



Kodak Highlights

Third Quarter 1982

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On the Cover

The black-and-white photograph on the cover was printed from a color picture taken in stadium lighting at night with new Kodacolor VR 1000 film in a handheld camera. The exposure was $f/2$ at $1/1000$ second with a 200 mm lens.

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Kodak Will Provide 'Engines of Growth' In Imaging, Fallon Tells Analysts

Kodak disc products are "setting new levels of acceptance," Kodak Chairman Walter A. Fallon told financial analysts in an October 28 address in Chicago.

"In the United States, orders are strong and our Rochester factories are running ahead of original schedules," Fallon said. "They are operating at peak capacity to meet demand through the busy Christmas season.

"In Europe, our cameras and films have been available since the first of September. Dealers continue to revise their targets upward in recognition of enthusiastic consumer response.

"Sales of these products are also proving to be impressive in our Asian, African, and Australasian region," Fallon said. "The Japanese market for our conventional cameras traditionally has been small. But this year we'll sell as many disc cameras in Japan as we sold 110 cameras during the first two-and-a-half years of that program.

"For purposes of comparison, let me add an historic note. In 1963, we shipped 2.6 million Instamatic cameras worldwide during the first year of our original program. In 1972, we shipped 3.9 million pocket Instamatic cameras.

"For disc, by the end of 1982, we will have shipped more than 4.7 million cameras to dealers throughout the United States . . . and some 8.2 million to dealers all over the world, more than double 1972 . . . and more than triple 1963."

Fallon added that, in the United States, more than 11 percent of all color negative film processed in December will have been taken with Kodak disc products.

"Throughout the world, more than 1,000 photographic laboratories are equipped to process disc film," he said. "That is approximately two-and-one-half times the number of labs equipped to process film for pocket Instamatic cameras in 1972.

"At Photokina in Cologne, Germany, we demonstrated our capability to add further value to the disc system. We showed a research model of a film video display unit which combines the immense storage capac-



ity of photographic film with the display capability of television.

"The original images are contained on a disc of Kodacolor HR disc film. Inside the video unit, the images are projected onto a remarkable new image sensor. The images are then enhanced and delivered to a television screen. These images can then be electronically zoomed and cropped . . . and may even be encoded for the photofinisher to make individualized reprints.

"This video display unit combines the richness of film-based images with the flexibility and capability of electronics. Consumers can view their pictures on television, but still have prints to pass among their friends. In terms of quality, the image delivered to the screen exceeds the display capability of today's home TVs.

"Among other things, demonstration of video display capability is indicative of our resolve to remain world-class competitors in a marketplace marked by volatile change. Our worldwide planning and market intelligence teams help us to do that," he said.

"Our new Kodacolor VR 1000 film provides an example of this capability. Our studies have shown that people want to extend their 'reach' into photographic space. Kodacolor 400 film has enabled them to do that, but the number one cause of unacceptable prints from this film is an underexposed negative. We needed to extend the capability of the film.

"Throughout last spring, we conducted more than 3000 wide-ranging and comprehensive interviews with 35 mm film users all across the globe. There was high enthusiasm for this product concept. In fact, two-thirds of those interviewed here indicated they *would* try such a film—even if it carried a price premium.

"More than 80 percent of the respondents considered this film to be unique—with no other color print film like it. For us, this uniqueness means the consumer perceives our innovation and our leadership role," Fallon said. "Kodacolor VR 1000 film is unique in another way. It is based on innovative T-grain technology. This is the biggest technological change in silver halide photography in 50 years. Kodacolor VR 1000 film can be exposed—in available light—at indices ranging from ISO 125 to ISO 2000, using cameras ranging from top-of-the-line SLRs to less sophisticated cameras that have a limited number of film-speed settings.

"This initial product of T-grain technology obviously extends the benefits of available-light photography into areas where it has never been possible before."

As a technology of the moment and for the future, the T-grain offers major promise, Fallon said. "Its benefits are not restricted to higher speed alone. Many film and paper products made by Kodak can now be enhanced and made more useful through new and more effective combinations of speed, grain, and sharpness."

When placed in combination with progress on another technological front,

Fallon said, the impact of such progress in silver halide materials comes into forceful perspective. In a process called scan printing, a print is made by scanning the negative using Kodak proprietary computer processing of the image data and electronically printing the modified image onto the print material.

"By these electronic enhancements," said Fallon, "we've created an image enhancement that retains quality at higher magnification. We've produced an improved picture for the consumer.

"This is but one example of our electronics expertise. We have a century of experience in chemical imaging. We know how to provide durable and synergistic matches between the two disciplines in ways that will continue to make the marketplace respond.

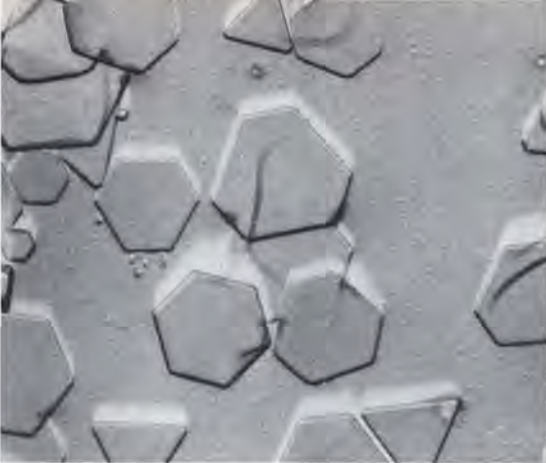
"Our new Ektaprint 250 duplicator is another exemplary product. It is based upon the application of our experience in imaging, paper handling, and microelectronics.

"During trade trials, we tested 31 units in five major cities. In most cases, the units replaced machines from other manufacturers—including some automated presses. Our duplicators performed well. In several cases, they were used to make more than 400,000 copies a month. This is at the very high end of the high-volume market."

Placements of Ektaprint 100-series copiers began in Europe about a year ago, he said. "Operations thus far have been in France, England, Belgium, Holland, Germany, Sweden, Spain, and Italy. We will continue our expansion in Europe to additional countries over the next two years to serve over 85 percent of the western Europe copier-duplicator market.

"The pace of our Ektaprint copier program accelerates. In our laboratories, work goes forward to define the next generation of products, and to add increased capability to this one—on-line capability that never has been available on a duplicator product."

Fallon also emphasized that Kodak pays "increased attention to our position in each of the markets we serve. For our company, this is a measure of customer satisfaction. It reflects the acceptance and performance of our products, confirms the strength of our marketing and product programs, and ulti-



Magnified nearly 6,000 times, silver halide grains such as those in new Kodacolor VR 1000 film (left) appear flat and tablet-shaped when compared with the pebble-like silver halide



grains found in conventional photographic film (right). The new T-grains maximize the absorption of incoming light, resulting in a more sensitive, "faster" film.

mately becomes critical to the foundation of high-volume, low-unit cost.

"To continue our strong position," he said, "we are adding new flexibility to our marketing programs.

"For example, we continue to manufacture product in Latin America where our entry-level cameras promote long-term picture-taking. We will soon begin to slit color paper in Indonesia . . . and we're also strengthening our distribution organizations throughout the Far East—including Japan.

"In the Middle East, our new merchandising activities—such as 35 mm twin packs with Arabic packaging—have helped our total photographic sales in this region to grow some 400 percent in the last five years.

"None of the examples I've cited are technological innovations. They are simply indications of our ability to manage our business more effectively.

"In the years ahead we will maintain our leadership and superior rates of return by being the systems leader in all markets we serve. Increasingly, we are better able to identify all the elements required to meet a market need . . . and to contribute the key element that makes such a system unique.

"In balancing risk with reward, we operate from a position of strength. We know the marketplace. We have the technical, manufacturing, and distribution capability to put high technology in the hands of consumers millions of times a year at prices they can

afford.

"For more than 100 years, our understanding and application of silver halide technology has underwritten Kodak's success. Future management will extend that technology further still. But there will be different horizons, further visions, greater opportunities, and, in terms of technology, a longer reach.

"In the future, no company will know more than we will about electronic imaging. None today is as capable as we are in marrying the unique benefits of chemistry, optics, and electronics . . . in products and systems of unequalled appeal and practicality.

"On a future day, a Kodak electronics division will stand with equal strength alongside others dedicated to the practical application of photo chemistry and engineering skills.

"On that future day, we will see—again—that Kodak has provided the engines of growth . . . in markets we know so well, in unexplored segments of those markets, and in the new markets which will be brought forward by our leadership in imaging technology."

Copies of Mr. Fallon's complete remarks may be obtained by writing to Shareowner Relations, Office of Corporate Communications, 343 State Street, Rochester, New York 14650.

Third Quarter Report to Shareowners

In Summary. Sales in the third quarter of 1982 were unchanged from the third quarter of 1981. Earnings declined from a year ago.

Sales and Earnings

(in millions, except earnings per share)	Third Quarter			First Three Quarters		
	1982	1981	Change	1982	1981	Change
Sales	\$2,542.1	\$2,542.1	0%	\$7,220.2	\$7,264.8	- 1%
Earnings from Operations	518.7	567.1	-9	1,200.3	1,463.4	-18
Net Earnings	303.9	334.0	-9	733.5	867.6	-15
Per Share	\$1.87	\$2.07		\$4.51	\$5.38	

Sales by Division

(in millions)	Third Quarter			First Three Quarters		
	1982	1981	Change	1982	1981	Change
Photographic Division						
Inside the U.S.	\$1,166.0	\$1,065.8	+ 9%	\$3,147.6	\$2,893.3	+9%
Outside the U.S.	959.7	978.6	- 2	2,741.2	2,921.6	-6
Total Photographic Division...	2,125.7	2,044.4	+ 4	5,888.8	5,814.9	+1
Chemicals Division						
Inside the U.S.	392.2	439.2	-11	1,224.3	1,305.0	-6
Outside the U.S.	86.1	118.2	-27	300.4	326.5	-8
Total Chemicals Division	478.3	557.4	-14	1,524.7	1,631.5	-7
Deduct Interdivision Sales	(61.9)	(59.7)		(193.3)	(181.6)	
Total Worldwide.....	\$2,542.1	\$2,542.1	0%	\$7,220.2	\$7,264.8	-1%

In the Photographic Division, the third quarter and three quarters sales increases were due largely to higher unit volumes inside the U.S., reflecting shipments of new Kodak disc products and sharp increases in copier product revenues. The declines in sales outside the U.S. in both the third quarter and for three quarters resulted from weak business conditions in Europe and Latin America and lower values of foreign currencies against the U.S. dollar.

In the Chemicals Division, sales declines in both the quarter and for three quarters largely reflect declines for chemicals and fibers and are primarily the result of lower unit volumes. Sales of plastics were slightly below a year ago in the quarter and slightly above 1981 for three quarters.

Sales to the U.S. Government and defense contractors amounted to \$244.2 million for the first three quarters, and represented approximately 3 percent of total sales.

Earnings. The earnings declines in the third quarter and for three quarters continue to reflect costs associated with the development and introduction of new products, higher wages, the adverse effect of weakened foreign currency values against the U.S. dollar, and lower unit volumes in the Chemicals Division. Earnings benefitted from lower pension costs due to revised actuarial assumptions.

(in millions)	Third Quarter			First Three Quarters		
	1982	1981	Change	1982	1981	Change
Cost of goods sold	\$1,549.9	\$1,527.8	+1%	\$4,600.3	\$4,467.7	+3%
Percent of Sales	61.0%	60.1%		63.7%	61.5%	
Sales, advertising, distribution, and administrative expenses ...	\$ 473.5	\$ 447.2	+6%	\$1,419.6	\$1,333.7	+6%
Percent of Sales	18.6%	17.6%		19.7%	18.4%	

Cost of goods sold included research and development expenditures of \$160.7 million in the third quarter compared with \$141.8 million last year. For the first three quarters, these expenditures amounted to \$491.4 million, compared with \$419.0 million in the same period of 1981.

Earnings from Operations	Third Quarter			First Three Quarters		
	1982	1981	Change	1982	1981	Change
Amount (in millions)	\$518.7	\$567.1	-9%	\$1,200.3	\$1,463.4	-18%
Percent of Sales	20.4%	22.3%		16.6%	20.1%	

Investment income decreased in the quarter and for three quarters primarily because of a lower balance of securities. Interest expense in the third quarter was above the comparable period a year ago due to increased borrowings by overseas companies. For three quarters, interest expense was greater principally due to increased borrowings and higher interest rates overseas. The net after tax effect of foreign exchange transactions and the translation of net monetary assets and liabilities was a gain of \$12.6 million in the quarter compared with a gain of \$19.5 million a year ago. For three quarters, the gain was \$18.4 million compared with a gain of \$38.8 million in 1981.

Net Earnings	Third Quarter			First Three Quarters		
	1982	1981	Change	1982	1981	Change
Amount (in millions)	\$303.9	\$334.0	-9%	\$733.5	\$867.6	-15%
Percent of Sales	12.0%	13.1%		10.2%	11.9%	

Lower pension costs due to revised actuarial assumptions benefitted net earnings for the quarter by \$37 million.

Cash Dividends. During the third quarter of 1982, a cash dividend of 75 cents per share on the company's common stock was declared. Total dividends declared for the year-to-date amounted to \$365.5 million, compared with \$363.1 million declared during the same period a year ago.

Financial Position. Cash and marketable securities were \$622.3 million at the end of the third quarter, compared with \$1,121.8 million at year-end. The decrease in cash and marketable securities reflects normal seasonal patterns and substantially higher spending for capital additions. Receivables were \$1,915.4 million, up 12 percent from \$1,708.8 million at year-end. Inventories were \$2,115.0 million, up 7 percent from \$1,970.3 million at year-end. Working capital at the end of the quarter decreased to \$2,731.1 million from \$2,943.9 million at year-end.

Capital Additions (in millions)	Third Quarter		First Three Quarters	
	1982	1981	1982	1981
Photographic Division	\$222.8	\$203.5	\$ 693.1	\$572.0
Chemicals Division	111.0	77.0	352.3	177.5
Total	\$333.8	\$280.5	\$1,045.4	\$749.5

The provision for depreciation for the first three quarters of 1982 was \$369.8 million compared with \$307.5 million for the first three quarters of 1981.

Outlook. Despite gratifying sales of Kodak disc products and sharp increases in copier product revenues, overall Kodak results continue to be inhibited by the same restraints which have impacted our business throughout the year. Worldwide economies continue sluggish, the chemical industry is still affected by slack demand, currency fluctuations persist in their negative impact, and significant costs associated with the introduction of new products are still being experienced.

In spite of the economic environment, consumers have responded to Kodak's new decision-free disc photography with great enthusiasm. We are hopeful that consumer spending in the U.S. will be rising by year end.

W. A. Fallon
Chairman

Colby H. Chandler
President

Consolidated Statement of Earnings

Eastman Kodak Company and Subsidiary Companies

Sales

Sales to: Customers in the United States
Customers outside the United States
TOTAL SALES

Costs

Cost of goods sold
Sales, advertising, distribution, and administrative expenses
Total costs and expenses

Earnings

EARNINGS FROM OPERATIONS
Investment income
Interest expense
Other income and (charges)
EARNINGS BEFORE INCOME TAXES
Provision for United States, foreign, and other income taxes
NET EARNINGS
Average number of shares of common stock outstanding
Net earnings per share
Cash dividends per share

Consolidated Statement of Retained Earnings

Retained Earnings

Retained earnings at beginning of quarter/year
Net earnings
TOTAL
Cash dividends declared
RETAINED EARNINGS at end of quarter

Supplemental Information:

Operations of subsidiary companies outside the U.S.
included in Consolidated Statement of Earnings:

Sales
Earnings from operations
Net earnings

Third Quarter (12 Weeks) Ended		Three Quarters (36 Weeks) Ended	
Sept. 5, 1982	Sept. 6, 1981	Sept. 5, 1982	Sept. 6, 1981
(in millions, except per share amounts)			
\$1,499.3	\$1,449.0	\$4,186.2	\$4,026.6
<u>1,042.8</u>	<u>1,093.1</u>	<u>3,034.0</u>	<u>3,238.2</u>
<u>2,542.1</u>	<u>2,542.1</u>	<u>7,220.2</u>	<u>7,264.8</u>
1,549.9	1,527.8	4,600.3	4,467.7
<u>473.5</u>	<u>447.2</u>	<u>1,419.6</u>	<u>1,333.7</u>
<u>2,023.4</u>	<u>1,975.0</u>	<u>6,019.9</u>	<u>5,801.4</u>
518.7	567.1	1,200.3	1,463.4
20.0	35.0	79.9	116.8
18.8	17.0	54.9	44.3
<u>1.5</u>	<u>9.4</u>	<u>(8.8)</u>	<u>7.7</u>
521.4	594.5	1,216.5	1,543.6
<u>217.5</u>	<u>260.5</u>	<u>483.0</u>	<u>676.0</u>
<u>\$ 303.9</u>	<u>\$ 334.0</u>	<u>\$ 733.5</u>	<u>\$ 867.6</u>
		162.5	161.4
\$1.87	\$2.07	\$4.51	\$5.38
\$.75	\$.75	\$2.25	\$2.25
\$6,212.9	\$5,645.8	\$6,027.0	\$5,354.3
<u>303.9</u>	<u>334.0</u>	<u>733.5</u>	<u>867.6</u>
6,516.8	5,979.8	6,760.5	6,221.9
<u>121.8</u>	<u>121.0</u>	<u>365.5</u>	<u>363.1</u>
<u>\$6,395.0</u>	<u>\$5,858.8</u>	<u>\$6,395.0</u>	<u>\$5,858.8</u>
\$ 955.5	\$ 996.0	\$2,771.4	\$2,975.6
77.7	110.4	197.1	302.4
<u>22.9</u>	<u>40.5</u>	<u>51.8</u>	<u>119.4</u>

Consolidated Balance Sheet

Eastman Kodak Company and Subsidiary Companies

Assets	Sept. 5, 1982	Dec. 27, 1981	Sept. 6, 1981
Current Assets		(in millions)	
Cash	\$ 72.5	\$ 162.4	\$ 97.1
Marketable securities	549.8	959.4	1,146.3
Receivables	1,915.4	1,708.8	1,824.7
Inventories	2,115.0	1,970.3	1,853.2
Deferred income tax charges	93.2	115.5	181.2
Prepaid charges applicable to future operations	199.4	147.0	88.5
Total current assets	<u>4,945.3</u>	<u>5,063.4</u>	<u>5,191.0</u>
Properties			
Land, buildings, machinery, and equipment at cost ..	8,959.9	7,963.1	7,565.8
Less: Accumulated depreciation	<u>4,142.2</u>	<u>3,805.8</u>	<u>3,699.5</u>
Net properties	<u>4,817.7</u>	<u>4,157.3</u>	<u>3,866.3</u>
Other Assets			
Unamortized excess cost of investments in consolidated subsidiaries over net assets acquired	55.4	55.8	4.1
Long-term receivables and other noncurrent assets	<u>149.7</u>	<u>169.8</u>	<u>79.0</u>
TOTAL ASSETS	<u>\$9,968.1</u>	<u>\$9,446.3</u>	<u>\$9,140.4</u>
Liabilities and Shareowners' Equity			
Current Liabilities			
Payables	\$1,738.3	\$1,604.7	\$1,535.7
Taxes—income and other	353.5	311.7	448.2
Dividends payable	<u>122.4</u>	<u>203.1</u>	<u>121.0</u>
Total current liabilities	2,214.2	2,119.5	2,104.9
Other Liabilities and Deferred Credits			
4½% convertible debentures—due 1988	66.0	66.0	66.0
Other long-term liabilities	135.6	142.3	127.6
Deferred income tax credits	<u>414.2</u>	<u>348.9</u>	<u>309.2</u>
Total liabilities and deferred credits	<u>2,830.0</u>	<u>2,676.7</u>	<u>2,607.7</u>
Shareowners' Equity			
Common stock*			
Par value—paid in or transferred			
from retained earnings	406.7	406.6	404.0
Additional capital paid in or transferred from retained earnings	336.4	336.0	269.9
Retained earnings	<u>6,395.0</u>	<u>6,027.0</u>	<u>5,858.8</u>
Total shareowners' equity	<u>7,138.1</u>	<u>6,769.6</u>	<u>6,532.7</u>
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	<u>\$9,968.1</u>	<u>\$9,446.3</u>	<u>\$9,140.4</u>

*Common stock: \$2.50 par value, 360.0 million shares authorized, 162.7 million shares issued. (At September 6, 1981, 161.6 million shares issued.) Of the shares authorized, 687,875 shares are reserved for the conversion of the debentures issued by Eastman Kodak International Capital Company, Inc.

Consolidated Statement of Changes in Financial Position

Eastman Kodak Company and Subsidiary Companies

	Three Quarters (36 Weeks) Ended	
	Sept. 5, 1982	Sept. 6, 1981
	(in millions)	
Funds Provided By:		
Net earnings	\$ 733.5	\$ 867.6
Depreciation and amortization	373.1	308.6
Other non-cash charges	100.1	93.6
Total from earnings	<u>1,206.7</u>	<u>1,269.8</u>
Increase (decrease) in liabilities	88.0	(156.8)
TOTAL FUNDS PROVIDED	<u>1,294.7</u>	<u>1,113.0</u>
 Funds Used For:		
Additions to properties	1,045.4	749.5
Dividends to shareowners	365.5	363.1
Increase in: Receivables	206.6	146.7
Inventories	144.7	150.4
Other items, net	32.0	45.0
TOTAL FUNDS USED	<u>1,794.2</u>	<u>1,454.7</u>
Decrease in cash and marketable securities	499.5	341.7
Cash and marketable securities, beginning of year	1,121.8	1,585.1
Cash and marketable securities, end of quarter	<u>\$ 622.3</u>	<u>\$1,243.4</u>

The financial statements have been prepared by the company in accordance with the accounting policies stated in the 1981 Annual Report and should be read in conjunction with the Notes to Financial Statements appearing in that report. In the opinion of the company, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation have been included in the financial statements. The 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.

On April 19, 1982, the antitrust suit against the company brought by GAF Corporation in April, 1973, was settled. The company paid GAF \$9.5 million in cash and dismissed a suit which it had filed against GAF in 1977 for failure to pay royalties under patent licenses previously granted to GAF by the company. As part of the settlement, GAF agreed to assign to the company more than 100 U.S. patents in the field of photography together with their counterpart foreign patents.

Lowrie G. Piercy, General Comptroller
October 13, 1982

Epcot Center Opens New Era in Entertainment; Kodak Sponsors 'Journey Into Imagination'

A new era in entertainment has dawned near Orlando, Florida, with the opening of Walt Disney World's Epcot Center, an \$800-million showplace featuring futuristic ideas and technologies as well as the natural histories and the splendors of many nations.

The 550-acre complex, adjacent to Walt Disney World's Magic Kingdom, includes ride-through adventure shows and visual attractions that demonstrate past, present, and emerging wonders of the world.

Kodak is a major participant, and its "Journey into Imagination" creation is one of six pavilions sponsored by U.S. corporations which make up the "Future World" segment of Epcot Center. State-of-the-art photographic and electronic imaging techniques are a key part of the illusions which take visitors through the "Journey into Imagination."

Two characters created by Disney act as hosts and guides on the journey: Dreamfinder, a whimsical red-bearded adventurer, pilots the Dream Vehicle, a flying con-

traption designed to search out and collect ideas; Dreamfinder's sidekick is Figment, a mischievous dragon-like creature with a childlike ability to dream.

When visitors enter the pavilion, they will start their adventure by boarding cars for a 12-minute ride through the "Imaginarium," a metaphor for the mind's imagination process. Visitors will ride in computer-controlled vehicles along an illusory path where imagination takes form through dimensional sets, "audio-animatronics" figures, props, and special projection and sound effects.

The ride, which opens December 1, will start with a colorful animated projection show simulating a flight across a nighttime sky, and will proceed to a turntable theater where visitors first meet the full-scale animated Dreamfinder and the little dragon, Figment.

Other corporate pavilions in Future World include themes on communications, energy, transportation, and agriculture.

The bearded Dreamfinder and his magical dragon, Figment, are hosts for visitors to Kodak's "Journey Into Imagination" Pavilion at Walt Disney World's Epcot Center.



"World Showcase," which encircles a 40-acre lagoon beyond Future World, displays the architectural, social, and cultural heritages of nine nations. One of the most impressive productions, "The American Adventure," is a centerpiece among scenic pavilions of Canada, the United Kingdom, France, Germany, Japan, Italy, China, and Mexico.

The pavilions contain restaurants, shops, live shows, and filmed tours to create the feeling of visiting each nation.

A cast of 450 audio-animatronics figures performs throughout Epcot Center's theme

shows and productions. Programmed by electronics to move and speak, the characters include singing vegetables, 20-foot-high dinosaurs that move, breathe, and chomp food, and life-size human figures that move, talk, and show emotion.

Under the terms of Kodak's 10-year contract with Walt Disney World, Kodak products will be extensively promoted in photo centers at Epcot Center and Magic Kingdom, as well as at Disneyland in Anaheim, Calif. Walt Disney World is expected to host more than 20 million visitors in the first 12 months of operation of Epcot Center.

1983 Annual Meeting Set for May 11 in Orlando

Kodak's 1983 Annual Meeting of Shareowners will be held on May 11 in Orlando, Florida, it was decided at the November session of the Board of Directors.

In recent years, the Board has determined the site and date of the Annual Meeting in February. Because the resort community of Orlando was under consideration for 1983, however, the Board elected to make its decision three months early. This gives shareowners who wish to attend the meeting more time to make their plans.

"We have more than 10,000 shareowners living in Florida," said Walter A. Fallon, Kodak chairman and chief executive officer, "including many Kodak retired people. In addition, we think the excellent facilities and the attractions in the area make this an ideal site for our meeting, and one which will

draw shareowners from many other states.

"Of course, we are very proud of our Imagination Pavilion and our active participation in Walt Disney World's Epcot Center in Orlando," Fallon said. "We certainly encourage shareowners who plan to attend the Annual Meeting to take the opportunity to visit Epcot Center."

To help accommodate those who travel to the Annual Meeting, several Orlando hotels have agreed to reserve a number of rooms for Kodak shareowners. For further information on how to obtain tickets to the Annual Meeting, and for a list of the participating hotels, please fill out the coupon below and mail it to: Shareowner Relations, Dept. 412-L, Corporate Communications, Eastman Kodak Company, 343 State Street, Rochester, New York 14650.

(Please Print)

Please send me more information concerning the 1983 Kodak Annual Meeting.

Name

Address

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Kodak Announces World's Fastest Color Film

Kodak has announced development of the world's fastest color film for delivery in 1983. The new 35 mm color negative film has an ISO rating of 1000, which is ten times faster than Kodacolor II film.

"The new Kodacolor VR 1000 film represents the biggest breakthrough in silver-halide emulsion technology in more than 50 years," said Kodak Chairman Walter A. Fallon. "It is indicative of Kodak's drive to maintain the company's leadership in innovative imaging technology."

In making the announcement at Photokina, the biennial "World's Fair of Photography" in Cologne, West Germany, the company said the new film will significantly broaden picture-taking options for photographers worldwide by allowing them more freedom to take pictures under low-light situations, a choice of higher shutter speeds to stop action, and greater latitude when using telephoto lenses.

Key to the new 1000-speed color film is a fundamental breakthrough in the type and shape of the silver halide grains which give photographic materials their sensitivity to light.

"By altering the shape and sensitization of silver halide crystals in Kodacolor VR 1000 film, we were able to improve substantially their photographic utility," explained Dr. L. J. Thomas, senior vice-president and director of the Kodak Research Laboratories. "Moreover," Thomas said, "the technology developed for the new film results in substantial improvement in overall quality."

A new type and shape of silver halide grain, called "T-grain," offers greater light sensitivity with better sharpness than previously possible. The film itself uses inverted layer technology (which places the fastest layers closest to the camera lens), improved active couplers, and a new generation of dyes, all destined to improve future Kodak sensitized products.

The new Kodacolor VR 1000 film utilizes existing Process C-41 and is designed for exposure by daylight, electronic flash, and blue flash. It also makes excellent pictures with virtually all existing ambient light.

"The development of 'T-grain' technology



This photograph was taken in candlelight with Kodacolor VR 1000 film in a handheld camera. The exposure was f/5.6 at 1/125 second with an 85 mm lens.

and the refinement and application of the technology which led to disc film will bring exciting new choices in silver-based photography to consumers during the 1980s," Fallon said.

"The growing popularity of 35 mm camera use led us to examine this market and its needs through extensive worldwide marketing research," said J. Phillip Samper, Kodak group vice-president and general manager of worldwide marketing.

"Our studies have indicated that many 35 mm camera users would appreciate and would buy a film that offers very high speed for good pictures under difficult lighting conditions; a film that would allow the use of higher, motion-stopping shutter speeds for photographing sports and fast-action sub-

jects; and a film that would provide a new versatility for telephoto lens users, allowing them to choose higher shutter speeds or smaller lens openings depending upon conditions encountered in the field.

"The new Kodacolor VR 1000 film answers these needs," Samper said.

Other announcements made by Kodak at Photokina include:

- new Kodak Vericolor III film, a color negative film for professional use that offers significantly improved dark-storage dye stability for longer lasting negatives, increased sharpness, higher film speed, and improved color reproduction or rendition;

- a new 12-inch mechanized Kodak Ektaflex PCT processor designed for professionals to make high-quality prints one at a

time in minutes from negatives or transparencies from 5 x 7 inches up to and including 12 x 18 inches using only one chemical;

- new marketing trade identity to be used worldwide to identify retailers who sell Kodak products and services, and those who use Kodak products to provide their own products and services;

- two new Kodak Ektachrome color reversal papers with improved characteristics and new three-solution Ektachrome R-3 chemicals offering increased process stability and lower processing cost; and

- the Kodak Ektalog communication controller and communication interface for photofinishers which allow any of 15 devices to communicate under software control with the company's Technet center.

Disc Camera Orders Top Eight-Million Mark; Kodak Demonstrates Video Display Technology

More than eight million Kodak disc cameras will have been shipped to customers worldwide by the end of 1982, according to Kodak Chairman Walter A. Fallon.

Fallon made the announcement on October 5 as Photokina events were under way in Cologne, West Germany. Based on orders as of that date, Fallon said, the disc camera is "the most popular consumer camera ever introduced by Kodak."

Fallon added that disc cameras will become even more popular as related technology extends the range of display options available to users. One such possible future option—a video display unit for the transfer of disc images to television screens—was demonstrated by Kodak in Cologne.

In the demonstration of advanced technology, an operator scanned a 15-image disc negative and selected various images which were enlarged or cropped for viewing on a 21-inch TV screen.

This "personal control" of display space on the TV screen is possible via a remote-control unit that allows quick sequencing through 15 disc images, zooming in for a closer look at a particular image, and recomposing the image for a better view of

one of its elements.

Kodak scientists said such a system could enable consumers to order prints of these enlarged or cropped images from photofinishers.

The heart of the prototype system is an extremely high-resolution, solid-state imaging sensor designed and fabricated by the Kodak Research Laboratories. The sensor converts and enhances the optical image for electronic display on a TV screen. The sensor, a charge-coupled device, yields a color picture with more than 350,000 image elements, and produces an extremely detailed TV picture from each whole or partial disc frame.

Fallon said the video display unit is currently in an exploratory stage and that Kodak has not committed itself to the manufacture or sale of such a product.

"We believe chemistry, optics, and electronics are synergistic allies," Fallon said. "Today's demonstration reinforces that belief and also illustrates the company's ability to bring each of those disciplines to bear on the development of new imaging technology."

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A Kodak scientist uses a special viewing filter to inspect negatives made with new Kodacolor VR 1000 film. The different filter elements allow researchers to study one layer of color at a time and to check each for correct dye formation.

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