

EASTMAN KODAK CO  
Form POS AM  
June 01, 2004  
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As filed with the Securities and Exchange Commission on June 1, 2004

Registration No. 333-111726

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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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**POST-EFFECTIVE AMENDMENT NO. 7**

**TO**

**FORM S-3**

**REGISTRATION STATEMENT**

**UNDER**

**THE SECURITIES ACT OF 1933**

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## **EASTMAN KODAK COMPANY**

(Exact name of registrant as specified in its charter)

**New Jersey**  
(State or other jurisdiction of incorporation or organization)

**16-0417150**  
(I.R.S. Employer Identification No.)

**343 State Street**

**Rochester, New York 14650**

**(585) 724-4000**

(Address, including zip code, and telephone number, including area)

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code, of registrant s principal executive offices)

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**Gary P. Van Graafeiland**

**Senior Vice President and General Counsel**

**Eastman Kodak Company**

**343 State Street**

**Rochester, New York 14650-0218**

**(585) 724-4332**

(Name, address, including zip code, and telephone  
number, including area code, of agent for service)

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*Copy to:*

**John H. Newman**

**Sidley Austin Brown & Wood LLP**

**787 Seventh Avenue**

**New York, New York 10019**

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**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.



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**The information in this prospectus is not complete and may be changed. The selling securityholders may not use this prospectus to sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion**

**Preliminary Prospectus Dated June 1, 2004**

**PROSPECTUS**

## **Eastman Kodak Company**

# **\$575,000,000 3.375% Convertible Senior Notes due 2033 and Common Stock Issuable Upon Conversion of the Notes**

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On October 10, 2003, we issued and sold in a private offering \$575,000,000 aggregate principal amount of our 3.375% Convertible Senior Notes due 2033, which we refer to as the notes, to certain initial purchasers, which we refer to as the initial purchasers. The initial purchasers have advised us that they resold their notes to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933. The notes and the shares of our common stock issuable upon conversion of the notes that are offered for resale in this prospectus are offered for the accounts of their current holders, which we refer to as the selling securityholders. We will not receive any of the proceeds from the sale by the selling securityholders of the notes or the shares of our common stock issuable upon conversion of the notes.

The notes bear interest at the rate of 3.375% per year. Interest on the notes will be payable on April 15 and October 15 of each year, beginning on April 15, 2004.

The notes are convertible by holders into shares of our common stock at an initial conversion rate of 32.2373 shares of our common stock per \$1,000 principal amount of notes (subject to adjustment in certain events), which is equal to an initial conversion price of \$31.02 per share, under the following circumstances: (1) during any calendar quarter, if the price of our common stock issuable upon conversion reaches specified thresholds during the previous calendar quarter as described in this prospectus, (2) during any five consecutive trading day period following any 10 consecutive trading day period in which the trading price of a note for each day of such period is below a specified percentage of the conversion value and the conversion value for each day of such period is below a specified percentage of the principal amount of a note as described in this prospectus, (3) if we call the notes for redemption, (4) upon the occurrence of specified corporate transactions described in this prospectus or (5) during any period in which either of the credit ratings assigned to the notes are below the levels described in this prospectus.

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The notes will mature on October 15, 2033. We may redeem some or all of the notes at any time on or after October 15, 2010. The redemption prices are described under the caption "Description of the Notes - Optional Redemption."

The notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. Holders will have the right to require us to purchase their notes at a purchase price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, including additional amounts, if any, on October 15, 2010, October 15, 2013, October 15, 2018, October 15, 2023 and October 15, 2028 or upon a fundamental change as described in this prospectus.

We have not applied for listing of the notes on any securities exchange or for quotation through any automated quotation system. The notes are currently trading in the Private Offerings, Resale and Trading Through Automated Linkages (PORTAL) market of the National Association of Securities Dealers, Inc. Notes sold by means of this prospectus will not be eligible for trading in the PORTAL market. Our common stock is listed on the New York Stock Exchange under the symbol "EK." The last reported sales price of our common stock on the New York Stock Exchange on May 28, 2004 was \$26.18 per share.

**Investing in the notes and the common stock issuable upon conversion of the notes involves risks. See "Risk Factors" beginning on page 11.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

**The date of this prospectus is \_\_\_\_\_, 2004**

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This prospectus may only be used where it is legal to sell these securities. You should assume that the information in this prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition and results of operations may have changed since those dates. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the securities described in this prospectus or an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

In this prospectus, the Company, we, us, and our refer to Eastman Kodak Company.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain further information regarding the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public on the SEC's website located at <http://www.sec.gov>. Our SEC filings are also available free of charge from our website at [www.kodak.com](http://www.kodak.com). The website addresses provided herein are not intended to be active links. Information contained on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus. You may also inspect our SEC reports, proxy statements and other information concerning us at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We are incorporating by reference into this prospectus information we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information we incorporate by reference is considered to be part of this prospectus, unless we update or supersede that information by the information contained in this prospectus or the information we file subsequently that is incorporated by reference into this prospectus. We are incorporating by reference the following documents that we have filed with the SEC, other than any information in these documents that is deemed not to be filed with the SEC:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2003;

our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004; and

our Current Report on Form 8-K filed on May 14, 2004.

We also incorporate by reference into this prospectus any filings we make with the SEC (excluding those filings made under Items 9 or 12 of Form 8-K) under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the initial filing of the registration statement that contains this prospectus and before termination of this offering.

You may obtain without charge a copy of any of the documents we incorporate by reference, except for exhibits to such documents which are not specifically incorporated by reference into such documents, by contacting us at Eastman Kodak Company, 343 State Street, Rochester, New York 14650-0218, Attention: James M. Quinn, Secretary. You may also telephone your request to Mr. Quinn at (585) 724-2479.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Certain statements in this prospectus and the documents incorporated by reference may be forward-looking in nature, or forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. For example, references to our revenue, cash flow expectations and future focused cost reductions are forward-looking statements.

Actual results may differ from those expressed or implied in forward-looking statements. In addition, any forward-looking statements represent our estimates only as of the date they are made, and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change. The forward-looking statements contained in this prospectus and the documents incorporated by reference are subject to a number of factors and uncertainties, including:

the successful

implementation of our recently announced digitally-oriented growth strategy, including the related implementation of future focused cost reductions;

implementation of product strategies (including digital products, category expansion, digitization, and organic light emitting diode (OLED) displays);

implementation of intellectual property licensing strategies;

development and implementation of e-commerce strategies;

completion of information systems upgrades, including SAP, our enterprise system software;

completion of various portfolio actions;

reduction of inventories;

reduction in capital expenditures;

improvement in receivables performance;

improvement in manufacturing productivity and techniques;

improvement in supply chain efficiency; and



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development of our business in emerging markets like China, India, Brazil, Mexico and Russia;

inherent unpredictability of currency fluctuations and raw material costs;

competitive actions, including pricing;

the nature and pace of technology evolution, including the analog-to-digital transition;

continuing customer consolidation and buying power;

general economic, business, geopolitical and public health conditions; and

other factors and uncertainties disclosed from time to time in our filings with the SEC.

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2003, incorporated by reference in this prospectus (see [Where You Can Find More Information](#) ), contains an expanded discussion of the above factors and uncertainties to which forward-looking statements in this prospectus and the documents incorporated by reference herein are subject. Any forward looking statements in this prospectus and the documents incorporated by reference should be evaluated in light of these important factors and uncertainties as well as the risk factors and other cautionary information contained in this prospectus.

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**SUMMARY OF INFORMATION**

*The following summary highlights selected information contained or incorporated by reference in this prospectus. The summary does not contain all of the information that may be important to you or that you should consider when making an investment decision. You should carefully read the summary together with the more detailed information that is contained and incorporated by reference in the rest of this prospectus.*

**THE COMPANY**

We are the leader in helping people take, share, print and view images for information and for entertainment. We are a major participant in infoimaging a \$385 billion industry composed of devices (digital cameras and flat-panel displays), infrastructure (online networks and delivery systems for images) and services and media (software, film and paper) enabling people to access, analyze and print images. Our traditional products and services are sold directly to retailers and through distributors throughout the world. A significant portion of our digital equipment and solutions is sold direct to end-users with the balance sold through original equipment manufacturers (OEMs). On August 21, 2003, we announced an organizational realignment which, effective January 1, 2004, changed our corporate segment reporting structure. Our new reporting structure is described below.

**Reportable Segments**

*Digital and Film Imaging Systems Segment (66% of Revenues for the Three-Month Period Ended March 31, 2004)*

Our Digital and Film Imaging Systems segment includes digital and traditional product offerings for consumers, professional photographers and the entertainment industry. This segment combines digital and traditional photography and photographic services in all its forms, including consumer, advanced amateur, professional, and motion picture. We manufacture and market films (consumer, professional and motion picture), photographic papers, processing services, photofinishing equipment, photographic chemicals and cameras (including one-time-use, traditional and digital). We have also developed products that bridge traditional silver halide and digital products. Product and service offerings include kiosks, printer docks, consumer digital services and inkjet media. In addition, other digitization options have been created to stimulate more pictures in use, adding to the consumption of film and paper. These products serve amateur photographers, as well as professional, motion picture and television customers. Through Ofoto, Inc., we have also accelerated our growth in the online photography market and helped drive more rapid adoption of digital and online services.

*Health Imaging Segment (22% of Revenues for the Three-Month Period Ended March 31, 2004)*

Analog and digital products and services of our Health Imaging segment enable healthcare customers (e.g., hospitals, imaging centers, etc.) to capture, process, integrate, archive and display images and information in a variety of forms. These products and services provide intelligent decision support through the entire patient pathway from research to detection to diagnosis to treatment. Our Health Imaging segment also provides products and services that help customers improve workflow and productivity in their facilities, which in turn helps them enhance the quality and productivity of healthcare delivery.

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Traditional products of our Health Imaging segment include analog medical films, chemicals, and processing equipment, and our history has both made us a leader in this area and has served as the foundation for building our important digital imaging business. Health Imaging provides digital medical imaging and information products, systems and solutions, including digital print films, laser imagers, computed and digital radiography systems, and Healthcare Information Systems (HCIS). Our Health Imaging segment serves the

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general radiology market and specialty health markets, including dental, mammography and oncology. With our recent acquisition of PracticeWorks, Inc., we are positioned to offer choices within a full spectrum of dental imaging products traditional and digital and services providing innovative information technology to dental professionals. This segment also provides molecular imaging for the biotechnology research market.

### *Commercial Imaging Segment (7% of Revenues for the Three-Month Period Ended March 31, 2004)*

Our Commercial Imaging segment encompasses our business of providing imaging capture and solutions, analysis, printing and archiving, and optics. Markets for the segment include industrial, banking and insurance applications. Products include high-speed production document scanners, micrographic peripherals, aerial and industrial films, and optics and optical systems. This segment also provides maintenance and professional services for our products as well as those of other manufacturers and provides imaging services to customers. On February 9, 2004, we announced that we have agreed to sell the assets and business of our Remote Sensing Systems operation, including the stock of our wholly owned subsidiary Research Systems, Inc., to ITT Industries, Inc. as part of our efforts to further align our product portfolio with our business strategy.

### *Graphic Communications Segment (5% of Revenues for the Three-Month Period Ended March 31, 2004)*

Our Graphic Communications segment is comprised of our investments in NexPress Solutions LLC and Kodak Polychrome Graphics, Kodak Versamark, and our graphics and wide-format inkjet businesses. Products include high-speed digital printing equipment, wide-format inkjet printers, inks, media and services, and graphic films. On January 5, 2004, we acquired the assets of Scitex Digital Printing (now Kodak Versamark), the world leader in high-speed, variable data inkjet printing systems, from Scitex Corporation Ltd. Through this acquisition, we plan to accelerate our participation in the growing digital commercial printing equipment market. On May 1, 2004, we acquired two lines of business and a subsidiary from Heidelberger Druckmaschinen AG, which we refer to as Heidelberg. We purchased Heidelberg's 50% interest in NexPress Solutions LLC, a 50/50 joint venture of Kodak and Heidelberg that makes digital color printing systems. We also purchased the equity of Heidelberg Digital L.L.C., a leading maker of digital black-and-white printing systems. In addition, we acquired NexPress GmbH, Heidelberg's German subsidiary, and certain inventory and assets held by Heidelberg's regional operations, or market centers, and we offered employment to sales and service employees with those market centers. Through the Heidelberg acquisitions, we are further accelerating our participation in the digital commercial printing equipment market and diversifying our business portfolio.

### *All Other*

All Other consists primarily of our components group, which represents our diversification into high-growth product areas that are consistent with our historical strengths in imaging science. Our components group is comprised of our display business and the imaging sensor solutions business. Products of this group include organic light emitting diode (OLED) displays and imaging sensor solutions.

On September 25, 2003, recognizing that demand for our traditional products is declining, especially in developed markets, we announced plans to emphasize digital technology to expand into a range of commercial businesses in order to create a more balanced and diversified business portfolio. For more information regarding this and other recent developments with respect to our business, see Recent Developments below.

**Table of Contents****Research & Development**

Our research and development expenditures for each of our reportable segments were as follows:

Segment	For the	For the Year		
	Three Months	Ended December 31,		
	Ended March 31, 2004	2003	2002	2001
			(in millions)	
Digital and Film Imaging Systems Segment	\$ 99	\$ 481	\$ 513	\$ 542
Health Imaging Segment	46	178	152	152
Commercial Imaging Segment	3	23	30	33
Graphic Communications Segment	19	23	29	23
All Other	30	70	33	27
<b>Total</b>	<b>\$ 197</b>	<b>\$ 775</b>	<b>\$ 757</b>	<b>\$ 777</b>

The downward trend in research and development expenditures in the Digital and Film Imaging Systems and Commercial Imaging segments and the upward trend in the Health Imaging segment and All Other reflect the shift in strategic focus from traditional products, such as color negative film and paper and color reversal films, to digital product areas, such as display technology, including OLED, digital medical imaging, software and digital printing.

**Recent Developments***Digitally-Oriented Strategy Announced*

On September 25, 2003, recognizing that demand for our traditional products is declining, especially in developed markets, we announced plans to emphasize digital technology to expand into a range of commercial businesses in order to create a more balanced and diversified business portfolio while accelerating the implementation of our existing digital product strategies in the consumer markets. Actions to be taken in connection with these plans include cutting costs and managing our traditional consumer film and paper businesses for cash and manufacturing share; refocusing our research and development expenditures; accelerating investments in commercial markets; and acquiring other companies and technology to broaden our portfolio of digital products and services. On February 9, 2004, as part of our efforts to further align our product portfolio with our business strategy, we announced that we have agreed to sell the assets and business of our Remote Sensing Systems operation, including the stock of our wholly owned subsidiary Research Systems, Inc., to ITT Industries, Inc. The proceeds from the transaction will further strengthen our financial position and flexibility during our business model transition.

We plan to center our growth efforts on three broad markets: the commercial market, the consumer market and the health market. Our commercial initiatives include developing commercial imaging services for business customers, such as on-demand digital color printing. Our

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consumer initiatives include accelerating the growth of our EasyShare digital camera business and increasing the printing of pictures at home, from home or at retail. Our health initiatives involve gaining more market share in the digital capture of medical images and building an information services business that takes full advantage of the convergence of images and information technology. In connection with these growth efforts, we recently acquired PracticeWorks Inc., which allows us to offer choices within a full spectrum of dental imaging products and services that provide innovative information technology to dental professionals. In addition, we recently acquired the assets of Scitex Digital Printing and two lines of business and a subsidiary from Heidelberg. Through these acquisitions, we are accelerating our participation in the growing digital commercial printing equipment market.

In the next two years, we plan to reinforce our foundation in consumer, medical, entertainment and professional film imaging products and services by continuing to cut costs and by managing the consumer film and paper businesses for cash and manufacturing share. In the following three years, we plan to use the cash

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generated by our traditional businesses to strengthen our share of the commercial, consumer and health markets. Thereafter, we plan to use our brand and technology to build new businesses in such markets as commercial workflow management, mobile imaging and flat-panel and flexible film displays, among others.

In order to achieve our goals, we will need to maintain financial flexibility while taking advantage of the cash-generation capability of our traditional businesses. To this end, on September 24, 2003 our board of directors reduced the semi-annual dividend that we paid on our common stock on December 12, 2003 to \$0.25 per share (\$0.50 annually) from the semi-annual dividend payment of \$0.90 per share (\$1.80 annually) paid in July 2003.

*Ratings Downgrade*

On September 25, 2003, Standard & Poor's Ratings Services downgraded our long-term credit rating to BBB- and our short-term credit rating to A-3, each with a stable outlook, and removed us from CreditWatch. On November 26, 2003, Standard & Poor's Ratings Services revised our outlook to negative from stable and affirmed our ratings. On September 19, 2003, Moody's Investor Services, Inc. downgraded our long-term credit rating to Baa3 and our short-term credit rating to Prime-3, each with a negative outlook. On August 11, 2003, Fitch, Inc. downgraded our long-term credit rating to BBB- and our commercial paper rating (short-term credit rating) to F3, each with a negative outlook.

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**SUMMARY OF THE OFFERING**

For a more complete description of the terms of the notes and the common stock issuable upon conversion of the notes, see Description of the Notes and Description of Our Common Stock.

Issuer	Eastman Kodak Company
Issue Price	100%
Notes Offered	\$575,000,000 aggregate principal amount of 3.375% Convertible Senior Notes due 2033.
Maturity	October 15, 2033
Interest	3.375% per year on the principal amount, payable semiannually in arrears on each April 15 and October 15, beginning on April 15, 2004.

We will also pay to the selling securityholders additional amounts, if any, on their notes and shares of our common stock issued upon conversion of such notes in accordance with the registration rights agreement, under the circumstances described in this prospectus. Purchasers of notes in the offering made by this prospectus, and of shares of our common stock issued upon conversion of the notes, will not be entitled to receive additional amounts. See Registration Rights and Description of the Notes Registration Rights.

Ranking	The notes are unsecured and rank equally in right of payment with all of our other existing and future unsecured and unsubordinated indebtedness. The notes are effectively subordinated to existing and future indebtedness and other liabilities of our subsidiaries.
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Conversion Rights	<p>Holder may convert their notes, in whole or in part, into shares of our common stock only under the following circumstances:</p>
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- (1) during any calendar quarter (and only during such calendar quarter), beginning with the quarter ended March 31, 2004, if the last reported sale price of our common stock for at least 20 trading days, whether or not consecutive, during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter, is greater than or equal to 120% of the applicable conversion price per share of our common stock on such last trading day,
- (2) during any five consecutive trading day period following any 10 consecutive trading day period in which (1) the trading price of a note for each day of such period was less than 105% of the conversion value, as each term is described herein, and (2) the conversion value for each day of such period was less than 95% of the principal amount of a note,



- (3) if the notes have been called for redemption (but only those notes so called),
- (4) upon the occurrence of specified corporate transactions described under Description of the Notes Conversion

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Rights Conversion Upon Specified Corporate Transactions, and

- (5) during any period in which the credit rating assigned to the notes by either Moody's or S&P is lower than Ba2 or BB, respectively, or the notes are no longer rated by at least one of these rating services or their successors.

For each \$1,000 principal amount of notes surrendered for conversion, you will receive 32.2373 shares of our common stock. This represents an initial conversion price of \$31.02 per share of common stock. As described in this prospectus, the conversion rate may be adjusted for certain reasons, but it will not be adjusted for accrued and unpaid interest. Except as otherwise described in this prospectus, you will not receive any payment representing accrued and unpaid interest upon conversion of a note. Notes called for redemption may be surrendered for conversion prior to the close of business on the second business day immediately preceding the redemption date.

Optional Redemption

Prior to October 15, 2010, the notes will not be redeemable. On or after October 15, 2010, we may redeem for cash all or part of the notes at any time and from time to time, upon not less than 30 nor more than 60 days' notice before the redemption date by mail to the trustee under the indenture under which the notes have been issued, the paying agent and each holder of notes, for a price equal to 100% of the principal amount of the notes to be redeemed plus any accrued and unpaid interest, including additional amounts owed, if any, to, but excluding, the redemption date. See Description of the Notes Optional Redemption.

Purchase of Notes by Us at the Option of the Holder

Holder have the right to require us to purchase all or any portion of their notes for cash on October 15, 2010, October 15, 2013, October 15, 2018, October 15, 2023 and October 15, 2028. In each case, we will pay a purchase price equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest, including additional amounts owed, if any, to, but excluding, such purchase date. See Description of the Notes Purchase of Notes by Us at the Option of the Holder.

Fundamental Change

If we undergo a Fundamental Change (as defined under Description of the Notes Fundamental Change Requires Purchase of Notes by Us at the Option of the Holder ) prior to maturity, holders will have the right, at their option, to require us to purchase for cash all of their notes or any portion of the principal amount thereof that is equal to \$1,000 or an integral multiple of \$1,000. The cash price we are required to pay is equal to 100% of the principal amount of the notes to be purchased plus accrued and unpaid interest, including additional amounts owed, if any, to, but excluding, the Fundamental Change purchase date. See Description of the Notes Fundamental Change Requires Purchase of Notes by Us at the Option of the Holder.

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Significant Covenants	<p>The notes have been issued under an indenture that contains certain restrictive covenants for your benefit. The covenants, which are described under <a href="#">Description of the Notes</a>, restrict our ability, with certain exceptions, to:</p> <p style="padding-left: 40px;">incur certain debt secured by liens, without equally and ratably securing the notes;</p> <p style="padding-left: 40px;">engage in certain sale and leaseback transactions; and</p> <p style="padding-left: 40px;">merge, consolidate or transfer substantially all of our assets.</p>
Registration Rights	<p>Pursuant to a registration rights agreement that we entered into in connection with the private offering of the notes in October 2003, we have filed a shelf registration statement under the Securities Act of 1933, of which this prospectus is a part, relating to the resale of the notes and the common stock issuable upon conversion thereof. If the registration statement has not become effective within the time periods set forth in this prospectus, or if this prospectus is unavailable for longer periods of time than are set forth in this prospectus, we will be required to pay additional amounts to holders of notes (and the common stock issuable upon conversion thereof) that have not been sold in the offering made by this prospectus. Investors who purchase notes or shares of common stock from selling securityholders in this offering will not be entitled to any rights under the registration rights agreement (including the right to receive any additional amounts payable by us). See <a href="#">Description of the Notes Registration Rights</a>.</p>
Use of Proceeds	<p>We will not receive any of the proceeds from the sale by the selling securityholders of the notes or the common stock issuable upon conversion of the notes.</p>
Trustee, Paying Agent and Conversion Agent	<p>The Bank of New York</p>
Risk Factors	<p>You should consider carefully all of the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under <a href="#">Risk Factors</a> beginning on page 11, before deciding whether to invest in the notes.</p>
Governing Law	<p>The indenture and the notes are governed by, and are to be construed in accordance with, the laws of the State of New York.</p>
Book-Entry Form	<p>The notes were issued in book-entry form and are represented by permanent global certificates without interest coupons deposited with, or on behalf of, The Depository Trust Company ( <a href="#">DTC</a> ) and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated notes, except in limited circumstances.</p>

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Trading

The notes will not be listed on any securities exchange or included in any automated quotation system. No assurance can be given as to the development or liquidity of any trading market for the notes. The notes originally issued and sold in the private offering are trading in the PORTAL market. However, notes sold pursuant to this prospectus will no longer be eligible for trading in the PORTAL market. Our common stock is listed on the New York Stock Exchange under the symbol EK.

**Table of Contents****SUMMARY CONSOLIDATED FINANCIAL INFORMATION**

The following table sets forth summary consolidated financial information and other data with respect to each of the fiscal years in the three-year period ended December 31, 2003, as well as for the three-month periods ended March 31, 2004 and 2003. The summary consolidated financial information as of and for the three-month periods ended March 31, 2004 and 2003 are derived from our unaudited consolidated financial statements which, in our opinion, include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of such information. When you read this summary consolidated financial information and other data, you should also read the historical consolidated financial statements and accompanying notes that we have included in our Current Report on Form 8-K filed with the SEC on May 14, 2004, which includes the financial results from our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 as revised for the discontinued operation and change in our segment reporting structure, each of which was first reflected in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004. In addition, you should read Management's Discussion and Analysis of Financial Condition and Results of Operations in our Current Report on Form 8-K filed with the SEC on May 14, 2004 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004. You can obtain these reports by following the instructions we provide under Where You Can Find More Information. The results for the three months ended March 31, 2004 are not necessarily indicative of the results that may be achieved for the full year ending December 31, 2004.

	As of or for the		As of or for the Year Ended		
	Three Months		December 31,		
	Ended March 31,		December 31,		
	2004	2003	2003	2002	2001
(in millions)					
<b>Statement of Earnings Data:</b>					
Net sales	\$ 2,919	\$ 2,640	\$ 12,893	\$ 12,549	\$ 12,976
Cost of goods sold	2,107	1,839	8,715	8,022	8,488
Gross profit	812	801	4,178	4,527	4,488
Selling, general and administrative expenses	552	558	2,612	2,504	2,592
Research and development costs	197	193	775	757	777
Goodwill amortization					147
Restructuring costs and other	50	32	484	98	653
Earnings from continuing operations before interest, other charges, net, and income taxes	13	18	307	1,168	319
Interest expense and other charges, net	45	58	198	274	236
(Loss) earnings from continuing operations before income taxes	(32)	(40)	109	894	83
(Benefit) provision for income taxes	(48)	(28)	(90)	133	22
Earnings (loss) from continuing operations	16	(12)	199	761	61
Earnings from discontinued operations, net of income tax provision	12	24	66	9	15
Net earnings	\$ 28	\$ 12	\$ 265	\$ 770	\$ 76
<b>Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 510	\$ 597	\$ 1,250	\$ 569	\$ 448
Goodwill	1,418	961	1,364	961	927
Total assets	14,433	13,315	14,818	13,494	13,362

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Short-term borrowings	710	1,659	946	1,442	1,534
Long-term debt, net of current portion	2,256	1,045	2,302	1,164	1,666
Total shareholders' equity	3,218	2,864	3,264	2,777	2,894

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	For the Three Months Ended March 31,		For the Year Ended December 31,		
	2004	2003	2003	2002	2001
(in millions, except ratios)					
<b>Cash Flow Data:</b>					
Net cash (used in) provided by:					
Operating activities	\$ (31)	\$ 127	\$ 1,645	\$ 2,204	\$ 2,206
Investing activities	(426)	(217)	(1,267)	(758)	(1,188)
Financing activities	(282)	113	270	(1,331)	(808)
Depreciation and amortization	214	200	824	813	907
Additions to properties	(91)	(109)	(500)	(571)	(738)
Effect of exchange rate changes on cash	(1)	5	33	6	(8)
<b>Other Data:</b>					
Ratio of earnings to fixed charges <sup>(1)</sup>	0.6		2.0	5.6	1.6

- (1) For purposes of calculating the ratio of earnings to fixed charges, earnings represent earnings from continuing operations before income taxes and before adjustments for minority interest in consolidated subsidiaries and income or loss from equity investees, plus interest expense, the interest component of rental expense and amortization of capitalized interest. Fixed charges consist of interest expense, the interest component of rental expense, and capitalized interest. (The interest portion of rental expense is assumed to approximate one-third of rental expense.)

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**RISK FACTORS**

*In considering whether to purchase the notes, you should carefully consider the risks described below and the other information we have included or incorporated by reference in this prospectus.*

**Risks Related to Our Business**

*Our credit ratings have recently been downgraded. Further downgrades of our credit ratings would give certain rights to holders of certain of our outstanding debt securities and would increase our cost of financing and adversely affect the trading price and liquidity of the notes.*

In the third quarter of 2003, Standard & Poor's Ratings Services downgraded our long-term credit rating to BBB- and our short-term credit rating to A-3, each with a stable outlook, and removed us from CreditWatch, Moody's Investor Services, Inc. downgraded our long-term credit rating to Baa3 and our short-term credit rating to Prime-3, each with a negative outlook, and Fitch, Inc. downgraded our long-term credit rating to BBB- and our commercial paper rating (short-term credit rating) to F3, each with a negative outlook. On November 26, 2003, Standard & Poor's Ratings Services revised our outlook to negative from stable and affirmed our ratings. We cannot assure you that our credit ratings will not be further downgraded by Standard & Poor's Ratings Services, Moody's Investor Services, Inc. or Fitch, Inc.

In the event that our long-term credit rating falls below BB by Standard & Poor's Ratings Services or Ba2 by Moody's Investor Services, Inc. and such condition continues for a period of 30 days, any outstanding borrowings under our accounts receivable securitization program could be accelerated. Further, a negative change in our credit rating could have an adverse effect on the market price and liquidity of the notes, could adversely affect our ability to access capital and could result in an increase in borrowing costs, including an increase in interest rates payable under future indebtedness.

We cannot assure you that we will be successful in carrying out our recently announced digitally-oriented growth strategy in a manner that strengthens or maintains our credit profile, nor can we assure you that the rating agencies will regard the measures we do carry out as sufficient. While we intend to fund the acquisition part of our digitally-oriented growth strategy from free cash flow, if the level of cash flow from our traditional consumer film and paper businesses decreases faster than we anticipate, or if we identify attractive acquisition candidates sooner than we expect, we may need to incur additional indebtedness in an amount which could cause adverse rating consequences. We cannot assure you that we will proceed with any measures that might be favorable from a credit protection point of view if we believe these measures are inconsistent with our growth and diversification strategy.

*Failure to achieve the benefits we expect from our recently announced digitally-oriented growth strategy could adversely affect our results of operations and future growth.*

We have recently announced plans to emphasize digital technology to expand into a range of commercial businesses in order to create a more balanced and diversified business portfolio while accelerating the implementation of our existing digital product strategies in the consumer markets. We expect that these initiatives will require us to incur restructuring charges. Our expected benefits from these initiatives are subject to many estimates and assumptions, including assumptions regarding:



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the amount and timing of cost savings and cash flow that we can achieve from our traditional consumer film and paper businesses;

the speed at which consumer transition from traditional photography to digital photography occurs;

our ability to develop new digital businesses in our commercial, consumer and health markets;

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our ability to identify and complete compatible strategic acquisitions consistent with our growth timeline; and

the costs and timing of activities undertaken in connection with these initiatives.

In addition, these estimates and assumptions are subject to significant economic, competitive and other uncertainties that are beyond our control. If these assumptions are not realized, or if other unforeseen events occur, our results of operations could be adversely affected, as we may not be able to grow our business, and our ability to compete could be negatively affected.

*Delay or inability to implement our product development strategies could adversely affect our revenues and business.*

Unanticipated delay in implementing or a failure to implement our product development strategies, including strategies related to digital products, category expansion, digitization, and organic light emitting diode (OLED) displays, could adversely affect our revenues. In order to successfully transition our existing products and develop and deploy new products, we must make accurate predictions of the product development schedule as well as volumes, product mix, customer demand, sales channels, and configuration. The process of developing new products and services is complex and often uncertain due to the frequent introduction of new products that offer improved performance and pricing. We may anticipate demand and perceived market acceptance that differs from the product's realizable customer demand and revenue stream. Further, in the face of intense industry competition, any delay in the development, production or marketing of a new product could decrease any advantage we may have to be the first or among the first to market. Our failure to carry out a product rollout in the time frame anticipated and in the quantities appropriate to customer demand, or at all, could adversely affect future demand for our products and services and have an adverse effect on our business.

*The failure to effectively integrate new acquisitions as well as the failure to streamline and simplify our business could adversely affect our revenues.*

We have recently completed various business acquisitions and intend to complete various other business acquisitions in the future, particularly in our Health Imaging and Graphic Communications segments, in order to strengthen and diversify our portfolio of businesses. At the same time, we need to streamline and simplify our traditional businesses, including our photofinishing operations in the United States and Europe, Africa, and the Middle East Region (EAMER). In the event that we fail to effectively manage the portfolio of our more traditional businesses while simultaneously integrating these acquisitions, we could fail to obtain the expected synergies and favorable impact of these acquisitions. Such a failure could cause us to lose market opportunities and experience a resulting adverse impact on our revenues and earnings.

*Delays in our plans to reduce inventories and capital expenditures and to improve receivable performance and manufacturing productivity could adversely affect our cash flow outlook and gross margins.*

We continue to focus on reducing inventories and capital expenditures and improving receivable performance and manufacturing productivity. Unanticipated delays in our plans to continue inventory reductions could adversely impact our cash flows. Planned inventory reductions could be compromised by slower sales that could result from continued weak global economic conditions. Purchasers' uncertainty about the extent of the global economic downturn could result in lower demand for our products and services. In addition, the competitive environment and the transition to digital products and services could also place pressures on our sales and market share. In the event we are unable to successfully manage these issues in a timely manner, our planned inventory reductions could be adversely impacted.

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If we exceed our 2004 capital spending plan, our cash flow outlook could be adversely impacted. Further, if we deem it necessary to increase spending with respect to regulatory requirements or if unanticipated general

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maintenance obligations arise that require more capital spending than planned, the increased spending could have an adverse impact on our cash flow.

Unanticipated delays in our plans to continue to improve our accounts receivable collection and to reduce the number of day sales outstanding could also adversely impact our cash outlook. A continued weak economy could slow customer payment patterns. In addition, competitive pressures in major segments may cause the financial condition of certain of our customers to deteriorate. These same pressures may adversely affect our efforts to shorten customer payment terms. Further, our ability to manage customer risk while maintaining a competitive market share may adversely affect continued accounts receivable improvement.

Delays in our plans to improve manufacturing productivity and control costs of operations could negatively impact our gross margins. Our failure to successfully manage operational performance factors could delay or curtail planned improvements in manufacturing productivity. Accelerating digital substitution could result in lower factory volumes than planned, which would also negatively impact our gross margins. Similarly, if we are unable to successfully negotiate raw material costs with our suppliers, or if we experience adverse pricing with respect to certain of our commodity-based raw materials, reduction in our gross margins could occur. Additionally, if we are delayed in increasing our manufacturing capabilities for certain of our products in some of our developing markets, particularly cost competitive markets such as China, our gross margins would be adversely impacted.

Delay in our planned improvement in supply chain efficiency could adversely affect our business by preventing shipments of certain products to be made in the desired quantities and in a timely manner. The planned efficiencies could be compromised if we expand into new markets with new applications that are not fully understood or if our product portfolio broadens beyond that anticipated when the plans were initiated. Unforeseen changes in manufacturing capacity could also compromise our supply chain efficiencies.

*Intense price competition and customer consolidation could adversely impact our revenue, gross margins, earnings and growth rate.*

Competition remains intense in the imaging sector in our consumer, commercial and health segments. On the consumer side, price competition has been driven somewhat by consumers' conservative spending behaviors during times of a weak world economy, international tensions and the accompanying concern over war and terrorism. On the commercial and health side, aggressive pricing tactics have intensified during contract negotiations as competitors vie for customers and market share domestically. If our pricing and marketing programs are not sufficiently competitive with those offered by our current and future competitors, we may lose market share, adversely affecting our revenue and gross margins.

The impact of continuing customer consolidation and buying power could have an adverse impact on our revenue, gross margins, and earnings. In the competitive consumer retail environment, there is a movement from small individually owned retailers to larger and commonly known mass merchants. In the commercial environment, there is a continuing consolidation of various group purchasing organizations. Our resellers and distributors may elect to use suppliers other than us. Our challenge is to successfully negotiate contracts that provide the most favorable conditions to us in the face of price and marketing programs by our aggressive competitors.

*Developments in foreign markets in which we conduct business as well as changes in currency exchange and interest rates could adversely affect our operations, earnings, business, and financial position.*

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We conduct business in developing markets with economies that tend to be more volatile than those in the United States and Western Europe. The risks of doing business in certain of these markets include the financial instability of customers, political instability and potential conflict and other non-economic factors, such as irregular trade flows that need to be managed successfully with the help of local governments. Our failure to successfully manage the economic, political and other risks relating to doing business in developing countries and economically and politically volatile areas could adversely affect our operations and earnings.

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Our global operating and financing activities expose us to changes in currency exchange rates and interest rates, which could adversely affect our results of operations and financial position. Exchange rates and interest rates in certain markets in which we do business tend to be more volatile than those in the United States and Western Europe. For example, in early 2002, the United States dollar was eliminated as Argentina's monetary benchmark, resulting in significant currency devaluation. There can be no guarantee that the economic situation in developing markets or elsewhere will not worsen, which could result in future effects on earnings should such events occur.

## **Risks Related to the Notes**

*The price of our common stock has declined considerably in the last year and may fluctuate widely in the future, which would affect the market value of the notes.*

We expect that the market price of our notes will be significantly affected by the market price of our common stock. This may result in greater volatility in the market price of the notes than would be expected for nonconvertible debt securities. The market price of our common stock will likely continue to fluctuate in response to factors including the following, many of which are beyond our control:

- quarterly fluctuations in our operating and financial results,
- changes in financial estimates and recommendations by financial analysts,
- changes in the ratings of our notes or other securities,
- fluctuations in the stock price and operating results of our competitors,
- dispositions, acquisitions and financings, and
- general conditions in the industries in which we operate.

The market price of our common stock has declined considerably during the past year, due in part to our announcement of a decrease in the amount of dividends declared on our common stock and of our digitally-oriented growth strategy. In addition, the stock markets in general, including the New York Stock Exchange, recently have experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may affect adversely the market prices of our notes and our common stock.

*An active trading market may not develop for the notes.*

The notes are a recent issue of securities with no established trading market and will not be listed on any securities exchange. An active trading market for the notes may not develop or continue for any period of time. Even if a market for the notes does develop, there may not be liquidity in that market, or the notes might trade for less than their original value or face amount. If an active trading market does not develop, the market

price and liquidity of the notes may be adversely affected.

*We may not have the ability to raise the funds necessary to purchase the notes upon a Fundamental Change or other purchase date, as required by the indenture governing the notes.*

On October 15, 2010, October 15, 2013, October 15, 2018, October 15, 2023 and October 15, 2028, holders of the notes may require us to purchase their notes for cash. In addition, holders of the notes also may require us to purchase their notes upon a Fundamental Change as described under Description of the Notes Fundamental Change Requires Purchase of Notes by Us at the Option of the Holder. A Fundamental Change also may constitute an event of default under, and result in the acceleration of the maturity of, our other indebtedness under another indenture or other agreement. We cannot assure you that we would have sufficient financial resources, or

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would be able to arrange financing, to pay the purchase price for the notes tendered by holders. Failure by us to purchase the notes when required will result in an Event of Default with respect to the notes.

*If you hold notes, you will not be entitled to any rights with respect to our common stock that your notes are convertible into, but you will be subject to all changes made with respect to our common stock.*

If you hold notes, you will not be entitled to any rights with respect to our common stock that your notes are convertible into (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but you will be subject to all changes affecting the common stock. You will only be entitled to rights on the common stock if and when we deliver shares of common stock to you upon conversion of your notes and in limited cases under the conversion rate adjustments of the notes. For example, in the event that an amendment is proposed to our restated certificate of incorporation or by-laws requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of common stock to you upon the conversion of your notes, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock effected by the amendment.

*We may issue additional shares of common stock and thereby materially and adversely affect the price of our common stock.*

We are not restricted from issuing additional common stock during the life of the notes and have no obligation to consider your interests for any reason. If we issue additional shares of common stock, it may materially and adversely affect the price of our common stock and, in turn, the price of the notes.

*Our restated certificate of incorporation provisions, and several other factors, could limit another party's ability to acquire us and could deprive you of the opportunity to obtain a takeover premium for your shares of common stock.*

A number of provisions in our restated certificate of incorporation and New Jersey law could make it difficult for another company to acquire us and for you to receive any related takeover premium for our common stock. See [Description of Our Common Stock](#) [Anti-Takeover Protection](#).



**Table of Contents****USE OF PROCEEDS**

We will not receive any of the proceeds from the sale by the selling securityholders of the notes or the common stock issuable upon conversion of the notes.

We received approximately \$1,057,795,000 in aggregate net proceeds from the sale of the notes to the initial purchasers on October 10, 2003 and the concurrent registered public offering of \$500,000,000 aggregate principal amount of our 7.25% senior notes due 2013. Approximately \$610,000,000 of the aggregate net proceeds from those offerings is being used to retire some of our outstanding short-term debt, primarily commercial paper borrowings. The balance of the aggregate net proceeds we received from those offerings was used to fund our previously announced acquisition of PracticeWorks, Inc.

**PRICE RANGE OF COMMON STOCK AND DIVIDENDS**

Our common stock trades on the NYSE under the symbol **EK**. The following table sets forth on a per share basis the high and low closing prices for our common stock for the periods indicated.

	<u>High</u>	<u>Low</u>
2002		
First Quarter	\$ 33.49	\$ 26.12
Second Quarter	35.25	28.69
Third Quarter	31.58	26.63
Fourth Quarter	38.22	25.86
2003		
First Quarter	40.24	27.68
Second Quarter	31.99	27.25
Third Quarter	29.80	20.94
Fourth Quarter	25.67	20.50
2004		
First Quarter	30.95	24.80
Second Quarter (through May 28, 2004)	26.59	24.95

On May 28, 2004, the last reported sale price of our common stock on the NYSE was \$26.18 per share. As of May 28, 2004, there were approximately 83,228 holders of record of our common stock.

We declared semi-annual dividends on our common stock at the rate of \$0.90 per share in 2001 and 2002. On September 24, 2003, our board of directors reduced the semi-annual dividend that we paid on our common stock on December 12, 2003 to \$0.25 per share (\$0.50 annually) from the semi-annual dividend payment of \$0.90 per share (\$1.80 annually) in July 2003.

**Table of Contents****CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2004. This information should be read in conjunction with our consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004, incorporated by reference in this prospectus.

	<b>As of March 31, 2004</b>
	<b>(in millions)</b>
Cash and cash equivalents	\$ 510
Short-term debt	
Commercial paper	124
Other short-term debt	586
Total short-term debt	710
Long-term debt, net of current portion	
Outstanding	1,181
The notes	575
7.25% senior notes due 2013	500
Total long-term debt, net of current portion	2,256
Shareholders' equity	
Common stock, \$2.50 par value; authorized 950,000,000 shares; 286,613,676 shares outstanding at March 31, 2004 <sup>(1)</sup>	978
Additional paid-in capital	850
Retained earnings	7,555
Accumulated other comprehensive loss	(306)
Unearned restricted stock	(9)
Treasury stock	(5,850)
Total shareholders' equity	3,218
Total capitalization	\$ 6,184

(1) Does not include 18,536,447 shares of our common stock reserved for issuance upon conversion of the notes.

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**DESCRIPTION OF THE NOTES**

The following description of the notes is only a summary and is not intended to be comprehensive. For purposes of this Description of the Notes, the terms Kodak, we, our, ours and us refer only to Eastman Kodak Company and not to any of our subsidiaries.

**General**

On October 10, 2003, we issued and sold in a private offering \$575,000,000 aggregate principal amount of the notes. The notes were issued as a series of senior debt securities under the indenture dated as of January 1, 1988 between us and The Bank of New York, as trustee, as supplemented by a first supplemental indenture dated as of September 6, 1991, a second supplemental indenture dated as of September 20, 1991, a third supplemental indenture dated as of January 26, 1993, a fourth supplemental indenture dated as of March 1, 1993 and a fifth supplemental indenture dated as of October 10, 2003. As used in this prospectus, indenture means the original indenture as supplemented by the supplemental indentures. A copy of the indenture is filed as an exhibit to the registration statement. The following summary of certain provisions of the indenture and the notes is not complete and is subject to, and is qualified in its entirety by reference to, the provisions of the indenture. Unless otherwise indicated, capitalized terms we use but do not define under this caption of the prospectus have the meanings given them in the indenture.

The indenture does not limit the amount of debt securities that we may issue under it. It permits us to issue debt securities from time to time in one or more series, in an aggregate principal amount authorized by us before each issuance. We may issue multiple series of debt securities with different terms or reopen a previous series of debt securities and issue additional debt securities of that series.

The notes have been issued in registered form without coupons only in denominations of \$1,000 and integral multiples of \$1,000.

Interest on the notes accrues at the rate of 3.375% per year. We will pay interest on the notes in arrears on each April 15 and October 15, beginning April 15, 2004 to the person or persons in whose names the notes are registered at the close of business on the April 1 or October 1, respectively, immediately preceding the relevant interest payment date, except that we will pay interest payable at maturity or on a repurchase or redemption date to the person or persons to whom principal is payable. If any date on which interest is payable is not a business day, we will pay interest on the next business day (without any interest or other payment due on account of the delay). Interest on the notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed. If the maturity date or any redemption date or purchase date (including upon the occurrence of a Fundamental Change, as described below) for the notes falls on a day that is not a business day, we will pay the interest and principal payable on the next business day (without any interest or other payment due on account of the delay). The term business day, when used with respect to any place of payment for the notes, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that place of payment are authorized or obligated by law to close.

In addition, we will pay additional amounts on the notes under the circumstances described under Registration Rights.

Interest payments on the notes will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, the interest payment date or the date of maturity, as the case may be.



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Holders may present notes for conversion at the office of the conversion agent and may present notes for exchange or for registration of transfer at the office or agency maintained by us for that purpose in the Borough of Manhattan, The City of New York. We will not charge a service charge for any exchange or registration of transfer of notes. However, we may require payment of a sum sufficient to cover any tax or other governmental charge payable for the registration of transfer or exchange. The trustee is serving as the initial conversion agent, paying agent, registrar and transfer agent for the notes. At any time, we may designate additional paying agents and transfer agents. However, at all times we will be required to maintain a paying agent and transfer agent for the notes in the Borough of Manhattan, The City of New York.

Any monies deposited with the trustee or any paying agent or then held by us in trust for the payment of principal, premium, if any, and interest (including additional amounts, if any) on the notes that remains unclaimed for two years after the date the payments became due and payable, shall, at our request, be repaid to us or released from trust, as applicable, and the holder of the note shall thereafter look, as a general unsecured creditor, only to us for payment thereof.

## **Ranking**

The notes are our direct, unsecured and unsubordinated obligations. The notes rank equally in right of payment with all of our other existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of our existing and future subordinated debt. In addition, the notes effectively rank junior to all of our existing and future secured indebtedness to the extent of the assets securing such indebtedness. Claims of creditors of our subsidiaries, including trade creditors and secured creditors, will generally have a claim to the assets of our subsidiaries that is superior to the claims of our creditors, including holders of the notes. All debt securities issued under the indenture will rank equally with each other, including other debt securities previously or hereafter issued under the indenture.

As of March 31, 2004, we had outstanding approximately \$2,497,000,000 of unsecured, unsubordinated indebtedness ranking equally in right of payment with the notes, excluding indebtedness of subsidiaries. As of March 31, 2004, we did not have any secured indebtedness or subordinated indebtedness. As of March 31, 2004, our subsidiaries had approximately \$469,000,000 of indebtedness outstanding, all of which ranks structurally senior to the notes. Except as described below under **Certain Covenants** with respect to secured indebtedness, the indenture will not limit the amount of indebtedness we or our subsidiaries may incur.

## **Optional Redemption**

Prior to October 15, 2010, the notes will not be redeemable. On or after October 15, 2010, we may redeem the notes for cash at any time in whole, or from time to time in part, upon not less than 30 nor more than 60 days notice before the redemption date by mail to the trustee, the paying agent and each holder of notes, for a price equal to 100% of the principal amount of the notes to be redeemed plus any accrued and unpaid interest, including additional amounts, if any, to but excluding the redemption date.

If we decide to redeem fewer than all of the outstanding notes, the trustee will select the notes to be redeemed (in principal amounts of \$1,000 or integral multiples thereof) by lot, on a pro rata basis or by another method the trustee considers fair and appropriate.

If the trustee selects a portion of your note for partial redemption and you convert a portion of the same note, the converted portion will be deemed to be from the portion selected for redemption.



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In the event of any redemption in part, we will not be required to:

issue, register the transfer of or exchange any note during a period of 15 days before the mailing of the redemption notice, or

register the transfer of or exchange any note so selected for redemption, in whole or in part, except the unredeemed portion of any note being redeemed in part.

No sinking fund is provided for the notes.

## **Conversion Rights**

Subject to satisfaction of the conditions and during the periods and under the circumstances described below, holders may convert their notes into shares of our common stock initially at a conversion rate of 32.2373 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of \$31.02 per share of common stock) prior to the close of business on October 15, 2033. The conversion rate and the equivalent conversion price in effect at any given time are referred to as the applicable conversion rate and the applicable conversion price, respectively, and will be subject to adjustment as described below. A holder may convert fewer than all of such holder's notes so long as the notes converted are an integral multiple of \$1,000 principal amount.

Except as otherwise described below, you will not receive any cash payment representing accrued and unpaid interest upon conversion of a note and we will not adjust the conversion rate to account for the accrued and unpaid interest. Upon conversion we will deliver to you a whole number of shares of our common stock and any cash payment to account for fractional shares. The cash payment for fractional shares will be based on the last reported sale price of our common stock on the trading day immediately prior to the conversion date. Delivery of shares of common stock and the cash payment for fractional shares, if any, will be deemed to satisfy our obligation to pay the principal amount of the notes and to satisfy our obligation to pay accrued and unpaid interest attributable to the period from the most recent interest payment date through the conversion date. As a result, unpaid interest through the conversion date is deemed to be paid in full rather than cancelled, extinguished or forfeited. Notwithstanding conversion of any notes, holders of the notes and any shares of common stock issuable upon conversion thereof that are entitled to the rights under the registration rights agreement will continue to be entitled to receive additional amounts in accordance with the registration rights agreement. See Registration Rights.

If a holder converts notes, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of our common stock upon the conversion, unless the tax is due because the holder requests that the shares be issued or delivered to a person other than the holder, in which case the holder will pay that tax.

If a holder wishes to exercise its conversion right, such holder must deliver an irrevocable conversion notice, together, if the notes are in certificated form, with the certificated security, to the conversion agent along with appropriate endorsements and transfer documents, if required, and pay any transfer or similar tax, if required. The holder may also be required to pay the amount of interest due on the notes on the next succeeding interest payment date as described below. The conversion agent will, on the holder's behalf, convert the notes into shares of our common stock. Holders may obtain copies of the required form of the conversion notice from the conversion agent. A certificate for the number of full shares of our common stock into which any notes are converted, together with any cash payment for fractional shares, will be delivered through the conversion agent as soon as practicable, but no later than the fifth business day following the conversion date.

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If a holder has already delivered a purchase notice as described under either Purchase of Notes by Us at the Option of the Holder or Fundamental Change Requires Purchase of Notes by Us at the Option of the



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Holder with respect to a note, the holder may not surrender that note for conversion until the holder has withdrawn the purchase notice in accordance with the indenture.

Holders of notes at the close of business on a regular record date will receive payment of interest payable on the corresponding interest payment date notwithstanding the conversion of such notes at any time after the close of business on such regular record date. Notes surrendered for conversion by a holder during the period from the close of business on any regular record date to the opening of business on the immediately following interest payment date must be accompanied by payment of an amount equal to the interest that the holder is to receive on the notes; provided, however, that no such payment need be made if (1) we have specified a redemption date that is after a record date and on or prior to the immediately following interest payment date, (2) we have specified a purchase date following a Fundamental Change that is during such period or (3) any overdue interest exists at the time of conversion with respect to such notes to the extent of such overdue interest. Holders of the notes and any shares of common stock issued upon conversion thereof that are entitled to the rights under the registration rights agreement will continue to be entitled to receive additional amounts in accordance with the registration rights agreement.

Holders may surrender their notes for conversion into shares of our common stock prior to stated maturity only under the circumstances described below. For a discussion of the United States federal income tax consequences of a conversion of the notes into our common stock, see Certain United States Federal Income Tax Considerations.

***Conversion Upon Satisfaction of Sale Price Condition.*** A holder may surrender all or any of its notes for conversion into shares of our common stock in any calendar quarter (and only during such calendar quarter), beginning with the quarter ending March 31, 2004, if the last reported sale price of our common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter is greater than or equal to 120% of the applicable conversion price per share of our common stock on such last trading day.

***Conversion Rights Based on Notes Trading Price.*** Holders may also surrender the notes for conversion, in whole or in part, during any five consecutive trading day period following any 10 consecutive trading day period in which (1) the trading price of a note for each day of such period was less than 105% of the conversion value, as each term is described herein, and (2) the conversion value for each day of such period was less than 95% of the principal amount of a note.

The trading price of the notes on any date of determination means the average of the secondary market bid quotations per \$1,000 principal amount of notes obtained by the bid solicitation agent for \$10,000,000 principal amount of notes at approximately 4:00 p.m., New York City time, on such determination date from three unaffiliated, nationally recognized securities dealers we select, provided that if:

at least three such bids are not obtained by the bid solicitation agent, or

in our reasonable judgment, the bid quotations are not indicative of the secondary market value of the notes,

then the trading price of the notes on such determination date will equal (a) the then applicable conversion rate of the notes multiplied by (b) the average last reported sale price of our common stock for the five trading days ending on such determination date.

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The last reported sale price of our common stock on any date means the closing sale price per share (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which our common stock is traded or, if our common stock is not listed on a U.S. national or regional securities exchange, as reported by the Nasdaq National Market.

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If our common stock is not listed for trading on a U.S. national or regional securities exchange and not reported by the Nasdaq National Market on the relevant date, the last reported sale price will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization.

If our common stock is not so quoted, the last reported sale price will be the average of the midpoint of the last bid and ask prices for our common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

The trustee is the initial bid solicitation agent. We may change the bid solicitation agent, but the bid solicitation agent will not be our affiliate. The bid solicitation agent will solicit bids from nationally recognized securities dealers that are believed by us to be willing to bid for the notes.

Conversion value is equal to the product of the last reported sale price for a share of Kodak common stock on a given day multiplied by the then-current conversion rate, which is the number of shares of common stock into which each note is then convertible.

***Conversion Upon Redemption.*** If we issue a notice that we intend to redeem the notes, holders may convert their notes called for redemption, in whole or in part, into our common stock at any time prior to the close of business on the second business day immediately preceding the redemption date, even if the notes are not otherwise convertible at such time.

***Conversion Upon Specified Corporate Transactions.*** If we elect to:

distribute to all holders of our common stock rights entitling them to purchase, for a period expiring within 60 days after the date of the distribution, shares of our common stock at less than the last reported sale price of a share of our common stock on the trading day immediately preceding the declaration date of the distribution, or

distribute to all holders of our common stock our assets, debt securities or rights to purchase our securities, which distribution has a per share value as determined by our board of directors exceeding 5% of the last reported sale price of a share of our common stock on the trading day immediately preceding the declaration date for such distribution,

we must notify the holders of the notes at least 20 business days prior to the ex-dividend date for such distribution. Once we have given such notice, holders may surrender their notes for conversion, in whole or in part, at any time until the earlier of the close of business on the business day immediately prior to the ex-dividend date and the date of our announcement that such distribution will not take place, even if the notes are not otherwise convertible at such time; provided, however, that a holder may not exercise this right to convert if the holder may participate in the distribution without conversion. The ex-dividend date is the first date upon which a sale of the common stock does not automatically transfer the right to receive the relevant dividend from the seller of the common stock to its buyer.

In addition, if we are party to a consolidation, merger or binding share exchange pursuant to which our common stock would be converted into cash, property or securities, a holder may surrender notes for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual effective date of such transaction (or the close of business of the business day immediately preceding the date on which we announce that the transaction will not take place). If we engage in certain reclassifications of our common stock or are a party to a consolidation, merger, binding share exchange or transfer of all or substantially all of

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our assets pursuant to which our common stock is converted into cash, securities or other property, then at the effective time of the transaction, the right to convert a note into our common stock will be changed into a right to convert a note into the kind and amount of cash, securities or other property which the holder would have received if the holder had converted its notes immediately prior to the

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transaction. If we engage in any transaction described in the preceding sentence, the conversion rate will not be adjusted. If the transaction also constitutes a Fundamental Change, as defined below, a holder may require us to purchase all or a portion of its notes as described below under Fundamental Change Requires Purchase of Notes by Us at the Option of the Holder.

***Conversion Upon Credit Ratings Event.*** A holder may convert notes, in whole or in part, into shares of our common stock during any period in which the credit rating assigned to the notes by either Moody's Investor Services, Inc. or Standard & Poor's Ratings Services is lower than Ba2 or BB, respectively, or the notes are no longer rated by at least one of these ratings services or their successors.

***Conversion Rate Adjustments.*** The conversion rate will be subject to adjustment, without duplication, upon the occurrence of any of the following events:

- (1) the payment of dividends and other distributions on our common stock payable exclusively in shares of our common stock,
  
- (2) the issuance to all holders of our common stock of rights or warrants that allow the holders to purchase shares of our common stock for a period expiring within 60 days from the date of issuance of the rights or warrants at less than the market price on the record date for the determination of shareholders entitled to receive the rights or warrants,
  
- (3) subdivisions or combinations of our common stock,
  
- (4) distributions to all holders of our common stock of our assets, debt securities, shares of our capital stock or rights or warrants to purchase our securities (excluding (A) any dividend, distribution or issuance covered by clause (1) or (2) above and (B) any dividend or distribution paid exclusively in cash), in which event the conversion rate will be adjusted by multiplying:

the conversion rate by

a fraction, the numerator of which is the current market price of a share of our common stock and the denominator of which is the current market price of a share of our common stock minus the fair market value, as determined by our board of directors, except as described in the following paragraph, of the portion of those assets, debt securities, shares of capital stock or rights or warrants so distributed applicable to one share of common stock.

In the event that we make a distribution to all holders of our common stock consisting of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, the conversion rate will be adjusted based on the market value of the securities so distributed relative to the market value of our common stock, in each case based on the average of the closing sales prices of those securities for each of the 10 trading days commencing on and including the fifth trading day after the date on which ex-dividend trading commences for such dividend or distribution on the New York Stock Exchange or such other national or regional exchange or market on which the securities are then listed or quoted.

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(5) distributions by us consisting exclusively of cash to all holders of our common stock, excluding any cash dividend on our common stock to the extent that the aggregate cash dividend per share of our common stock in any semi-annual period does not exceed \$0.25 (the dividend threshold amount); the dividend threshold amount is subject to adjustment on the same basis as the conversion rate, provided that no adjustment will be made to the dividend threshold amount for any adjustment made to the conversion rate pursuant to this clause (5), in which event the conversion rate will be adjusted by multiplying:

the conversion rate by

a fraction, the numerator of which will be the current market price of a share of our common stock and the denominator of which  
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