

Tuesday, January 10, 2012

Kodak Creates New Business Structure to Accelerate Digital Transformation

New Commercial and Consumer Segments to Focus on Respective Customers; Establishes Chief Operating Office, to be Led by Philip Faraci and Laura Quatela

The Kodak logo is displayed in a bold, red, sans-serif font. It is centered between two horizontal yellow bars, one above and one below the text.

ROCHESTER, N.Y., January 10 --

Eastman Kodak Company (NYSE:EK) announced the creation of a new and simpler business structure designed to increase productivity, reduce cost and accelerate its transformation into a digital company that delivers sustainable profitability and creates value for its stakeholders.

Under the new structure, Kodak has reduced its number of segments from three to two – the *Commercial Segment* and the *Consumer Segment* – which will both report into a newly created Chief Operating Office. The Chief Operating Office will be led by Philip Faraci, who will continue to serve as Kodak’s President and Chief Operating Officer and by Laura Quatela, who was recently named, alongside Faraci, as President and Chief Operating Officer of Kodak. Faraci will focus on the *Commercial Segment* and the company’s sales and regional operations, and Quatela will focus on the *Consumer Segment* and certain corporate functions. Both individuals will report to Antonio M. Perez, Chairman and Chief Executive Officer, as will the positions of Chief Financial Officer, Chief Technical Officer, Chief Marketing Officer and General Counsel.

“As we complete Kodak’s transformation to a digital company, our future markets will be very different from our past, and we need to organize ourselves in keeping with that evolution,” Perez said. “This new structure simplifies the organization, focuses it more precisely on our consumer and commercial customers, and puts the right people in place to capitalize fully on the tremendous technological capabilities of Kodak. These business structure changes also allow us to allocate resources more productively, continue to significantly reduce administrative costs, and improve efficiency. We are confident that these changes will support our efforts to make the most of our opportunities.”

The changes are effective January 1, 2012. Under the new structure, the *Commercial* and *Consumer Segments* will replace the current Graphic Communications Group (GCG), which provides digital printing equipment, consumables and software to the publishing and commercial printing industries; the Consumer Digital Imaging Group (CDG), which helps consumers capture and print images; and the Film, Photofinishing and Entertainment Group (FPEG), which represents the company’s traditional film and photographic paper products.

The *Commercial Segment* will include all of GCG plus two product lines currently in FPEG – Entertainment Imaging and Commercial Film. The *Consumer Segment* will include all of CDG plus three FPEG product lines – Paper & Output Systems, Event Imaging Solutions, the Consumer Film and the Intellectual Property business. Consistent with the organizational changes, the company’s segment financial reporting will change in 2012, beginning with the first-quarter 2012 results. At that time, the company will provide, for comparative purposes, prior-year results for the *Commercial* and *Consumer Segments*.

Within the *Consumer Segment*, Pradeep Jotwani, currently President of CDG, has been named President of a new Consumer Business, which expands his responsibilities to include all of Kodak’s consumer digital and traditional product lines. In that capacity, he will report to the Chief Operating Office. Jotwani also remains Chief Marketing Officer, and in that capacity, he reports to the CEO. Timothy Lynch, Chief Intellectual Property Officer, will lead the company’s Intellectual Property business, reporting to Quatela in the Chief Operating Office.

The *Commercial Segment* will consist of three businesses, led by the following: Brad Kruchten, currently President of FPEG, has been appointed President of the new Graphics and Entertainment & Commercial Film Business, which includes Prepress, Entertainment Imaging, Commercial Film and Global Consumables Manufacturing; Douglas Edwards, currently General Manager, Prepress Solutions, has been appointed President of Digital and Functional Printing; and Dolores Kruchten, currently General Manager, Business Solutions & Services, has been appointed President of Enterprise Services and Solutions, which includes document scanners, workflow software, and services.

Additionally, Patrick M. Sheller, the company's recently named General Counsel, has also been named Chief Administrative Officer and has been elected by the Board of Directors as Senior Vice President. As Chief Administrative Officer, Sheller will be responsible for the day-to-day oversight of certain corporate functions, including Legal, Human Resources, Worldwide Information Systems, Communications & Public Affairs, and Health, Safety & Environment. As General Counsel, he reports to Perez, and in his capacity as Chief Administrative Officer, he reports to Quatela. Sheller's responsibilities as Chief Compliance Officer will be reassigned. As previously announced, he will continue to serve as Secretary to the board of directors.

Susan Wylie, currently Assistant General Counsel and Director, Compensation, Benefits and Employment Law, has been additionally elected by the Board of Directors as Assistant Secretary. Jack Bailey, currently Senior Counsel, Governance Risk and Compliance within the Company's legal department, has also been elected Assistant Secretary by the Board of Directors. Wylie will report to Sheller and Bailey will report to Wylie.

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