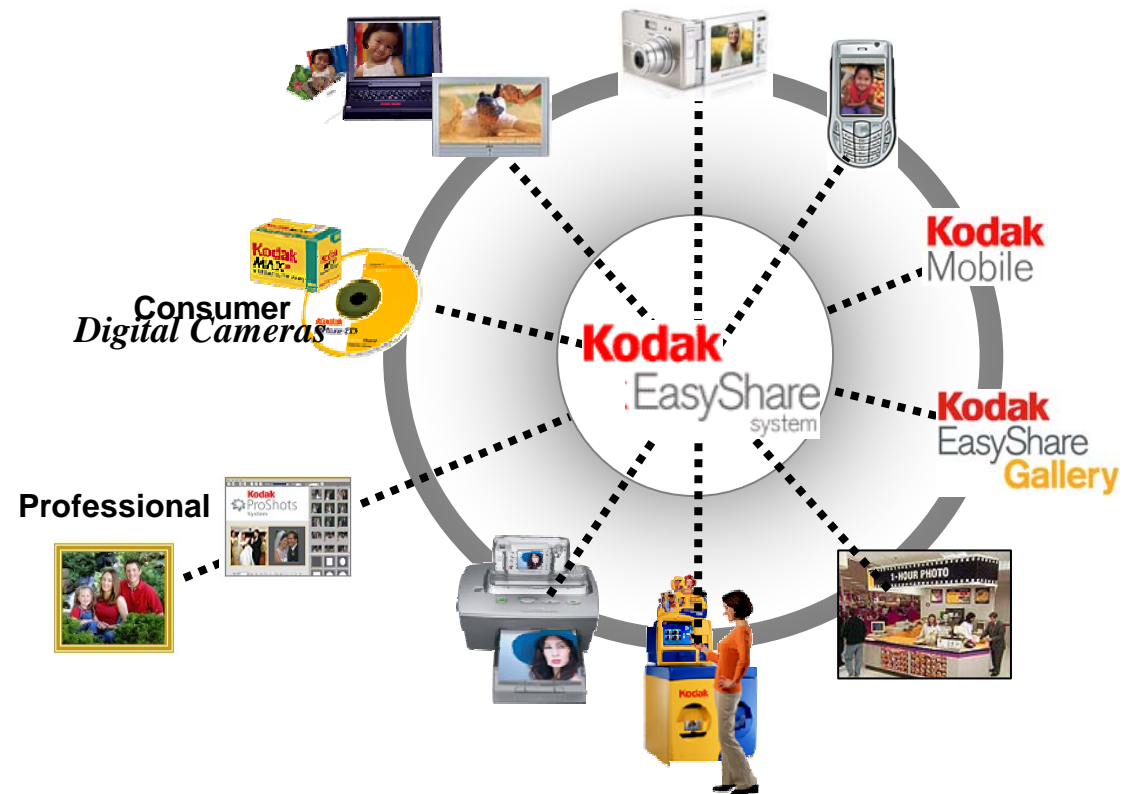
- Ease of Use
 - 1st time *and* repeat
- Sharing life
 - Connecting people
- Beautiful Pictures
 - Beautiful memories



Looking Ahead

Digital Capture Strategic Focus

- Seamless Sharing Experience
- More Beautiful Pictures
- Innovation
- Winning Portfolio
- Profitability



Seamless Sharing

- Ease of Printing:

- PD & Wi-Fi PD
- Panoramic prints – complete service

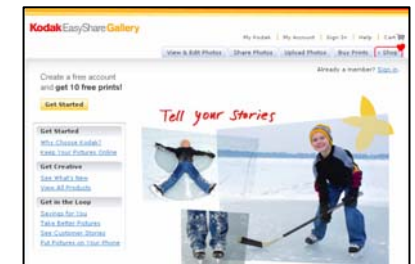


- EasyShare Ecosystem

- Picture centered
- PC Easyshare Software
- Gallery Connectivity



- The Bundle



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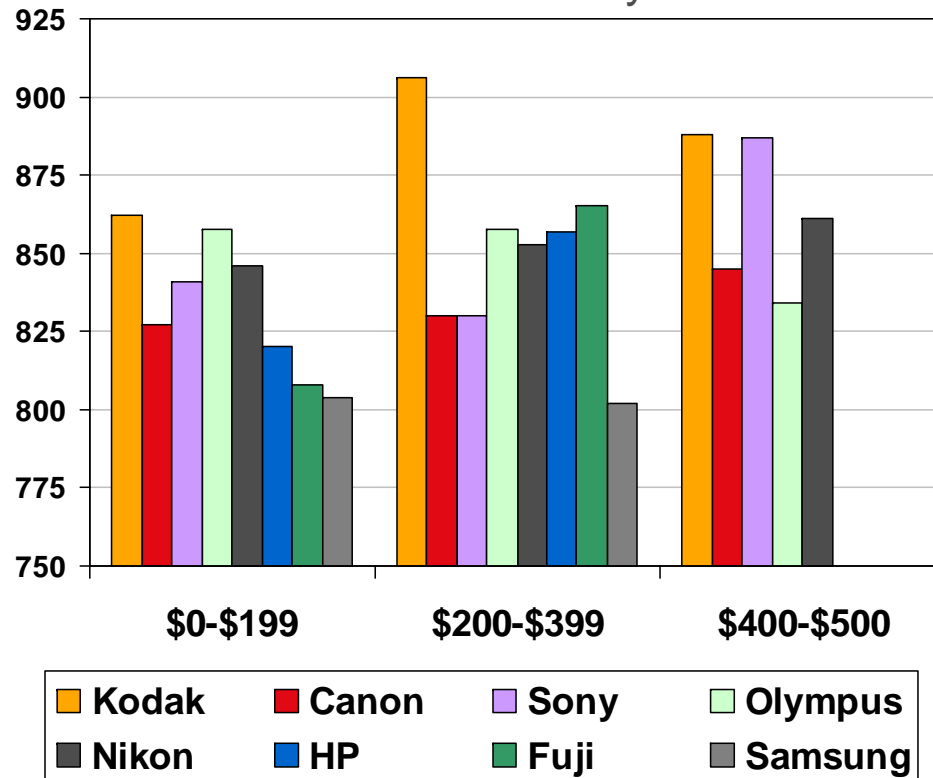


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More Beautiful Pictures

Customer Satisfaction with Picture Quality



2005 J.D. Power & Associates

- Kodak Picture Quality best in class at all price points we serve
- No one, not Canon, not Sony, had better picture quality satisfaction than Kodak

Source: J.D.Power & Associates 2005 Digital Camera Satisfaction Survey (US)

Innovation Leadership

- Access for all consumer segments
 - Leading edge feature set, made easy to use
- Proof points
 - Unique dual lens system in the V570 camera
 - Kodak Perfect Touch
 - Crop on camera
 - Printer Dock – one touch to real Kodak pictures
 - WiFi in EasyShare-one camera
- Innovation drives market awareness and customer choice



Kodak EasyShare-one



Product Line – A Winning Portfolio

EasyShare-one



V: Compact size, style



P: Performance series



Z: Higher Zoom



C: Affordable, Easy to use



V Series 2006



- Premium, innovative products wrapped in sleek, sophisticated designs that capture the imagination
 - Wide Angle Lens in compact package
 - High performance video
 - Stylish photoframe dock
 - Ultra compact for portability
- For aspirational consumers that demand the latest and greatest
- Introducing the innovative dual lens ...to express your own creativity...
- Significant Marketing support



P Series 2006



- Captures the ultimate in pictures, effortlessly.
 - RAW file support
 - Image Stabilization
 - Histograms
 - High performance video
- For those who want to create art through photography
- Superior combination of professional quality optics, Kodak color science.



Z Series 2006



- Enhanced zoom – with the ease-of-use of a point-and-shoot camera
 - compact design
 - Manual controls
 - 10X Optical Zoom to get close
 - Schneider-Kreuznach lens
 - an affordable price
- For those active, on the go families who want to do more with photography



C-series cameras 2006



- Industry leading ease-of-use with exceptional value
 - Kodak Perfect Touch on camera
 - Crop on camera
 - VGA Video w/audio, 24 fps
 - Video action print
- For those who are focused primarily on creating memories
- Kodak Leadership
 - Ease-of-use
 - Attractive camera designs with convenient user-friendly interfaces
 - Features designed to capture the best picture
 - EasyShare system...more than just a camera



Camera Accessories

- Breadth of line enhances retail/retailer.com position
- Options bolster Camera line, enhance overall profitability



Camera docks



Adaptors



Photography Gear



Kits/Miscellaneous



Flash/Optics



Wireless technologies

- Consumer can customize camera to their needs



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Memory

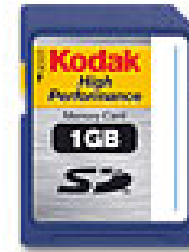
- Kodak Memory products support all Camera series products and most competitive products
 - Good/Better/Best portfolio



**Digital Film/Digital
storage kit**



**SD/Compact flash
cards/XD**



**High Performance
cards**

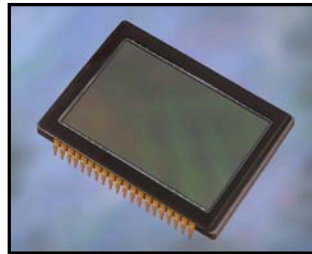
- Lexar current licensee of Kodak Memory products World Wide

Profitability

- Market Leading Portfolio
 - Innovation
 - Targeted approach in the market
- Focus on cost and efficiency
 - Scale
 - Consolidate development & supply operations
 - Refine geographic participation and business models
- Drive attachment of Accessories, Printing, Services



Image Sensor Solutions



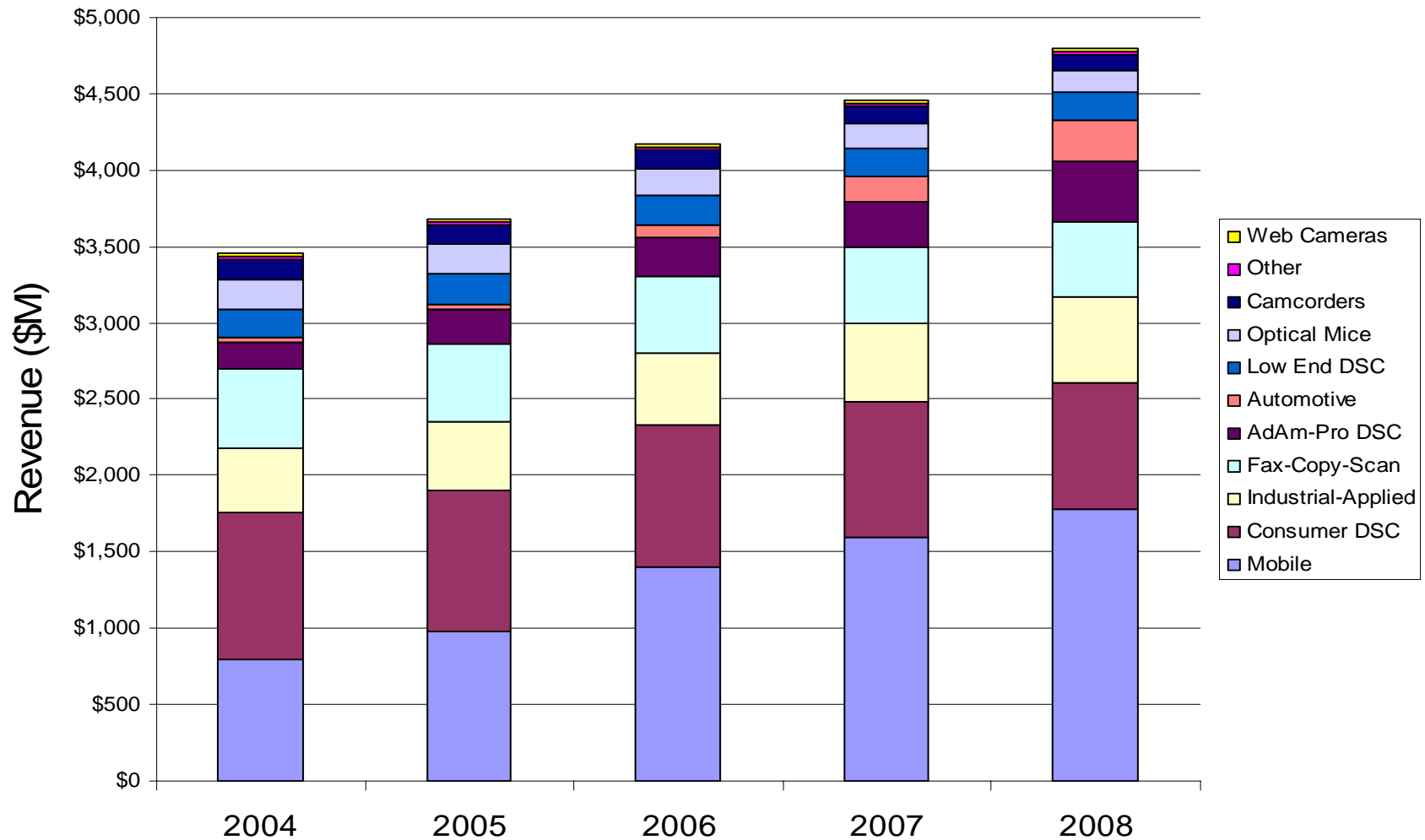
- Image sensors are a core technology that can be leveraged to support Kodak's digital growth
- Kodak possesses unique, fundamental expertise in this space
- Opportunity for significant revenue and earnings growth



The mission of ISS is to develop, manufacture, and market innovative image sensor solutions that provide profitable revenue, technology leadership, and strategic value to Eastman Kodak Company.

Image Sensor Market

Image Sensor Solutions



Source: InStat, TSR,

Summary of ISS Markets

Image Sensor Solutions

Mobile

Rapid growth
Small form factor
High-res CMOS



Medical

Stable and growing
High value devices
Specialized CCD



Consumer DSC

Feature integration
CCD to CMOS transition
High-res CMOS



Pro & SLR DSC

Rapid growth
High value devices
CCD & CMOS devices



Automotive

Longer term growth
Large opportunity
Stable & predictable
Low-res CMOS

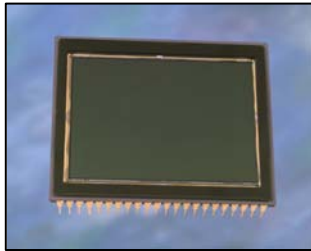


Industrial

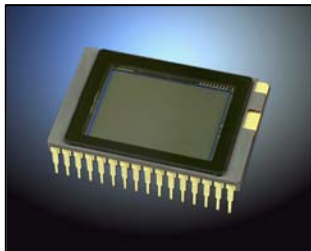
Predictable demand
Long-term stability
Primarily CCD

Sample of Products, Applications, Customers

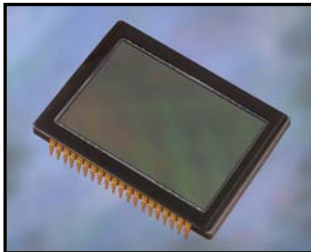
Image Sensor Solutions



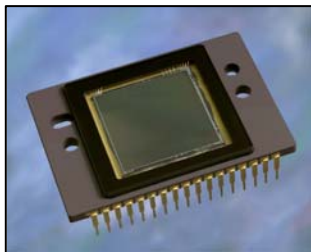
KAF-39000
Pro Digital-Backs



KAF-8300
Prosumer DSLR



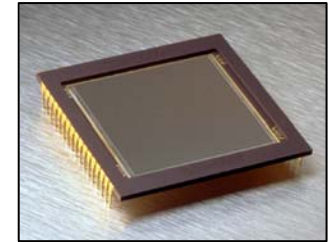
KAI-11000
Industrial / Scientific



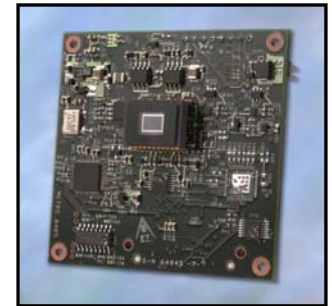
KAI-4020
Machine Vision / Medical



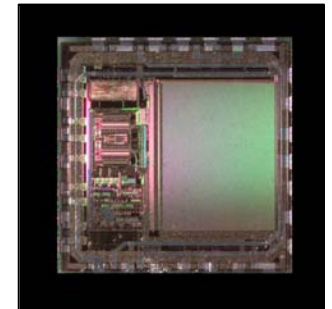
KAF-16801
Digital X-Ray / Scientific



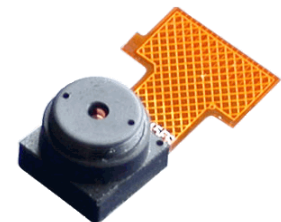
KAI-0340
Security / Inspection



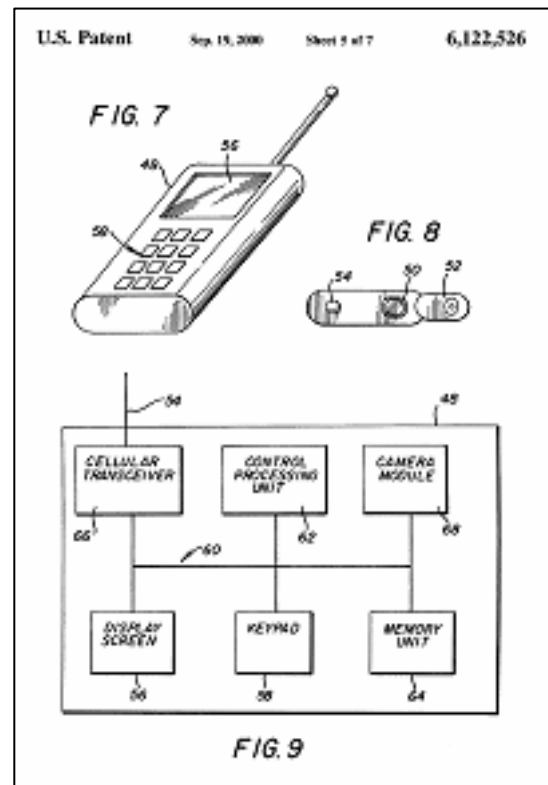
KAC-9634
Biometrics / Security



KAC-3100
Mobile imaging



Intellectual Property Strategy



Kodak's Intellectual Property Strategy

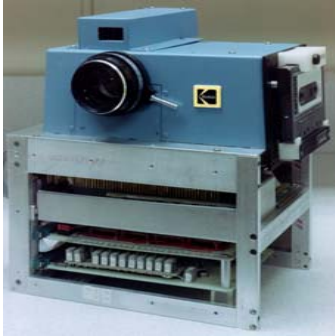
Intellectual Property

- Design freedom for Kodak businesses.
- Gain additional IP via cross licensing.
- Competitive advantages for Kodak in selected markets & products.
- Generate royalty revenue
- Open doors to new products and markets



Kodak's Strong DSC IP Position

Intellectual Property

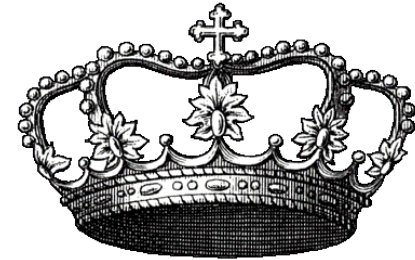


- First to develop key DSCs
 - Kodak's 1st DSC patent was filed in 1976
 - “Electronic still camera”, Lloyd & Sasson
 - Kodak's early DSCs include
 - **1st portable professional DSC**
 - **1st color consumer DSC**
 - **1st consumer megapixel DSC**

- Long term IP focus
 - Generating good patents a top priority
 - Many key Kodak patents filed from 1989 – 1997
 - Continued new key Kodak patents filings

Quality is King

- It's about Quantity and Quality
- Kodak IP Position
 - 1,000+ Worldwide patents
 - Top 30 Global Company granted U.S. patents
 - Many patents documented against various Digital Cameras, Camcorders, and Camera Phones
 - Industry-wide long-term licensing program
 - Significantly royalty income



Mobile Imaging



- Kodak Mobile Participation Focus
 - Innovate compelling new connected imaging experiences
 - High-volume Kodak-branded imaging handsets
 - Accelerate business models in services and printing
 - Accelerate business models in imaging components
 - Leverage core assets and consumer knowledge to build a profitable partnerships

Kodak's Assets

- Superior knowledge of consumer imaging behaviors and needs
- Track record in imaging system design (technology + know-how)
- Brand
- Core capabilities
 - Digital cameras
 - Components
 - Imaging software (PC and handset)
 - Services and Printing
- Essential intellectual property

- A relationship focused on the consumer
 - Redefine the way the world captures and shares mobile images
 - Simplify and enhance the quality of the mobile imaging experience
 - Liberating billions of photos stuck inside camera phones
 - Design imaging systems from the ground up to establish a new state-of-the-art in wireless communications and imaging.

- Key Elements
 - 10 year agreement
 - Cross licensing of Intellectual property
 - Imaging handset Co-development
 - Seamless integration of Motorola mobile devices with Kodak kiosks, home printing solutions and Easyshare Galler