

**Eastman Kodak Company**  
**First Quarter 2007 Results**  
**Non-GAAP Reconciliations**

Within the Company's first quarter 2007 press release and financial discussion document, the Company makes reference to certain non-GAAP financial measures including "digital earnings improvement", "digital revenue", "traditional revenue", "new technologies revenue", "estimated improvement in net cash generation", "expected net cash generation", "expected digital earnings from operations" and "forecasted digital revenue growth". Whenever such information is presented, the Company has complied with the provisions of the rules under Regulation G and Item 2.02 of Form 8-K. The Company's management believes that the presentation of each of these non-GAAP financial measures provides useful information to investors regarding Kodak's financial condition, results of operations and cash flows as provided in the Form 8-K filed in connection with this press release.

The following table reconciles digital earnings improvement to the most directly comparable GAAP measure of improvement in loss from continuing operations before interest, other income (charges), net and income taxes (dollar amounts in millions):

	<u>2007</u> <u>Improvement</u>
Digital earnings, as presented	\$ 48
Traditional and New Technologies earnings	23
Restructuring costs and other items	<u>65</u>
Improvement in loss from continuing operations before interest, other income (charges), net and income taxes (GAAP basis)	<u>\$ 136</u>

The following table reconciles digital revenue, traditional revenue and new technologies revenue amounts to the most directly comparable GAAP measure of consolidated revenue (dollar amounts in millions):

	<u>Q1 2007</u>	<u>Q1 2006</u>	<u>Increase/</u> <u>(Decrease)</u>
Digital revenue, as presented	\$ 1,210	\$ 1,250	-3%
Traditional revenue, as presented	896	1,026	-13%
New technologies revenue, as presented	<u>13</u>	<u>16</u>	-19%
Consolidated revenue (GAAP basis), as presented	<u>\$ 2,119</u>	<u>\$ 2,292</u>	-8%

The following table reconciles the estimated improvement in net cash used in continuing operations from operating activities (GAAP), to an estimated improvement in Kodak's definition of net cash generation (dollar amounts in millions):

	<b><u>Estimated 2007</u></b>	
	<b><u>Improvement</u></b>	
	<b><u>From</u></b>	<b><u>To</u></b>
Net cash used in continuing operations from operating activities (GAAP basis)	\$ 150	\$ 175
Additions to properties, Net proceeds from sales of business assets, and investments in unconsolidated affiliates		25
Net Cash Generation, as presented	<u>\$ 175</u>	<u>\$ 200</u>

The following table reconciles expected net cash generation to the most directly comparable GAAP measure of expected net cash provided by continuing operations from operating activities (dollar amounts in millions):

	<b><u>2007</u></b> <b><u>Original</u></b> <b><u>Forecast</u></b>	<b><u>2007</u></b> <b><u>Revised</u></b> <b><u>Forecast</u></b>
Expected net cash generation, as presented	\$100-\$200	more than \$100
Additions to properties, net proceeds from sales of businesses/assets, distributions from/(investments in) unconsolidated affiliates and dividends	<u>150-300</u>	<u>100-350</u>
Expected net cash provided by continuing operations from operating activities (GAAP basis), as presented	<u>\$250-\$500</u>	<u>\$200-\$450</u>

The following table reconciles expected digital earnings from operations to the most directly comparable GAAP measure of loss from continuing operations before interest, other income (charges), net and income taxes (dollar amounts in millions):

	<b><u>2007</u></b> <b><u>Original</u></b> <b><u>Forecast</u></b>	<b><u>2007</u></b> <b><u>Revised</u></b> <b><u>Forecast</u></b>
Expected digital earnings from operations, as presented	\$200-\$300	\$150-\$250
Expected traditional earnings, new technologies earnings, restructuring costs and other discrete items	(700)-(900)	(700)-(900)
Loss from continuing operations before interest, other income (charges), net and income taxes (GAAP basis), as presented	\$(500)-\$(600)	\$(550)-\$(650)

The expected digital revenue growth for 2007, as presented, of 3% to 5% corresponds to the most directly comparable GAAP measure of expected total company revenue decline for 2007 of 4% to 7%. Items to reconcile from expected digital revenue growth to expected total company revenue decline are expected traditional and new technologies revenue decline of 13% to 22%.

As previously announced, the Company will only report its results on a GAAP basis, which will be accompanied by a description of non-operational items affecting its GAAP quarterly results by line item in the statement of operations. The Company defines non-operational items as restructuring and related charges, significant gains and losses on sales of assets, asset impairments, the related tax effects of those items and certain other significant items not related to the Company's core operations. Non-operational items, as defined, are specific to the Company and other companies may define the term differently. The following table presents a description of the non-operational items affecting the Company's quarterly results by line item in the statement of operations for the first quarter of 2007 and 2006, respectively.

(in millions, except per share data)	<b>1st Quarter</b>			
	<b>2007</b>		<b>2006</b>	
	<u>\$</u>	<u>EPS</u>	<u>\$</u>	<u>EPS</u>
Loss from continuing operations - GAAP	\$ (174)	\$ (0.61)	\$ (346)	\$ (1.21)
<b>COGS</b>				
- Charges for accelerated depreciation in connection with the focused cost reduction actions	65		77	
- Charges for inventory writedowns in connection with focused cost reduction actions	<u>1</u>		<u>1</u>	
Subtotal	<u>66</u>	<u>0.23</u>	<u>78</u>	<u>0.27</u>
<b>Restructuring</b>				
- Charges for focused cost reduction actions	<u>85</u>		<u>138</u>	
Subtotal	<u>85</u>	<u>0.29</u>	<u>138</u>	<u>0.49</u>
<b>Other Income/(Charges)</b>				
- Gain on sale of property related to focused cost reduction actions	(9)			
- Impairment of property related to focused cost reduction actions	<u>-</u>		<u>4</u>	
Subtotal	<u>(9)</u>	<u>(0.03)</u>	<u>4</u>	<u>0.01</u>
<b>Taxes</b>				
- Reversal of foreign tax reserve	(56)			
- Tax impacts of the above-mentioned items	<u>(10)</u>		<u>(31)</u>	
Subtotal	<u>(66)</u>	<u>(0.23)</u>	<u>(31)</u>	<u>(0.11)</u>