



# Kodak Highlights

August 1974

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- Midyear sales and earnings
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## Inside

Expo '74 in Spokane, Wash. continues to attract large numbers of visitors. By the end of July, more than 600,000 persons had visited Kodak's pavilion at the fair, since it opened May 4. See News Snaps on p.15.



## On the Cover

Amateur movie-makers can produce pleasing movies in a wide variety of lighting situations through the use of new Kodak type G Ektachrome movie film. See details in story on page 11.

## Kodak Highlights

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## Midyear Report to Shareowners

(in millions, except earnings per share)	Second Quarter			First Half-Year		
	1974	1973	% Change	1974	1973	% Change
Sales	\$1,030.7	\$906.7	+14%	\$1,965.8	\$1,704.4	+15%
Earnings from Operations	249.2	267.9	-7	457.4	481.5	-5
Net Earnings	143.6	154.3	-7	267.9	277.0	-3
Per Share	\$ .89	\$ .96		\$1.66	\$1.72	

### In Summary

Earnings during the second quarter were below the comparable period last year, resulting in a decline of 3 percent in net earnings to \$267.9 million for the first half of 1974. Earnings per share were \$1.66 compared with \$1.72 in the first half of 1973. Inflationary pressures of higher costs and expenses continued during the second quarter, while the full effect of price increases had not yet been realized. Further, the net effect of exchange gains and losses and adjustments related to the translation of foreign currencies—which was not a major factor in the first quarter of either year—resulted in an unfavorable impact of approximately \$3 million on earnings for the first half. This is in contrast to an \$8 million gain which benefited earnings in the first half of 1973.

### Sales Continue to Advance

Sales gains were recorded by all three operating divisions, reflecting in varying degrees the price increases which have been implemented since the latter part of 1973:

Sales (in millions)	Second Quarter			First Half-Year		
	1974	1973	% Change	1974	1973	% Change
U.S. & Canadian						
Photographic Division	\$ 608.3	\$535.9	+14%	\$1,141.7	\$ 995.4	+15%
International Photographic Division	334.9	284.4	+18	640.8	539.6	+19
Eastman Chemicals Division	225.4	187.1	+21	432.0	364.7	+18
Deduct: Interdivisional Sales	(137.9)	(100.7)		(248.7)	(195.3)	
Worldwide	\$1,030.7	\$906.7	+14%	\$1,965.8	\$1,704.4	+15%

Sales to the U.S. Government and Defense Contractors were \$83.9 million, representing 4 percent of total sales.

Sales gains by the U.S. and Canadian Photographic Division reflected increases for amateur photographic materials and services throughout the first two quarters; amateur equipment shipments, however, declined from the high levels of the first half of 1973. Although second quarter sales were influenced by customer inventory building earlier in the year, sales of products in the business systems and graphics markets for the half-year were strong, and there was also growth in the professional, commercial, and radiography markets. Exports were up sharply, reflecting high shipments to Kodak companies of newer products not manufactured abroad, as well as accelerated sales to export dealers.

Despite unsettled economic conditions abroad, units of the International Photographic Division posted good gains in all major product lines; consumer products and services, as well as those for professional, graphics, radiography, and business systems markets advanced well ahead of last year.

Virtually all product groups of the Eastman Chemicals Division moved ahead of last year, as major raw material cost increases led to significant selling price adjustments.

## Earnings Continue Under Pressure

Earnings from operations continued under pressure during the second quarter, particularly as comparisons are drawn with the strong first half of 1973. The same factors which restrained earnings during the first quarter—increased cost of purchased materials and services, generally higher wages, salaries and benefits, and an increased level of expenditures for product development programs—continued during the second quarter. Price adjustments in the first quarter were only partly effective in offsetting the cost pressures, because of inventory building by customers in anticipation of increases. During the second quarter, the company's U.S. photographic prices were increased an average of 6½ percent on April 15. Moreover, prices overseas have been constrained by governmental controls in a number of countries.

	Second Quarter			First Half-Year		
	1974	1973	% Change	1974	1973	% Change
Earnings from Operations						
Amount (in millions)	<b>\$249.2</b>	\$267.9	-7%	<b>\$457.4</b>	\$481.5	-5%
Percent of sales	<b>24.2%</b>	29.5%		<b>23.3%</b>	28.3%	

Interest income continued to benefit earnings, although not so substantially as in the first quarter. The first-half provision for income taxes was \$224.0 million compared with \$228.5 million in 1973, reflecting the combined effects of lower earnings, higher taxes overseas, and an anticipated increase in the amount of investment tax credit expected this year.

	Second Quarter			First Half-Year		
	1974	1973	% Change	1974	1973	% Change
Net Earnings						
Amount (in millions)	<b>\$143.6</b>	\$154.3	-7%	<b>\$267.9</b>	\$277.0	-3%
Percent of sales	<b>13.9%</b>	17.0%		<b>13.6%</b>	16.3%	
Per share of common stock	<b>\$ .89</b>	\$ .96		<b>\$1.66</b>	\$1.72	

## Dividends to Shareowners Increased

Second quarter cash dividends were increased to 39 cents per share from 27 cents last year, bringing the total to 71 cents per share for the first half-year compared with 54 cents under dividend controls in 1973. Cash dividends declared amounted to \$114.5 million compared with \$87.1 million last year.

## Capital Improvement Program Continued

Capital expenditures for improvements and additions to plant and facilities by midyear reached \$216.5 million, against the budget of \$516 million for the full year.

	Second Quarter		First Half-Year	
	1974	1973	1974	1973
Capital Expenditures (in millions)				
U.S. and Canadian				
Photographic Division	<b>\$ 59.7</b>	\$43.5	<b>\$109.9</b>	\$ 79.7
International Photographic Division	<b>19.8</b>	17.1	<b>37.7</b>	30.3
Eastman Chemicals Division	<b>39.0</b>	17.1	<b>68.9</b>	30.4
Worldwide	<b>\$118.5</b>	\$77.7	<b>\$216.5</b>	\$140.4

The provision for depreciation was \$90.2 million or 7 percent above the \$84.4 million for the first half of 1973.

## **Financial Position**

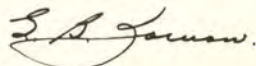
Cash and marketable securities declined seasonally from year-end 1973 to \$822.9 million. Receivables of \$710.7 million were up 20 percent from a year ago, reflecting the higher levels of business toward the end of the second quarter. Inventories totaling \$875.0 million—up 21 percent from midyear 1973—were heavily influenced by higher prices of raw materials and other costs. Working capital increased by \$43.6 million from year-end 1973, to \$1,597.8 million.

## **Midyear Results for Companies Operating Outside the U.S.**

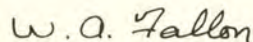
During the first half of 1974, companies operating outside the U.S. had combined sales of \$740.6 million, an increase of 20 percent over last year. Net earnings, reflecting the unfavorable turnaround in the impact of currency translation adjustments as well as higher income taxes mentioned earlier, declined 7 percent from last year to \$58.2 million for the first half of 1974.

## **Outlook**

We see a continuation of growth in Kodak sales during the seasonally important second half. As for earnings, continuing strong volume and the effect of price increases should tend to offset higher operating costs. We believe the company's performance will be satisfactory in this year of continuing economic adjustments.



Chairman



President

# Consolidated Balance Sheet

Eastman Kodak Company and Subsidiary Companies

<b>Assets</b>	<b>June 16, 1974</b>	Dec. 30, 1973	June 17, 1973
		(Amounts in thousands)	
<b>Current Assets</b>			
Cash . . . . .	<b>\$ 93,567</b>	\$ 150,531	\$ 95,193
Marketable securities at cost (approximates market value) . . . . .	<b>729,354</b>	885,259	645,664
Receivables . . . . .	<b>710,736</b>	665,559	592,018
Inventories . . . . .	<b>874,972</b>	737,485	721,974
Prepaid charges applicable to future operations . . . . .	<b>81,908</b>	76,586	66,890
Total current assets . . . . .	<b><u>2,490,537</u></b>	<u>2,515,420</u>	<u>2,121,739</u>
<b>Properties</b>			
Land, buildings, machinery, and equipment at cost . . . . .	<b>3,513,266</b>	3,319,335	3,127,083
Less: Accumulated depreciation . . . . .	<b>1,679,224</b>	1,605,254	1,517,686
Net properties . . . . .	<b><u>1,834,042</u></b>	<u>1,714,081</u>	<u>1,609,397</u>
<b>Other Assets</b>			
Unamortized excess cost of investments in consolidated subsidiaries over net assets acquired . . . . .	<b>16,336</b>	17,145	16,179
Long-term receivables and other noncurrent assets . . . . .	<b>57,866</b>	55,435	59,090
TOTAL ASSETS . . . . .	<b><u>\$4,398,781</u></b>	<u>\$4,302,081</u>	<u>\$3,806,405</u>
<b>Liabilities and Shareowners' Equity</b>			
<b>Current Liabilities</b>			
Payables . . . . .	<b>\$ 590,425</b>	\$ 572,755	\$ 460,298
Taxes—income and other . . . . .	<b>239,344</b>	256,125	141,577
Dividends payable . . . . .	<b>62,919</b>	132,277	43,555
Total current liabilities . . . . .	<b><u>892,688</u></b>	<u>961,157</u>	<u>645,430</u>
<b>Other Liabilities and Deferred Credits</b>			
4½% convertible debentures—due 1988* . . . . .	<b>66,416</b>	66,416	66,456
Other long-term liabilities . . . . .	<b>66,177</b>	63,906	64,389
Deferred income taxes . . . . .	<b>101,507</b>	92,703	83,844
Total liabilities and deferred credits . . . . .	<b><u>1,126,788</u></b>	<u>1,184,182</u>	<u>860,119</u>
<b>Shareowners' Equity</b>			
Common stock (\$2.50 par value, 360,000,000 shares authorized); Issued 161,582,745* (161,582,329—June 17, 1973)			
Par value—paid in or transferred from retained earnings . . . . .	<b>403,957</b>	403,957	403,956
Additional capital paid in or transferred from retained earnings . . . . .	<b>267,537</b>	266,778	266,739
Retained earnings . . . . .	<b>2,600,499</b>	2,447,164	2,275,591
Total shareowners' equity . . . . .	<b><u>3,271,993</u></b>	<u>3,117,899</u>	<u>2,946,286</u>
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY . . . . .	<b><u>\$4,398,781</u></b>	<u>\$4,302,081</u>	<u>\$3,806,405</u>

\*691,833 authorized but unissued shares of common stock are reserved for the conversion of the debentures issued by Eastman Kodak International Capital Company, Inc. 37,309 shares have been issued as a result of conversions to date.

# Consolidated Statement of Earnings

Eastman Kodak Company and Subsidiary Companies

For Half-Year ended  
**June 16, 1974**      June 17, 1973  
 (in thousands, except earnings per share)

## Sales

Sales to: Customers in the United States . . . . .	<b>\$1,155,606</b>	\$1,036,561
Customers outside the United States . . . . .	<b>810,148</b>	667,792
<b>TOTAL SALES</b> . . . . .	<b><u>1,965,754</u></b>	<u>1,704,353</u>

## Costs

Cost of goods sold . . . . .	<b>1,132,399</b>	893,043
Sales, advertising, distribution, and administrative expenses . . . . .	<b>375,961</b>	329,807
<b>Total costs and expenses</b> . . . . .	<b><u>1,508,360</u></b>	<u>1,222,850</u>

## Earnings

EARNINGS FROM OPERATIONS . . . . .	<b>457,394</b>	481,503
Interest income . . . . .	<b>29,142</b>	22,307
Other income . . . . .	<b>13,528</b>	14,585
Less: Other charges . . . . .	<b>8,184</b>	12,861
<b>EARNINGS BEFORE INCOME TAXES</b> . . . . .	<b>491,880</b>	505,534
Provision for United States, foreign, and other income taxes . . . . .	<b>224,000</b>	228,500
<b>NET EARNINGS</b> . . . . .	<b><u>\$ 267,880</u></b>	<u>\$ 277,034</u>
Average number of shares of common stock outstanding . . . . .	<b>161,330</b>	161,312
Net earnings per share . . . . .	<b>\$1.66</b>	\$1.72

## Consolidated Statement of Retained Earnings

### Retained Earnings

Retained earnings at beginning of year . . . . .	<b>\$2,447,164</b>	\$2,085,667
Net earnings . . . . .	<b>267,880</b>	277,034
<b>TOTAL</b> . . . . .	<b>2,715,044</b>	2,362,701
Cash dividends declared at \$.71 per share (\$.54 in 1973) . . . . .	<b>114,545</b>	87,110
<b>RETAINED EARNINGS</b> at end of half-year . . . . .	<b><u>\$2,600,499</u></b>	<u>\$2,275,591</u>

Financial statements for the half-year have been prepared by the company in accordance with the accounting policies stated in the 1973 Annual Report and should be read in conjunction with the Notes to Financial Statements appearing in that report. The Bell & Howell Company antitrust suit referred to in the Notes was settled on July 8, 1974.

The half-year financial statements are based in part on approximations and have not been audited by independent accountants. The year-end statements will be audited by Price Waterhouse & Co.

Robert B. Murray, General Comptroller  
 July 24, 1974

# Consolidated Statement of Changes in Financial Position

Eastman Kodak Company and Subsidiary Companies

<b>Funds Provided by:</b>	For Half-Year Ended	
	<b>June 16, 1974</b>	June 17, 1973
	(Amounts in thousands)	
Net earnings . . . . .	<b>\$ 267,880</b>	\$ 277,034
Charges to earnings not requiring cash outlay:		
Depreciation . . . . .	<b>90,153</b>	84,367
Plant and equipment retired, less accumulated depreciation . . . . .	<b>6,410</b>	5,778
Provision for deferred income taxes, net . . . . .	<b>11,050</b>	3,350
Amortization of excess cost of investments in subsidiaries over net assets acquired . . . . .	<b>809</b>	747
Total from earnings . . . . .	<b>376,302</b>	371,276
Decrease in long-term receivables and other noncurrent assets . . . . .	—	969
Increase in current liabilities—payables . . . . .	<b>17,670</b>	—
Increase in other long-term liabilities . . . . .	<b>2,271</b>	5,168
TOTAL FUNDS PROVIDED . . . . .	<b>396,243</b>	377,413
<b>Funds Used for:</b>		
Dividends to shareowners . . . . .	<b>114,545</b>	87,110
Additions to properties . . . . .	<b>216,524</b>	140,367
Increase in receivables . . . . .	<b>45,177</b>	39,762
Increase in inventories . . . . .	<b>137,487</b>	73,002
Decrease in current liabilities:		
Payables . . . . .	—	5,584
Taxes payable . . . . .	<b>16,781</b>	95,424
Dividends payable . . . . .	<b>69,358</b>	54,835
Increase in long-term receivables and other noncurrent assets . . . . .	<b>2,431</b>	—
Other items, net . . . . .	<b>6,809</b>	2,851
TOTAL FUNDS USED . . . . .	<b>609,112</b>	498,935
Decrease in cash and securities . . . . .	<b>212,869</b>	121,522
Cash and securities at beginning of the year . . . . .	<b>1,035,790</b>	862,379
Cash and securities at end of the half-year . . . . .	<b>\$ 822,921</b>	\$ 740,857



Mrs. Carrie Williams, a lawyer in the patent department at Eastman Kodak Company Research Laboratories in Rochester, N.Y., reviews with physicist Richard A. Spaulding a new and simplified method of putting multi-color laser beams to work recording images. Spaulding was recently granted a patent on the method and apparatus involved.

## Discovery Simplifies Laser Image-Forming

A new and simplified method of using multi-color laser beams to record images has been invented by a physicist at the Kodak Research Laboratories in Rochester, N.Y. Richard A. Spaulding was granted a patent on the method and apparatus involved.

Spaulding's discovery makes it easier to modulate the coherent light beams of a laser in such applications as recording color television pictures onto film; in laser projection systems for color television picture displays; and in photographic color picture printing.

Traditionally, the use of lasers in these applications has required three separate beam sources—red, blue and green. Each of these beams would then be separately modulated by a device that can vary the light's intensity, from bright to dark. Thus six elements have been required—three lasers and three modulating devices. The resulting beams are then combined to form a three-color, modulated beam which can be scanned rapidly across a screen or surface to form a color image in the same way images are built up on television screens.

Spaulding's work on laser scanning systems and means of modulating the beam have involved the use of acoustooptic devices which are based on a well-known

principle of light diffraction.

The acoustooptic cell—about the size of a cube of sugar—is made of glass or some other crystalline material that a laser beam can pass through. Inside the cell, input vibrations or sound waves of frequencies above the range of hearing interact with the straight-line path of light entering the cell, causing the light to emerge at a deflected angle. Varying the intensity of the vibration changes the intensity of the emerging beam, permitting modulation, or the impression of information onto the beam.

The significant feature of the system, according to Spaulding, is that only one acoustooptic cell and one multi-color laser are needed to provide a modulated, three-color beam for laser scanning applications.

One advantage of laser displays is that colors of greater purity can be obtained. Also, because of the high intensity of laser light, the film used in any associated system can be less sensitive.

Eastman Kodak Company is deeply involved in all aspects of image formation and capture. New light sources and ways they can be manipulated to form images are among areas under continuing investigation.

## Kodak Super 8 Film and Products Meet Growing Communications Needs

The rapidly expanding role of super 8 film for communications in education, business, health care, government, television, and industry was outlined by two Kodak executives to security analysts at the company's annual meeting held last April in Flemington, New Jersey.

Sales of Kodak super 8 print film have more than tripled in the past five years and sophisticated new super 8 products will soon be brought to market by the company's motion picture and audiovisual markets division to help meet the growing demand, according to Kenneth M. Mason, assistant vice-president and general manager of the division, and Eric A. Yavitz, manager of product programs and research.

"Super 8 films and projectors are now in



The Kodak Supermatic sound motion picture projector accepts super 8 projection cartridges, combining the ease of cartridge loading with special capabilities for educational use.

use in automobile showrooms, fast-food restaurants, military installations, insurance companies, Sunday schools, hardware stores, airplanes, ships, industrial companies, schools and colleges," Yavitz said.

He emphasized that the expanding professional use of super 8 film in individualized training, selling, promoting, educating, informing, and entertaining represent new applications and expansion into entirely new markets. During the same period that super 8 print film sales tripled, sales of Kodak 16mm print film, a well-established format, grew by 22 percent as well.

"Up until this year, super 8 applications have been dependent almost entirely on standard projectors and commercially produced programming," Yavitz noted. "Successful as these options have been, it was our feeling that additional capabilities could expand the usefulness of super 8 tremendously. These additional applications include the options of local sound film production, in-house film processing, and videocassette display," he said.

"Local program preparation which is compatible with commercially produced software can expand the use of super 8 film in the hands of the teacher, the pupil, the salesman, the industrial engineer, the realtor, the advertising man, or military trainer," Yavitz said.

He pointed out the advantages for the user who is now able to originate and process color and sound super 8 films in-house in a variety of fields. Other advantages Yavitz cited are the user's ability to show his film in easy-to-use cassettes by means of conventional projection on a desktop, in study carrels, in meeting rooms and small auditoriums, and, if desirable, the added flexibility of being able to play back the same super 8 film in the same cassette via closed-circuit television.

New products the division will be delivering to the market later this year include a sound super 8 camera, with available light capability, that accepts 50- and 200-foot cartridges of silent or pre-stripped super 8 film; an automatic super 8 film processor, capable of delivering 50 feet of processed color super 8 film in 13½ minutes, that can be operated by non-technical personnel in an office environment; and a super 8 film videoplayer capable of playing color and sound super 8 films through a conventional television receiver or over a closed-circuit television network.

## New Movie Film Adapts to Wide Variety of Lighting

A new Kodak existing-light super 8 movie film is designed to produce pleasing movies in a wide variety of lighting situations without filtration.

The development of Kodak type G Ektachrome 160 movie film was prompted by extensive studies of existing-light consumer films which indicated that the most common user error was forgetting to use the camera's built-in filter under daylight conditions, resulting in movies with a bluish cast. These studies also found that customers have difficulty in selecting the proper filter position in mixed lighting conditions.

New Kodak type G Ektachrome 160 movie film can be used in cameras having the capability of exposing ASA 160 film. For pleasing movies in any light, it is only necessary to switch the daylight filter out of the light path and set the automatic exposure control to ASA 160. Most XL movie cameras will require a one-time filter setting to prepare for the type G 160 film.

The film is specially sensitized to reduce shifts in color balance caused by differences in the color quality of illuminants, allowing the film to be used without a filter to take movies in any type of illumination: daylight, fluorescent lamps, household light bulbs, stage and sports lighting, and firelight.

The new type G Ektachrome 160 movie film provides consumers with an additional choice of amateur movie films including Kodak Ektachrome 160 movie film (type A). Also, Kodak will continue to offer Kodak Ektachrome 40 movie film (type A) and Kodachrome 40 movie film (type A) for fine-grain, bright-color outdoor movies where maximum detail in distant scenes is of prime importance.



New Kodak type G Ektachrome 160 movie film can be used in any camera having the capability of exposing ASA 160 film. For pleasing movies in any light, it is only necessary to switch the daylight filter out of the light path and set the automatic exposure control to ASA 160.

A 50-foot cartridge of Kodak type G Ektachrome 160 movie film has a list price of \$4.20. Processing is the same as for Ektachrome 160 movie film (type A).

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## Kodak Booklet Provides Supplementary Financial Data

A booklet supplementing financial data presented in the company's annual report and interim statements is now available upon request to Kodak shareowners and others who follow the company's progress.

The financial information—shown in tables and graphs—includes total sales by operating division for the period 1963-1973; quarterly sales and earnings; capital expenditures data; return on shareowners' equity; earnings from operations, and other key

financial indicators.

The booklet also includes Form 10-K as filed with the Securities and Exchange Commission. The report contains, among other things, a description of the company's business and the markets it serves.

Copies of the booklet may be obtained by writing to Dept. 412L, Eastman Kodak Company, 343 State Street, Rochester, N.Y. 14650.



The Recordak Reliant 450 microfilmer can photograph more than 500 check-size documents a minute at a 40:1 ratio. It's designed for use in small banks and is available for less than \$3,200.

## High-Speed Bank Microfilmer Introduced

A new low-cost, high-speed microfilmer for use in small banks and in branches has been introduced by your company.

The Recordak Reliant 450 microfilmer automatically feeds, photographs (at a 40:1 ratio) on thin-base film, endorses and stacks at a rate of more than 500 check-size documents a minute.

The new microfilmer can operate in either the duplex or duo mode—documents can be photographed on both sides or one side for doubled capacity. An accompanying Recordak Reliant 450 endorsing unit can be used to cancel checks and also to apply

imprints, after photography, to the back of documents.

Longer lamp life and cooler operation are achieved by using fluorescent lamps for each of the front and rear photographic fields. A special circuit compensates for lamp aging and power line voltage variation.

Developed to fill the needs of businesses which will benefit from greater microfilming capacity and reliability in a faster low-cost unit, the Recordak Reliant 450 microfilmer will be demonstrated by Kodak at financial conferences and shows throughout 1974.

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## Kodak To Market Microfilmer Tape Drive

A new Kodak magnetic tape unit for use with the company's KOM-80 and KOM-90 computer output microfilers will be marketed by Eastman Kodak Company.

Planned for delivery in the first quarter of 1975, the new unit will transport tape at 37.5 inches per second, corresponding to a data-transfer rate of 60,000 characters per second. Lease and usage plans comple-

mentary to those already in effect in the KOM-80 and KOM-90 microfilers will be available. List price will be about \$16,000.

The increasing number of data processing installations, and the volume of information generated from them, continue to support strong gains in Kodak sales of computer output microfilers together with associated equipment and supplies.

## New Microfilm Readers Offer Larger Viewing Area

A versatile new series of low-cost portable microfilm readers permitting full text viewing of 11 x 14-inch computer pages and 8½ x 11-inch documents filmed at one of four magnifications has been announced by your company.

Called the Kodak Ektalite 200 series readers, they are suitable for microfiche, Recordak Micro-Thin jackets, strips of 16mm and 35mm film and aperture cards.

Screen on the new front projection models is made from the company's Ektalite screen material, a highly reflective substance which projects a crisp image that can be read as easily as a book, even in a well-lighted room.

The Ektalite 200 readers are approximately 18 inches high by 15 inches deep and weigh about 10 pounds. Their simplified operation makes them particularly suitable for decentralized applications and field use.

The new microfilm readers were announced in May at the National Microfilm Association 23rd annual conference and exposition in Boston.



New Kodak Ektalite 200 microfilm readers permit full text viewing of 11 x 14-inch computer pages and 8½ x 11-inch documents.

## Kodak Announces Resolution of Bell & Howell Suit

Eastman Kodak Company and Bell & Howell Company have resolved the antitrust suit filed by Bell & Howell against Kodak in 1973.

Resolution of the lawsuit was based on Kodak's willingness to disclose information about new and improved amateur film formats to Bell & Howell and to others in advance of commercial introduction dates.

These "predisclosures"—which will follow a set timetable—apply only to conventional amateur film products which cannot be used effectively in equipment already on the market and with respect to which Kodak plans to introduce compatible hardware. There will be no predisclosure of new Kodak camera or projector designs or any advance disclosure of Kodak developments for instant photography.

The advance disclosure program available to Bell & Howell and to others for a period of 6 years is patterned generally after those undertaken by Kodak in the past. The information process begins with a confidential statement of program objectives 18 months in advance of a planned commercial introduction date and ends three months

prior to that date, when Kodak will provide cartridges containing experimental film to those participating in the program.

In effect, Kodak is selling information. To participate in any one predisclosure program, Bell & Howell and others must make an initial payment of \$10,000. There is an additional fee amounting to one percent of the sales of cameras and projectors sold by program participants during the 18 months after the introduction of products based on the information Kodak provides. Also, the program provides for a payment of \$100,000 to Kodak in the event security is breached by those participating in the disclosure process.

Kodak president Walter A. Fallon expressed his satisfaction with the disposition of the Bell & Howell lawsuit, calling Kodak's latest commitment to advance disclosure "a reasonable solution to this litigation." He emphasized that the resolution of this one case "will permit Kodak to vigorously assert its defenses against the charges brought and the relief called for in the GAF, Berkey, and Pavelle lawsuits."



Cole



Brereton



Frothingham



Mason

## Management Changes

Eastman Kodak Company directors elected **Kendall M. Cole** as vice-president and general counsel at a board meeting held at Kodak Canada Ltd. in Toronto. Cole was also appointed a member of the company's operations committee.

Cole succeeds **Harmar Brereton** who



**Colby H. Chandler**, left, Kodak executive vice-president and general manager, U.S. and Canadian Photographic Division confers with **R. Louis Christie**, president and general manager, Kodak Canada Ltd. at Moviedeck projector assembly line in the Toronto plant. Directors of Eastman Kodak Company held a meeting at Kodak Canada Ltd. in May.

retired on June 1. Brereton continues as a member of the Kodak board of directors. With the company since 1941, he has been concerned with general corporate legal matters and litigation for the company and many of its subsidiaries in the United States and abroad. His other duties have included company legal relationships with governmental authorities as well as the legal aspects of various matters concerning patents, trade regulation, taxation, and industrial relations.

In 1946, Brereton was elected assistant secretary of the company and, in 1957, vice-president and general counsel. He was elected a Kodak director in 1963, and appointed a member of the executive committee four years later.

Cole became associated with the Kodak legal department in May of 1973 and was appointed assistant general counsel in September. Before joining Kodak, Cole was with General Foods Corporation where he served as general counsel and vice-president.

In other management changes, **Anthony Frothingham** has been appointed to the new post of operations manager in the marketing division of the U.S. and Canadian Photographic Division. Frothingham, an assistant vice-president, was formerly general manager of the marketing division's motion picture and audiovisual markets division.

**Kenneth M. Mason** was named general manager of the company's motion picture and audiovisual markets division, succeeding **Frothingham**. He was also elected a Kodak assistant vice-president at a meeting of the board of directors. Mason formerly served as manager, product programs and research, motion picture and audiovisual markets division.

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## News Snaps

■ The Eastman Kodak Company pavilion at Expo '74 in Spokane, Washington, is reusable and relocatable in keeping with the world's fair theme, "Celebrating Tomorrow's Fresh New Environment." The pavilion's main structure—a red and yellow striped air-supported dome constructed of heavy duty vinyl—contains seating for about 200 persons. Visitors watch a surround-sound, multi-image program, "Know the Land and the People . . . Through Photography." The eight-minute slide presentation is projected on a 12 x 36-foot, semicircular screen.

■ Kodak has formally opened a new district marketing and distribution center in Creve Coeur, a suburb of St. Louis, Mo. The building includes sales display areas, seminar rooms and other facilities to serve the microfilm needs of Kodak customers in the St. Louis area. A microfilm processing laboratory, customer equipment service facilities and warehouse space are also included in the structure.

■ The "inside" story of photography is told simply and graphically in a new 19-page, four-color booklet from Kodak. Designed as a basic introduction to the subject, "Photography—How It Works" shows and tells how all cameras work no matter how simple or complicated they appear to be. The booklet is available free in single copies from Eastman Kodak Company, Dept. 841, 343 State Street, Rochester, N.Y. 14650.



■ Karen Ann Morris, America's Junior Miss for 1974, meets with Kodak chairman Gerald B. Zornow (above) during her recent visit to company facilities in Rochester, N.Y. Daughter of a Cheyenne, Wyoming rancher, Karen was selected as the outstanding high school senior girl of 1974 in national finals telecast from Mobile, Alabama in May. Having won a total of \$12,000 in college scholarships, she plans to study speech pathology at the University of Wyoming. Sponsored by Kodak and others, the Junior Miss Program is supported by some 400 photographic dealers throughout the country who promote interest in the Junior Miss Pageant at local and state levels.

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Kodak Ektanar C lenses are cleaned in a special machine designed and constructed at Kodak Apparatus Division near Rochester, N.Y. The new Carousel projector lenses compensate for the slight natural curl of film in cardboard or plastic mounted slides and provide maximum edge-to-edge sharpness in screen images.