



# Kodak Highlights

November 1974

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## Chairman's Remarks

Addressing a group of security analysts, Kodak chairman Gerald B. Zornow commented on the company's performance in 1974. The text of his remarks is available in booklet form. See story on page 13.



## On the Cover

Each year, students compete for cash awards and scholarship prizes in the Scholastic/Kodak Photo Awards. The cover photo and those on pages 14 and 15 are among the winners this year.

Kodak Highlights is published quarterly for shareowners and others with an interest in the company.

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## Third Quarter Report to Shareowners

(in millions, except earnings per share)	Third Quarter			First Three Quarters		
	1974*	1973	%	1974*	1973	%
			Change			Change
Sales	<b>\$1,177.3</b>	\$1,041.8	+13%	<b>\$3,143.1</b>	\$2,746.2	+14%
Earnings from Operations	<b>288.3</b>	331.7	-13	<b>707.9</b>	813.2	-13
Net Earnings	<b>160.5</b>	187.2	-14	<b>409.6</b>	464.2	-12
Per Share	<b>\$1.00</b>	\$1.16		<b>\$2.54</b>	\$2.88	

\*On September 17, 1974 the company announced the extension of the LIFO inventory accounting method to virtually all inventories of its U.S. divisions. Third quarter earnings are on the extended LIFO basis, and prior quarters have been restated. The effect of this change was to reduce 1974 earnings in the above comparisons by:

	Third Quarter	First Three Quarters
Earnings from Operations	\$18.9 million	\$56.7 million
Net Earnings	9.4 million	28.2 million
Per Share	\$0.06	\$0.18

### In Summary

Earnings, measured against the strong first three quarters of 1973, were lower, as inflationary pressures on costs and expenses were only partially offset by increased selling prices. The extension of LIFO inventory accounting, together with an unfavorable turnaround in the impact of currency translation adjustments, also had a negative effect on the earnings comparisons. The net effect of exchange gains and losses and adjustments related to the translation of foreign currencies was unfavorable by approximately \$1 million in the third quarter, bringing the total loss for the year to date to \$4 million. This is in contrast to a \$10 million gain for the third quarter of 1973, and an \$18 million beneficial effect on earnings for the first three quarters of that year.

### Sales Advance

Sales gains were recorded in all three operating divisions, reflecting both higher unit sales and the price increases implemented since the latter part of 1973.

Sales (In millions)	Third Quarter			First Three Quarters		
	1974	1973	%	1974	1973	%
			Change			Change
U.S. & Canadian						
Photographic Division	<b>\$ 658.8</b>	\$ 584.6	+13%	<b>\$1,800.5</b>	\$1,580.0	+14%
International Photographic Division	<b>407.0</b>	380.5	+ 7	<b>1,047.8</b>	920.1	+14
Eastman Chemicals Division	<b>241.0</b>	177.8	+35	<b>673.0</b>	542.5	+24
Interdivisional Sales	<b>(129.5)</b>	(101.1)		<b>(378.2)</b>	(296.4)	
Worldwide	<b>\$1,177.3</b>	\$1,041.8	+13%	<b>\$3,143.1</b>	\$2,746.2	+14%

Sales to the U.S. government and defense contractors were \$127.9 million, representing 4 percent of total sales for three quarters.

Sales gains by the U.S. and Canadian Photographic Division continued in the third quarter. Amateur photographic materials and services advanced steadily; amateur equipment sales, which had lagged earlier in the year, strengthened somewhat in the third quarter. Growth in the professional and commercial, business systems and graphics markets continued, and good gains were recorded on products for the radiography, and motion picture and audio visual markets.

The International Photographic Division recorded good sales gains for the quarter, considering the unsettled economic conditions abroad and that the comparison is with a particularly strong third quarter in 1973. Among the regions, European sales gains were more modest, while other regions had continued strong advances over last year.

Eastman Chemicals Division sales rose sharply in the third quarter on the strength of increased shipments and selling price adjustments in response to substantial raw material cost increases. All major product groups contributed to the gain.

### Earnings Pressures Continue

Year to year comparisons are drawn against a period of strong earnings growth in 1973. The same factors that restrained earnings earlier this year—rising costs of materials and services, increases in wages, salaries and benefits and high levels of product development expenditures—continued in the third quarter. The effect of selling price increases has only partially compensated for the higher costs, particularly overseas where governmental controls have constrained increases.

	Third Quarter			First Three Quarters		
	1974	1973	% Change	1974	1973	% Change
Earnings from Operations	<b>1974</b>	1973	%	<b>1974</b>	1973	%
Amount (in millions)	<b>\$288.3</b>	\$331.7	-13%	<b>\$707.9</b>	\$813.2	-13%
Percent of Sales	<b>24.5%</b>	31.8%		<b>22.5%</b>	29.6%	

The effect of the extension of LIFO accounting was to reduce current earnings from operations by \$18.9 million in the quarter and \$56.7 million year to date.

Interest income was slightly lower for the quarter, reflecting improved yields but a lower balance of securities held. Other income, principally royalties from licensees, also declined.

	Third Quarter			First Three Quarters		
	1974	1973	% Change	1974	1973	% Change
Net Earnings	<b>1974</b>	1973	%	<b>1974</b>	1973	%
Amount (in millions)	<b>\$160.5</b>	\$187.2	-14%	<b>\$409.6</b>	\$464.2	-12%
Percent of Sales	<b>13.6%</b>	18.0%		<b>13.0%</b>	16.9%	
Per share of common stock	<b>\$1.00</b>	\$1.16		<b>\$2.54</b>	\$2.88	

The extension of LIFO inventory accounting is expected to reduce net earnings for the full year by an estimated \$41.0 million, of which \$9.4 million has been recognized in the third quarter and \$28.2 million in the three quarters to date.

### Dividends Up for Three Quarters

Third quarter cash dividends amounted to 39 cents a share, compared with the regular dividend of 32 cents per share plus an extra dividend of 13 cents declared in the third quarter of 1973 following relaxation of government controls. For three quarters to date, dividends declared increased to \$177.5 million or \$1.10 a share, up from \$159.7 million, or 99 cents a share in 1973.

## Capital Improvements

Capital additions for improvements and additions to plant and facilities totaled \$340.5 million for three quarters, compared with \$219.8 million last year.

	Third Quarter		First Three Quarters	
	1974	1973	1974	1973
Capital Expenditures (in millions)				
U.S. & Canadian				
Photographic Division	\$ 53.3	\$41.7	\$163.2	\$121.4
International Photographic				
Division	29.0	17.9	66.7	48.2
Eastman Chemicals Division	41.7	19.8	110.6	50.2
Worldwide	\$124.0	\$79.4	\$340.5	\$219.8

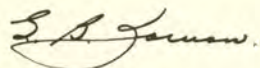
The provision for depreciation was \$141.9 million, or 8 percent above the \$130.9 million for the first three quarters of 1973.

## Financial Position

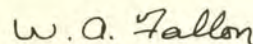
Worldwide cash and marketable securities totaled \$723.9 million at the end of the third quarter, compared with a balance of \$927.8 million at the same time last year. Receivables of \$807.8 million were up 11 percent from a year ago, in line with increased sales. Inventories, totaling \$876.5 million were 19 percent higher than in 1973, reflecting the increased availability of certain raw materials and higher prices on foreign inventories where LIFO principles do not apply. Working capital increased by \$41.4 million from year-end 1973, to \$1,595.6 million.

## Outlook

We see a continuation of growth in Kodak sales during the fourth quarter, and for the year we believe the company's performance will be satisfactory in terms of any long-range standard. We remain hopeful that the closing months of 1974 will see the beginning of a return to more stable economic conditions and a more optimistic outlook for the future.



Chairman



President

# Consolidated Statement of Earnings

Eastman Kodak Company and Subsidiary Companies

For Three Quarters (36 weeks) Ended  
**Sept. 8, 1974**      Sept. 9, 1973  
 (in thousands, except earnings per share)

## Sales

Sales to: Customers in the United States . . . . .	<b>\$1,833,846</b>	\$1,623,600
Customers outside the United States . . . . .	<b>1,309,273</b>	1,122,559
<b>TOTAL SALES</b> . . . . .	<b><u>3,143,119</u></b>	<u>2,746,159</u>

## Costs

Cost of goods sold . . . . .	<b>1,851,716</b>	1,418,011
Sales, advertising, distribution, and administrative expenses . . . . .	<b>583,509</b>	514,961
<b>Total costs and expenses</b> . . . . .	<b><u>2,435,225</u></b>	<u>1,932,972</u>

## Earnings

<b>EARNINGS FROM OPERATIONS</b> . . . . .	<b>707,894</b>	813,187
Interest income . . . . .	<b>40,409</b>	34,230
Other income . . . . .	<b>16,986</b>	21,917
Less: Other charges . . . . .	<b>17,661</b>	22,088
<b>EARNINGS BEFORE INCOME TAXES</b> . . . . .	<b>747,628</b>	847,246
Provision for United States, foreign and other income taxes . . . . .	<b>338,000</b>	383,000
<b>NET EARNINGS</b> . . . . .	<b><u>\$ 409,628</u></b>	<u>\$ 464,246</u>
 Average number of shares of common stock outstanding . . . . .	 <b>161,330</b>	 161,313
 Net earnings per share . . . . .	 <b>\$2.54</b>	 \$2.88

## Consolidated Statement of Retained Earnings

### Retained Earnings

Retained earnings at beginning of year . . . . .	<b>\$2,447,164</b>	\$2,085,667
Net earnings . . . . .	<b>409,628</b>	464,246
<b>TOTAL</b> . . . . .	<b>2,856,792</b>	2,549,913
Cash dividends declared at \$1.10 per share (\$ .99 in 1973) . . . . .	<b>177,464</b>	159,701
<b>RETAINED EARNINGS</b> at end of quarter . . . . .	<b><u>\$2,679,328</u></b>	<u>\$2,390,212</u>

Financial statements for the first three quarters 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. On September 17, 1974, the company announced the extension of the LIFO accounting method to cover substantially all inventories of the U.S. divisions, which is expected to reduce net earnings by approximately \$41 million, or 25 cents per share for the whole of 1974. The appropriate portion of the change is reflected in the financial statements for the first three quarters of 1974, and the first two quarters have been restated.

The three-quarter 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  
 October 17, 1974

**Consolidated Statement of Earnings Restatement  
to Reflect Extension of LIFO Accounting**

For Half-Year (24 Weeks) Ended June 16, 1974		For the Quarter (12 Weeks) Ended March 24, 1974	
Published	Restated	Published	Restated
\$1,155,606	\$1,155,606	\$ 542,215	\$ 542,215
<u>810,148</u>	<u>810,148</u>	<u>392,862</u>	<u>392,862</u>
1,965,754	1,965,754	935,077	935,077
1,132,399	1,170,199	545,474	564,374
<u>375,961</u>	<u>375,961</u>	<u>181,431</u>	<u>181,431</u>
1,508,360	1,546,160	726,905	745,805
457,394	419,594	208,172	189,272
29,142	29,142	17,003	17,003
13,528	13,528	6,437	6,437
<u>8,184</u>	<u>8,184</u>	<u>4,777</u>	<u>4,777</u>
491,880	454,080	226,835	207,935
224,000	205,000	102,500	93,000
<u>\$ 267,880</u>	<u>\$ 249,080</u>	<u>\$ 124,335</u>	<u>\$ 114,935</u>
161,330	161,330	161,329	161,329
\$1.66	\$1.54	\$ .77	\$ .71
\$2,447,164	\$2,447,164	\$2,447,164	\$2,447,164
<u>267,880</u>	<u>249,080</u>	<u>124,335</u>	<u>114,935</u>
2,715,044	2,696,244	2,571,499	2,562,099
<u>114,545</u>	<u>114,545</u>	<u>51,626</u>	<u>51,626</u>
<u>\$2,600,499</u>	<u>\$2,581,699</u>	<u>\$2,519,873</u>	<u>\$2,510,473</u>

# Consolidated Balance Sheet

Eastman Kodak Company and Subsidiary Companies

<b>Assets</b>	<b>Sept. 8, 1974</b>	Dec. 30, 1973	Sept. 9, 1973
		(Amounts in thousands)	
<b>Current Assets</b>			
Cash	\$ 82,519	\$ 150,531	\$ 119,902
Marketable securities at cost (approximates market value)	641,365	885,259	807,944
Receivables	807,814	665,559	726,355
Inventories	886,018	737,485	739,618
Prepaid charges applicable to future operations	86,443	76,586	73,651
Total current assets	<u>2,504,159</u>	<u>2,515,420</u>	<u>2,467,470</u>
<b>Properties</b>			
Land, buildings, machinery, and equipment at cost	3,632,086	3,319,335	3,199,022
Less: Accumulated depreciation	1,726,554	1,605,254	1,558,354
Net properties	<u>1,905,532</u>	<u>1,714,081</u>	<u>1,640,668</u>
<b>Other Assets</b>			
Unamortized excess cost of investments in consolidated subsidiaries over net assets acquired	15,931	17,145	17,673
Long-term receivables and other noncurrent assets	71,783	55,435	63,062
TOTAL ASSETS	<u>\$4,497,405</u>	<u>\$4,302,081</u>	<u>\$4,188,873</u>
<b>Liabilities and Shareowners' Equity</b>			
<b>Current Liabilities</b>			
Payables	\$ 635,183	\$ 572,755	\$ 566,442
Taxes—income and other	210,411	256,125	272,195
Dividends payable	62,920	132,277	72,591
Total current liabilities	908,514	961,157	911,228
<b>Other Liabilities and Deferred Credits</b>			
4½% convertible debentures—due 1988	66,076	66,416	66,456
Other long-term liabilities	67,317	63,906	63,773
Deferred income taxes	104,336	92,703	86,509
Total liabilities and deferred credits	<u>1,146,243</u>	<u>1,184,182</u>	<u>1,127,966</u>
<b>Shareowners' Equity</b>			
Common stock—par value paid in or transferred from retained earnings*	403,966	403,957	403,956
Additional capital paid in or transferred from retained earnings	267,868	266,778	266,739
Retained earnings	2,679,328	2,447,164	2,390,212
Total shareowners' equity	<u>3,351,162</u>	<u>3,117,899</u>	<u>3,060,907</u>
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	<u>\$4,497,405</u>	<u>\$4,302,081</u>	<u>\$4,188,873</u>

\*\$2.50 par value, 360,000,000 shares authorized; Issued: 161,586,286 on Sept. 8, 1974; 161,582,745 on June 16, 1974; 161,582,329 on Sept. 9, 1973. 688,292 authorized but unissued shares of common stock are reserved for the conversion of the debentures issued by Eastman Kodak International Capital Company, Inc. 40,850 shares have been issued as a result of conversions to date.

# Consolidated Statement of Changes in Financial Position

Eastman Kodak Company and Subsidiary Companies

Funds Provided by:	For Three Quarters (36 Weeks) Ended	
	Sept. 8, 1974	Sept. 9, 1973
	(Amounts in thousands)	
Net earnings	\$ 409,628	\$ 464,246
Charges to earnings not requiring cash outlay:		
Depreciation	141,867	130,878
Plant and equipment retired, less accumulated depreciation	7,154	7,462
Provision for deferred income taxes, net	13,550	2,250
Amortization of excess cost of investments in subsidiaries over net assets acquired	1,214	1,152
Total from earnings	<u>573,413</u>	<u>605,988</u>
Increase in current liabilities:		
Payables	62,428	100,560
Taxes payable	—	35,194
Increase in other long-term liabilities	3,411	4,552
TOTAL FUNDS PROVIDED	<u>639,252</u>	<u>746,294</u>
<b>Funds Used for:</b>		
Dividends to shareowners	177,464	159,701
Additions to properties	340,472	219,833
Increase in receivables	142,255	174,099
Increase in inventories	148,533	90,646
Decrease in current liabilities:		
Taxes payable	45,714	—
Dividends payable	69,357	25,799
Increase in long-term receivables and other noncurrent assets	16,348	3,003
Excess cost of investment in subsidiary over net assets acquired	—	1,899
Other items, net	11,015	5,847
TOTAL FUNDS USED	<u>951,158</u>	<u>680,827</u>
Increase (decrease) in cash and marketable securities	(311,906)	65,467
Cash and marketable securities at beginning of year	1,035,790	862,379
Cash and marketable securities at end of quarter	<u>\$ 723,884</u>	<u>\$ 927,846</u>

The extension of LIFO accounting announced on September 17, 1974, resulted in the following changes in published Statements of Changes in Financial Position and related Balance Sheet captions for the first and second quarters of 1974.

	For Half-Year (24 Weeks) Ended June 16, 1974	For the Quarter (12 Weeks) Ended March 24, 1974
FUNDS PROVIDED—as published	\$ 396,243	\$ 222,850
Net earnings, retained earnings decreased	(18,800)	(9,400)
FUNDS PROVIDED—restated	<u>377,443</u>	<u>213,450</u>
FUNDS USED—as published	609,112	309,257
Inventories decreased	(37,800)	(18,900)
Taxes payable decreased	19,000	9,500
FUNDS USED—restated	<u>590,312</u>	<u>299,857</u>
Decrease in cash and marketable securities—as published	<u>\$ 212,869</u>	<u>\$ 86,407</u>

## Kodak Printer Wins Most Significant Product Award

The company's computer-controlled color printer that can automatically print up to 6,000 color photographs an hour has been named one of the 100 "most significant new technical products" of the year.

The top 100 new products were selected on the basis of their technical importance, uniqueness, and usefulness by 20 leading scientists, engineers, and research administrators for recognition by INDUSTRIAL RESEARCH magazine.

The Kodak 2610 color printer was introduced within the past year to help photographic processing laboratories serve the growing color snapshot market with greater printing capability and more dependable production at lower cost.

The high-speed printer produces prints of

consistently high quality from 126- and 110-size films without need for full-time machine monitoring by an operator. When paper or negatives need replacement, an audible signal alerts the operator, and a message is printed on the typewriter console built on the machine.

A sophisticated digital computer, the "brain" of the printer, is programmed to classify negatives, advance, adjust, and make exposures on photographic paper as well as to monitor the printer's own mechanical operation. The computer's memory contains such separate quality characteristics of a photographic negative as scene brightness, color saturation, color density, and fog level which allow the computer to make printing decisions.



Keyboard input unit built into the Kodak 2610 color printer enables a photofinisher to modify a production program to meet his specific needs.

## New Films Offered to the Professional Photographer

New professional color negative films featuring finer grain, higher resolution, and improved photographic reproduction characteristics will be available in December, 1974. The new Kodak Vericolor II professional films, type L and type S, intended for high-quality commercial, industrial, and portrait photographic printmaking, will replace present Vericolor and Kodak Ektacolor

professional type L and type S films, and will be marketed in roll and sheet sizes.

Both Kodacolor II films and Vericolor films can be processed interchangeably using Kodak Flexicolor chemicals for process C-41 which offers professional users reduced processing times and improved process stability.

## New Silent and Sound Movie Cameras from Kodak

A line of XL movie cameras and a sound movie camera are among new products recently introduced by your company.

The five XL movie cameras include the new Kodak XL320 camera, the most automatic movie camera ever produced by the company. List prices range from \$99.50 to \$232.50.

The Kodak XL320 movie camera is easy to operate and requires no settings of any kind by the user. In order to film color movies without movie lights, it is only necessary to drop in a cartridge of ASA 160, type G movie film, such as Kodak type G Ektachrome 160 movie film, and press the button. The XL 320 lists at \$99.50 and is not intended for use with medium-speed films like Kodachrome film.

All new Kodak XL movie cameras share such features as fast  $f/1.2$  Ektar lens; 230-degree shutter; double-vane CdS exposure control, and high brightness viewfinder.

Models 330, 340, 350, and 360 are designed for use with all super 8 films, such as medium-speed Kodachrome 40 (type A) and high-speed Ektachrome 160 movie films. In these models, insertion of a cartridge of type G 160 movie film automatically removes the type A filter from the light path.

The top-of-the-line model XL360 movie camera incorporates a built-in coupled rangefinder for fast accurate focusing.

### Sound Super 8

The new Kodak Ektasound 160 movie camera features power and manual 9-21 mm zoom lens and a coupled rangefinder.

Designed for easy one-step automatic sound movies with lip synchronization, the camera has a fast  $f/1.2$  Kodak Ektar power zoom lens, 230-degree shutter, double-vane exposure control, and coupled rangefinder.



The new Kodak Ektasound 160 movie camera features power and manual zoom lens together with a coupled rangefinder.

The camera viewfinder features a low-light indicator and an end-of-film signal which appears while exposing the last three feet of film. The camera accepts either super 8 sound or silent movie film. A manual filter switch adjusts it for type of illumination when using type A color films.

The Ektasound 160 movie camera has a list price of \$398.50.

## Revised Guide to Movie-Making Available

The popular Kodak publication, "Home Movies Made Easy," has been extensively revised to provide updated information on cameras, films, and techniques.

The publication, enlarged in format and size, now contains 184 pages and 16 information-packed chapters and more than 300 color and black-and-white illustrations.

"Home Movies Made Easy" includes a new chapter on making super 8 sound mov-

ies while another chapter covers the use of existing-light cameras. Other subjects include techniques for editing home movies, adding titles, and tips on showing movies.

The new publication, No. AD-5, which has a list price of \$3.25, is available at photo retailers and book stores or may be ordered from Eastman Kodak Company, Dept. 454, Rochester, N.Y. 14650.

## Management Changes

The directors of Eastman Kodak Company have elected a vice-president, an assistant vice-president, and two assistant comptrollers at a regular meeting of the board.

The new vice-president is **Toy F. Reid**, formerly senior vice-president, Tennessee Eastman Company, Eastman Chemicals Division, who also was appointed assistant general manager of the division. He succeeds **Robert C. Burton**, a Kodak vice-president who has retired.

Reid joined Kodak in 1948 as a chemical engineer in the Research Laboratories of Tennessee Eastman Company. Following a series of managerial assignments, he was appointed vice-president of Tennessee Eastman Company in 1972 and became senior vice-president the following year.

Burton ends a 44-year Kodak career with the Eastman Chemicals Division. He has served as president and chairman of the board of Holston Defense Corporation and in 1969 became senior vice-president of Tennessee Eastman Company. Burton was appointed assistant general manager of the Eastman Chemicals Division in 1972 and the following year was elected a Kodak vice-president.

**James A. Mitchell**, formerly executive vice-president, manufacturing, Tennessee Eastman Company, Eastman Chemicals Division, was elected a Kodak assistant vice-president. His duties include planning and capital programs for the division.

Mitchell has served as assistant vice-president of Tennessee Eastman Company, was appointed vice-president and works manager in 1966, and became executive vice-president, manufacturing, in 1969.

Elected assistant comptrollers of the company were **Wayne K. Gilman**, comptroller, Kodak Park Division, U.S. and Canadian Photographic Division, and **Lowrie G. Piercy**, who continues as director, corporate accounting and financial reporting, Finance and Administration.

Effective February 1, 1975, Gilman will succeed **William R. Brunson** as director, financial planning and reporting, U.S. and Canadian Photographic Division, Finance and Administration. Brunson, an assistant comptroller of the company, is retiring on that date.

With Kodak since 1948, Gilman became assistant comptroller of the Kodak Park Division in 1968 and accounting comptroller



Reid



Burton



Mitchell



Brunson



Gilman



Piercy

in 1970. He was named credit manager of the company in 1971 and comptroller of the Kodak Park Division in 1972.

Piercy began his Kodak career in 1943. In 1971 he was appointed manager, consolidation accounting, and the following year assistant to the comptroller, general comptroller's staff. Last year he assumed his current position as director of corporate accounting and financial reporting, Finance and Administration.

With the company since 1935, Brunson was named comptroller of the Kodak Apparatus Division in 1965 and elected an assistant comptroller of the company in 1972. A year later he was appointed director, financial planning and reporting, U.S. and Canadian Photographic Division, Finance and Administration.

## Company to Build Chemical Plant in Arkansas

Arkansas Eastman Company, a new unit of the Eastman Chemicals Division of Eastman Kodak Company, plans to begin construction this year on a chemical plant near Batesville, Ark.

An organic chemicals intermediates plant and a hydroquinone manufacturing plant along with associated services for both manufacturing units will be built. The initial annual capacity planned for the hydroquinone plant will be 10 million pounds. Hydroquinone is an important chemical in photography and in other industrial uses.

The target date for start of manufacturing in the new plant is the latter part of 1976,

assuming that the necessary permits to begin construction are issued promptly by state and federal authorities, according to H. D. McNeeley, executive vice-president of Eastman Kodak Company and general manager of Kodak's Eastman Chemicals Division.

Estimated cost of the plant and supporting services will be in excess of \$30 million, and when completed, employment is expected to total about 200.

The new facility will be located on an industrial site of about 1,350 acres approximately 10 miles southeast of Batesville. The land was purchased in 1971.

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## Paper Litho Plate Serves Printing Market

The first Kodak PMT paper litho plate, designed primarily to provide the small press/duplicator printing market with an easy-to-use, short-run plate, is now available from your company.

The Kodak PMT paper litho plate is a resin-coated paper, support-coated on one side with a non-light-sensitive layer that can be used in conjunction with the existing Kodak PMT litho negative paper in a standard process camera to produce a printing plate by the diffusion-transfer principle.

The plate is capable of run lengths of at least 2,000 impressions under normal

operating conditions, and is available in most sizes and end configurations for duplicators and small- to medium-size offset presses.

The new paper litho plate offers speed, from paste-up to press in five minutes or less; for example, halftone capability without negatives; high-quality linework and halftone reproduction; and no change in press techniques. The new versatile plate prints with a wide variety of inks including conventional and rubber-base colors as well as black.

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## Speech Reprint Available

The company's performance in 1974 should be "satisfactory in terms of any long-range standards," according to Gerald B. Zornow, chairman of the board, Eastman Kodak Company.

Addressing the financial analysts of Philadelphia on September 12, Zornow commented on Kodak's operations in a year of economic slowdown, adjustments to inflation, and raw material shortages.

The Kodak chairman reviewed for the analysts progress by various divisions of the company and efforts to date on new products now in development phases.

The complete text of Mr. Zornow's remarks are contained in a booklet available from the company. Single copies may be obtained by writing to Department 412L, Eastman Kodak Company, 343 State Street, Rochester, N.Y. 14650.





## Scholastic / Kodak Awards

Cash awards and scholarship grants are offered to students in grades 7 through 12 in the Scholastic / Kodak Photo Awards conducted by Scholastic Magazines, Inc., and sponsored by Eastman Kodak Company.

The annual competition is designed to acquaint young people with the pleasures and benefits of photography, and to encourage immediate and lifelong picture-taking activity. The contest is national in scope and offers photo retailers and finishers the opportunity to stimulate participation among young people on the local level.

In the Scholastic / Kodak Photo Awards, junior and senior high school students compete in two groups, according to their age. A few of the prize-winning photos appear on this page and on the cover.



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At the new Kodak Consumer Center at Oak Brook, Illinois, picture-takers will be able to seek photographic information and assistance, or obtain simple adjustments on Kodak amateur equipment. In nearly two and one half years of operation, the Centers have served considerably more than 500,000 persons at 45 locations across the country.