

February 15, 2012

TO: All U.S. Kodak Employees

Today Kodak attended its second hearing before the court in our reorganization process. We sought approval for several motions, including those that received interim approval by the court as part of our "First Day Motions" hearings on January 19. Following this hearing, I am pleased to inform you that important motions concerning our employees and other stakeholders were approved.

The court provided final approval for our motion to pay certain reimbursable expenses, to honor employee medical and other benefits, and to continue employee benefit programs. That includes the court's approval for honoring accrued vacation and commissions, and for continuing Cash Incentive Plans in the ordinary course (including Wage Dividend, Global Variable Pay, and EXCEL).

The court also addressed the status of our debtor-in-possession financing. As you know by now, last month we received a commitment from our lenders for \$950 million in new financing to supplement our global cash position, \$650 million of which was approved by the court as interim relief on January 19. This commitment represents a significant milestone toward achieving the first of the four objectives we had for our Chapter 11 filing – bolstering our liquidity in the U.S. and abroad.

Over the past few weeks we have worked to complete the terms of our financing agreement, and we are pleased with the productive discussions we have had to date with our lenders and second lien bondholders. Today the court approved our revised agreement, and our debtor-in-possession financing is now complete.

Today's approvals will also ensure that we continue as we have been since our filing in January, providing our customers with products and services going forward, and working with our vendors to assure continued supplies. Over the past few weeks, CEO Antonio Perez, Phil Faraci, Laura Quatela, our business leaders and their teams have been in touch with hundreds of our customers, and we have been gratified by the positive response we have received.

Additionally, as you know, we have been paying our vendors under normal terms for goods and services provided after the filing. We are gratified that a vast majority of vendors have agreed to post-petition terms that are productive for both parties. As a result, we are seeing goods and raw material flowing largely without interruption – with our Purchasing team working hard to resolve any remaining vendor questions.

What we have shared with all these stakeholders is that we are absolutely committed to using our reorganization to achieve the goals we set out last month: bolster our liquidity in the U.S. and abroad, monetize our non-strategic intellectual property, fairly resolve legacy liabilities, and enable Kodak to focus on its most valuable business lines.

Now, with today's court proceedings enabling us to put in place these important initial building blocks, we can move forward towards the creation of a business plan that will meet our objectives and strengthen our enterprise. That process is already well underway, and we appreciate the hard work of everyone involved in this effort.

We want you to know that we remain committed to providing you with updates on any important developments throughout the reorganization process. In the months to come, there will be a series of regular court hearings for Kodak, many of them of a technical nature, and we will share with you the outcome of those hearings when they are on topics of significance.

We thank you for your continued hard work and dedication.

*Ann McCorvey*