

August 23, 2012

Dear Colleagues:

We are continuing to define the path we will take to emerge from Chapter 11 as a profitable, sustainable company, and I want to tell you about important steps we are taking that move us toward that goal.

First, we have determined that we should commence sales processes for our Personalized Imaging business (which consists of Retail Systems Solutions, Paper & Output Systems and Event Imaging Solutions) and Document Imaging business. This is a difficult decision. But, we must make the right choices to build a future that will benefit all of our stakeholders. We will work hard to expedite this process, and are targeting completion of these transactions in the first half of 2013.

Employees in each of these areas have worked very hard to position their businesses for today's market realities. In large part, their ability to consistently deliver value is what makes these businesses attractive to potential buyers. I do want to emphasize that we will work to ensure that any potential buyers share our commitment and passion to serve customers, as well as our values for fair treatment of employees.

These actions result from our conclusion that the successful sale of these assets, as well as continued cost-cutting initiatives, curtailment of our legacy liabilities and monetization of our digital imaging patent portfolio, will be significant milestones to enable us to complete our reorganization and emerge from Chapter 11 during 2013.

I know that this decision introduces a new element of uncertainty for many employees and their customers. For those of you who are in or support Personalized Imaging and Document Imaging, thank you your commitment, and for continuing to deliver for our customers.

We are reshaping Kodak. We continue to rebalance our company toward commercial, packaging and functional printing – where we offer the market's broadest portfolio of solutions – and enterprise services. These businesses have substantial long-term growth prospects worldwide and play to our strengths. We are confident that our competitive advantages in materials science and deposition technologies, as well as our know-how in digital imaging, will enable us to capitalize on those opportunities and extend our leadership in key growth markets. We also plan to retain other significant businesses, including Consumer Inkjet, Entertainment Imaging, Commercial Films and Specialty Chemicals.

We also confirmed today that we continue discussions with possible buyers for our digital imaging patent portfolio, as well as the ongoing possibility for an approach in which we retain these patents to realize value for our creditors.

With the above steps in place, we are now in position to complete our remaining Chapter 11 objectives and finalize our Plan of Reorganization for successful emergence during 2013. Everything we are doing is focused on delivering the highest value to our creditors by emerging as a sustainable, profitable company that meets the needs of our customers.

As always, thank you for everything that you continue to do to support the future success of all our businesses.

Antonio