

**APPENDIX**  
**Reconciliation of Non-GAAP Financial Measures**  
**to the Most Directly Comparable GAAP Measures**

In Kodak's July 31, 2008 earnings call, the Company's Chief Executive Officer, Antonio Perez, and Chief Financial Officer, Frank S. Sklarsky, referenced certain financial measures not referenced in the Company's earnings release on July 31, 2008 that are deemed to be non-GAAP financial measures, including: "net cash usage before dividends, excluding the IRS refund", "full year 2008 expected digital earnings from operations as a percent of revenue" and "full year 2008 expected traditional earnings from operations as a percent of revenue".

Kodak has prepared the following Appendix in order to provide investors with a reconciliation of these non-GAAP measures to the most directly comparable GAAP measures in accordance with Regulation G.

The Company believes that these non-GAAP measures represent important internal measures of performance. Accordingly, where they are provided, it is to give investors the same financial data management uses with the belief that this information will assist the investment community in properly assessing the underlying performance of the Company, its financial condition, results of operations and cash flow on a year-over-year and quarter-sequential basis.

The following reconciliation is provided with respect to a term that is used in the presentations of Kodak's Chief Executive Officer, Antonio Perez, and Chief Financial Officer, Frank S. Sklarsky.

The following table reconciles net cash usage before dividends, excluding the IRS refund to the most directly comparable GAAP measure of net cash provided by (used in) continuing operations from operating activities (dollar amounts in millions):

	<u>Q2 2008</u>	<u>Q2 2007</u>	<u>Cash Impact</u>
Net cash usage before dividends, excluding IRS refund, as presented	\$ (192)	\$ (251)	\$ 59 Increase in cash provided
IRS refund - continuing operations	281	-	
Net proceeds from sales of businesses/assets	<u>(2)</u>	<u>(106)</u>	
Free cash flow	87	(357)	
Additions to properties	<u>71</u>	<u>59</u>	
Net cash provided by (used in) continuing operations from operating activities (GAAP basis), as presented	<u>\$ 158</u>	<u>\$ (298)</u>	

The following table reconciles full year 2008 expected digital earnings from operations as a percent of revenue and full year 2008 expected traditional earnings from operations as a percent of revenue to the most directly comparable GAAP measure of earnings from continuing operations before interest expense, other income (charges), net and income taxes as a percent of revenue:

	<u>2008 Percent of Revenue Goal</u>
Expected digital earnings from operations as a percent of revenue, as presented	3%-4%
Expected traditional earnings from operations as a percent of revenue, as presented	~7%
Expected total company earnings from operations, excluding charges for carryover restructuring/rationalization as a percent of revenue	4%-5%
Restructuring/rationalization costs and other operating income (expense), net	0%
Earnings from continuing operations before interest expense, other income (charges), net and income taxes as a percent of revenue (GAAP basis)	4%-5%