

September 28, 2012

Dear Colleagues,

Today we plan to submit with the Bankruptcy Court a motion to extend until February 28, 2013, our exclusive right to file a plan of reorganization. This extension request, which is common in Chapter 11 proceedings, will assist us as we continue to execute our plan for emergence. The filing also details the substantial progress we have made toward our restructuring objectives, and the steps we plan to take to further position Kodak for a successful emergence during the first half of 2013, consistent with our original timeline.

I have shared with you in recent weeks our strategy to emerge from Chapter 11 focused on our commercial businesses – specifically Digital Printing & Enterprise (DP&E) and Graphics, Entertainment & Commercial Films (GECF) – where we can best leverage our competitive technological advantages for long-term growth.

Consistent with this strategy, we have been reviewing how best to position our remaining businesses for the future. To that end, we also announced today that we will wind down consumer inkjet printer sales in 2013 to focus on the sale of ink.

As many of you know, we have been managing our Consumer Inkjet business for profitability this year. Over the last five years, consumers have responded to our unique value proposition in this market, and we have built a significant installed base of printers. With this foundation, we can now focus the Consumer Inkjet business on the sale of ink and generate profitable returns for the company.

This is the logical step for us to take because it enables us to focus our resources, our R&D, and our strengths on commercial, packaging & functional printing solutions and enterprise services – where we have the greatest opportunities for differentiation and growth. It will enable us to significantly improve our cash flow in the U.S. in the first half of 2013.

I have admired the commitment of our Consumer Inkjet employees who have contributed so much to its success. Kodak changed this industry with our breakthrough technology and unique value proposition, and we should all be proud of what we accomplished.

In addition, the motion filed today notes several important developments in our restructuring, including:

- Formulating a business strategy focused on commercial, packaging & functional printing solutions and enterprise services that will be the cornerstone of a plan of reorganization.
- Stabilizing our global business to maintain key customer and supplier relationships around the world.
- Streamlining our operations and reducing corporate costs, which will result in savings of more than \$340 million per year.
- Using provisions of the Bankruptcy Code to renegotiate, enforce, or exit existing

- contracts for substantial cost savings.
- Continuing negotiations with respect to our U.S. retiree benefit liability, which amounts to about \$1.2 billion.
  - Exiting or selling unprofitable businesses such as digital cameras and KODAK Gallery.
  - Pursuing sales of our market-leading Personalized Imaging and Document Imaging businesses, that are not core to our future strategy.
  - Continuing work to monetize our intellectual property assets, either through a sale, or through alternatives if we cannot reach a transaction on acceptable terms.
  - Maintaining worldwide cash balances consistently in excess of \$1 billion.

You have played a critical role in these areas of progress. We are grateful for your continued commitment and contribution to these accomplishments.

The Court is scheduled to consider our motion at a hearing scheduled for October 17. We are confident that the steps we have taken and the vision we have outlined for the Court will put Kodak a step further on the path to emergence in 2013.

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

*Antonio*