

Completing the Kodak Transformation

Bob Brust

Chief Financial Officer

Kodak

Certain statements in this presentation may be forward looking in nature, or "forward-looking statements" as defined in the United States Private Securities Litigation Reform Act of 1995. For example, references to expectations for the Company revenue, earnings, growth of revenue and earnings, cash generation and cost savings are forward-looking statements.

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- *Implementation of our digital growth strategy and business model;*
- *Implementation of our cost reduction program, including asset rationalization, reduction in general and administrative costs and personnel reductions;*
- *Implementation of our debt management program;*
- *Implementation of product strategies (including category expansion, digitization, organic light emitting diode (OLED) displays, and digital products);*
- *Implementation of intellectual property licensing strategies;*
- *Development and implementation of e-commerce strategies;*
- *Completion of information systems upgrades, including SAP, our enterprise system software;*
- *Completion of various portfolio actions;*
- *Reduction of inventories;*
- *Integration of newly acquired businesses;*
- *Improvement in manufacturing productivity and techniques;*
- *Improvement in receivables performance;*
- *Reduction in capital expenditures;*
- *Improvement in supply chain efficiency;*
- *Implementation of our strategies designed to address the decline in our analog businesses; and*
- *Development of our business in emerging markets like China, India, Brazil, Mexico and Russia.*

Forward-looking statements contained in this presentation are subject to the following additional risk factors:

- *Inherent unpredictability of currency fluctuations and raw material costs;*
- *Competitive actions, including pricing;*
- *Changes in our debt credit rating and our ability to access capital markets;*
- *The nature and pace of technology evolution, including the analog-to-digital transition;*
- *Continuing customer consolidation and buying power;*
- *Current and future proposed changes to tax laws, as well as other factors which could adversely impact our effective tax rate in the future;*
- *General economic, business, geopolitical, regulatory and public health conditions;*
- *Market growth predictions, and*
- *Other factors and uncertainties disclosed from time to time in our filings with the Securities and Exchange Commission.*

Any forward-looking statements in this presentation should be evaluated in light of these important factors and uncertainties.

2005 Key Priorities

Digital Revenue Growth ~36%

Digital Earnings \$275M to \$325M

Cash Generation

**Net Cash
provided from Operations
(GAAP):
\$1.0B to \$1.2B**

**Investable Cash Flow:
\$400M to \$600M**

Strategy Imperative

**Quickly, Effectively Complete
Kodak's Transition
to a
Profitable, Growing
Digital
Company**

Why Is the Strategy Working Well?

Why Do We Think It Is Sustainable?

Core Competencies

- *Sensor technologies*
- *Image science*
- *Human interface*
- *Marking technologies*
- *Ink*
- *Media*

Brand Attributes

- *Imaging leader*
- *Trust*
- *Quality*
- *Good value*
- *Ease of use*
- *Safe choice*
- *Worldwide strength*

Fundamental Challenges

Scope of the Transformation

FROM

Analog technology

Long design cycle

Industrial manufacturing processes

Value based on physical products

Mass produced, large inventories

High margins, heavy infrastructure

TO

Digital technology

Rapid prototyping

Flexible manufacturing processes

Value based on solutions
(product + consumables + services)

Just-in-time, just-in-place
Customized

Lower margins,
leaner organization

Today – Two Portfolios

Rapid Growth, Improving Profitability

Digital Portfolio



2Q'05 Revenues: \$1.843B
+43%



Accelerating Secular Decline

Traditional Portfolio



2Q'05 Revenues: \$1.843B
-15%

Traditional Strategy

- Complete the Restructuring of Traditional Infrastructure Within 24 months
 - Assets from ~ \$2.9 Billion to \$1 Billion
 - Approximately 7,000 additional positions eliminated
- Focus on Cash

Digital Strategy

- Continue to Drive Success in Digital Markets
 - Digital still cameras, printer docks, kiosks, online services
 - Computed radiography, healthcare information systems
 - Computer to plate systems, graphic workflow solutions
- Achieve Target Digital Business Model Within 24 months
- SG&A Reduced as Percent of Sales from 18%-to-19% of Sales to 13%-to-14%
 - ~ \$600 Million in expense reduction
 - ~ 2,300 positions eliminated

Business Model Migration

2008 Goal

Corporate Digital Model

Gross Profit	30%
SG&A	13%
R&D	7%
EFO	10%

% of
Sales

Consumer Digital Model

Gross Profit	25%
SG&A	14%
R&D	5%
EFO	6%

Commercial Digital Model

Gross Profit	36%
SG&A	12%
R&D	9%
EFO	15%

Today - Market Presence

Kodak Has a Leading Position in Key Digital Product Categories Where We Participate

- Consumer digital cameras
- Snapshot printers
- Retail kiosks
- Kodak EasyShare Gallery (previously Ofoto)
- Computed Radiography
- Medical laser printers
- NexPress and Versamark digital printing presses
- KPG CTP (Computer To Plate) media, digital proofing and prepress solutions
- Creo CTP equipment, workflow software

Digital Portfolio Requires New Management Skills



Antonio Perez
CEO



Bob Brust
CFO



Bernard Masson
*Digital & Film
Imaging Systems*



Kevin Hobert
Health Imaging



James Langley
Graphic Communications



Bill Lloyd
CTO



Phil Faraci
Inkjet Systems Program

Market Participation

CONSUMER

*Digital & Film
Imaging Systems*



HEALTH

Health Group



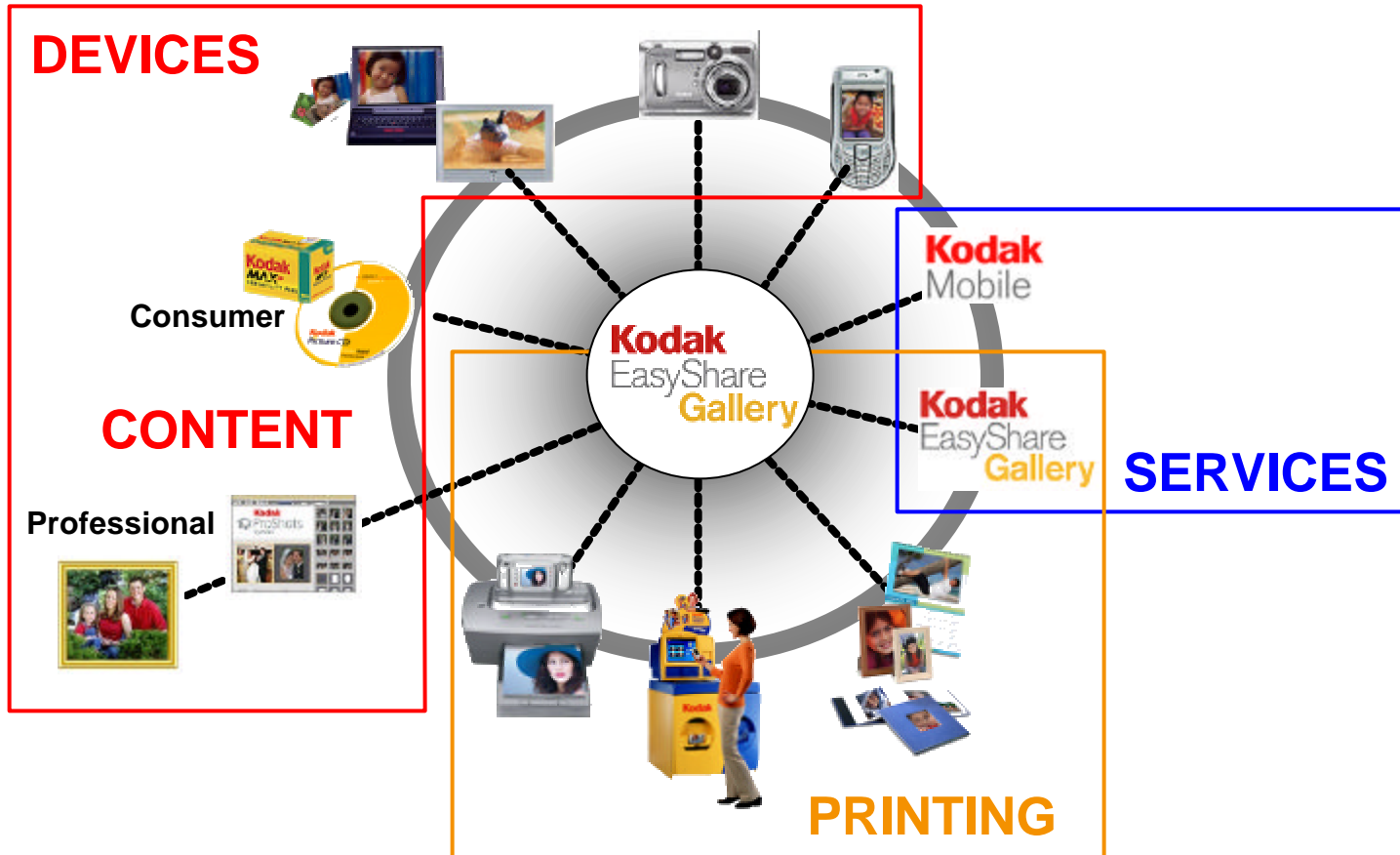
COMMERCIAL

*Graphic
Communications Group*



Kodak's Consumer Digital Strategy

Your Pictures – Anytime, Anywhere



Devices-Content linked with **Printing-Services**
drives Kodak's profitability model.

Kodak

Kodak's Consumer Digital Strategy

Consumer Digital Cameras

- Received J.D. Power customer satisfaction award for second consecutive year
- #1 US market share
- EasyShare-One available in October
 - 1st digital camera with wi-fi capability
 - holds 1500 pictures
 - direct email and online album viewing



Kiosks/Media

- Strong market share leader
- >65,000 placements worldwide
- First half 2005 revenue growth +40%

Kodak's Consumer Digital Strategy

Snapshot Printers/Media

- #1 US market share
- First half 2005 revenue growth $>+100\%$



Kodak EasyShare Gallery

- US market leader
- First half 2005 revenue growth $+57\%$

The image shows a screenshot of the Kodak EasyShare Gallery website. At the top left is the logo "Kodak EasyShare Gallery". To the right, it says "Welcome to the Gallery" and lists navigation links: "My Kodak", "My Account", "Sign In", "Help", and "Cart". Below this is a horizontal menu with buttons for "View & Edit Albums", "Share Photos", "Buy Prints", "Upload Photos", and "Shop". The main content area features a large photo of a woman holding sunflowers. To the right of the photo, it says "Welcome to Kodak EasyShare Gallery" and "Get gorgeous Kodak prints and more from your digital camera." Below this is a list of benefits: "FREE photo sharing", "FREE photo storage", "FREE photo editing tools", and "Plus Photo Books, photo cards, gifts & more!". A red circular badge on the right says "Start today and get 10 FREE prints!".

Health Group

Media Business



Analog film



Digital film

Product Business



Computed Radiography



Digital Radiography



Dental



Dental

Software, Workflow, CAD, Services

IT / Service Bus.

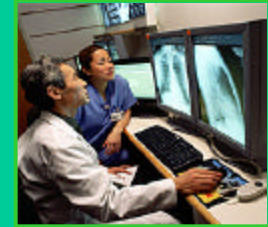
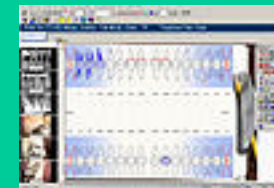


Image Networks



Informatics - RIS / HIS



Dental PM



Implementation

Health Group

- ~65% of Revenues from Digital Products and Services
- First Half 2005 Revenue Growth
 - Digital capture (CR/DR) +18%
 - Services +11%
 - Healthcare information systems +38%
- #1 Market Share in Digital Output



Graphic Communications Group

Blended Production Environments

Customers



Internet Job Submission



Remote Proofing

Prepress

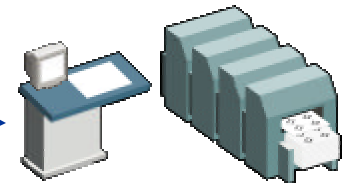
File Prep - Proof



Manage Workflow, Color, Assets

Traditional

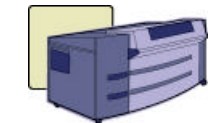
Print



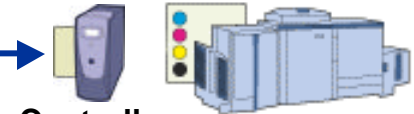
Sheetfed



Web Press

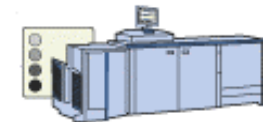


CTP/DI



Controller

Digital Color



Digital B&W

Digital

Hybrid Workflows & Dispersed Locations

Graphic Communications Group

Key Market Segments

Commercial Printers

In-Plant Printers

Data Centers

Digital Service Providers

Packaging

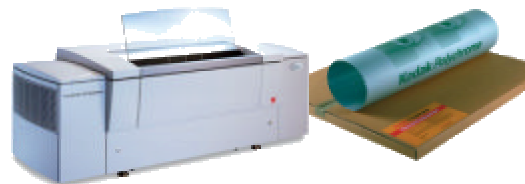
Newspapers

Range of Kodak Solutions

Workflow & Professional Services



Digital Prepress



Digital Print



Graphic Communications Group

Integration On Track

- End-to-End Portfolio Solution Completed with:
 - KPG acquisition (closed April 1)
 - Creo acquisition (closed June 15)
- Strong Presence in Digital Printing
 - Versamark
 - Market leader in transactional printing
 - First half 2005 revenue growth +18%
 - NexPress
 - New product enhancements driving customer acceptance
 - Steady growth in average monthly page volumes

Strategy Summary

Excellent Digital Portfolio

*Traditional Restructuring
Coming to End*

Digital Profitability Growing

Achieve 2005 Cash Flow Objectives of \$1 Billion to \$1.2 Billion Net Cash Provided from Operations

- **Traditional Inventory Reduction**
- **Reduction in Capital Spending**
- **Surplus Asset Sales**
- **Receivables Opportunity**
- **IP Monetization Opportunity**

Will Offset Impact of:

- **Lower Earnings**
- **Higher Restructuring Cash Payouts**

Solid Liquidity

Underwritten Commitment for \$2.7 Billion in Senior Secured Credit Facilities

- **\$1 Billion to \$1.2 Billion 5-year Revolving Credit Facility**
- **Balance in Term B Loans, Primarily to Repay Debt from CREO Acquisition**

Cash on Hand at End of 2Q 2005: \$553 Million

- **Strong Second Half Cash Seasonality**

Primary Use of Excess Cash: Debt Repayment

Within 24 Months

Completing Traditional Products Restructuring and Implementing Digital Business Model

- **Traditional Mfg. Assets Reduced from ~\$3 Billion to ~\$1 Billion**
- **SG&A Reduced by ~\$600 Million**
- **Additional 9300 Positions Eliminated**
- **Incremental Annual Savings: ~\$800 Million**
- **Incremental Life of Program Cash Charges: ~\$470 Million**
- **2005: Anticipated Peak Year for Restructuring Cash Payouts**

From January 2004 through 2007

Total Employment Reductions:

22,000 to 25,000

Total Program Charges:

\$2.7 Billion to \$3 Billion

(Approximately Half Non-Cash)

**Post 2007 Capacity Appropriate for
Longer-Lived Traditional Product Needs**

External Reporting Changes

Eliminating Earnings Forecasts Due to Complexity of:

- **Writing Off \$2 Billion in Assets**
- **Significant Changes in Infrastructure**

Eliminating Use of “Operational” Metrics

- **GAAP Earnings Only, Consistent with SEC Recommendation**
- **Recognizes Increasing Accounting Complexity to Separate GAAP and Operational**

Focus Going Forward

- ***Digital Revenue Growth***
- ***Digital Earnings Growth***
- ***Cash***



Kodak