

Eastman Kodak Company
Fourth Quarter 2008 Results
Non-GAAP Reconciliations

Within the Company's fourth quarter 2008 earnings release, reference is made to certain non-GAAP financial measures, including "fourth quarter cash generation before dividends", "fourth quarter digital revenue", "fourth quarter traditional revenue", "full year digital revenue", "full year traditional revenue" and "1st half of the year 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 fourth quarter cash generation before dividends to the most directly comparable GAAP measure of fourth quarter net cash provided by continuing operations from operating activities (amounts in millions):

	<u>Q4 2008</u>	<u>Q4 2007</u>	<u>Cash Impact</u>
Cash generation before dividends, as presented	\$ 472	\$ 1,204	\$ (732) Decrease in cash provided
Net proceeds from sales of businesses/assets	(32)	(81)	49 Decrease in cash provided
Net cash flow from HPA	<u>-</u>	<u>(158)</u>	158 Decrease in cash provided
Free cash flow	440	965	(525) Decrease in cash provided
Additions to properties	<u>76</u>	<u>80</u>	<u>(4)</u> Decrease in cash used
Net cash provided by continuing operations from operating activities (GAAP basis), as presented	<u>\$ 516</u>	<u>\$ 1,045</u>	<u>\$ (529)</u> Decrease in cash provided

The following table reconciles fourth quarter and full year digital and traditional revenue to the most directly comparable GAAP measures of fourth quarter and full year total company revenue (dollar amounts in millions):

	<u>Q4 2008</u>	<u>Q4 2007</u>	<u>Growth/ (Decline)</u>	<u>YTD 2008</u>	<u>YTD 2007</u>	<u>Growth/ (Decline)</u>
Revenue from digital businesses, as presented	\$ 1,779	\$ 2,325	-23%	\$ 6,422	\$ 6,660	-4%
Revenue from traditional businesses, as presented	652	894	-27%	2,987	3,632	-18%
All other revenue	<u>2</u>	<u>1</u>	100%	<u>7</u>	<u>9</u>	-22%
Total company revenue (GAAP basis), as presented	<u>\$ 2,433</u>	<u>\$ 3,220</u>	-24%	<u>\$ 9,416</u>	<u>\$ 10,301</u>	-9%

The following table reconciles 1st half of the year digital revenue growth to the most directly comparable GAAP measure of 1st half of the year total company revenue growth (dollar amounts in millions):

	<u>YTD 6/30/2008</u>	<u>YTD 6/30/2007</u>	<u>Growth/ (Decline)</u>
Revenue from digital businesses, as presented	\$ 3,002	\$ 2,732	10%
Revenue from traditional businesses	1,571	1,810	-13%
All other revenue	<u>5</u>	<u>6</u>	-17%
Total company revenue (GAAP basis)	<u>\$ 4,578</u>	<u>\$ 4,548</u>	1%

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, gains and losses on sales of assets, certain asset impairments, the related tax effects of those items and certain other significant pre-tax and tax 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 fourth quarter of 2008 and 2007, respectively.

(in millions, except per share data)	4th Quarter			
	2008		2007	
	\$	EPS	\$	EPS
Earnings (loss) from continuing operations - GAAP	\$ (133)		\$ 92	
Interest on convertible securities, net of tax	-		3	
Adjusted earnings (loss) from continuing operations available to common stockholders	(133)	\$ (0.50)	95	\$ 0.31
Items of Comparability - Expense/(Income):				
COGS:				
- Foreign contingencies	(3)		(5)	
- Charges for accelerated depreciation in connection with focused cost reduction actions	2		4	
- Charges for inventory writedowns in connection with focused cost reduction actions	1		1	
Subtotal	-	-	-	-
Restructuring costs, rationalization and other:	100		63	
Subtotal	100	0.37	63	0.21
Selling, general, and administrative costs:				
- Legal contingency	21		-	
Subtotal	21	0.08	-	-
Other Operating Income/(Expenses), Net:				
- Gains on sale of assets and businesses, net	(7)		(115)	
- Impairment of long-lived assets	3		46	
- Adjustment for loan loss	-		6	
Subtotal	(4)	(0.01)	(63)	(0.21)
Other Income/(Charges)				
- Impairment of equity method investment	-		5	
Subtotal	-	-	5	0.02
Provision (benefit) for income taxes:				
- Audit settlement, establishment of foreign valuation allowances, adjustments of uncertain tax positions and other discrete tax items	2		12	
- Tax impacts of the above-mentioned items, net	(7)		(2)	
Subtotal	(5)	(0.02)	10	0.03