

EASTMAN KODAK CO
 Form 424B2
 October 08, 2003
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Filed Pursuant to Rule 424(b)(2)
 Registration No. 333-108562

PROSPECTUS SUPPLEMENT

(To Prospectus dated September 19, 2003)

Eastman Kodak Company

\$500,000,000 7.25% Senior Notes due 2013

The 7.25% Senior Notes due 2013, which we refer to as the notes, will mature on November 15, 2013 and will bear interest at the rate of 7.25% per year. Interest on the notes will be payable semi-annually on May 15 and November 15, beginning on May 15, 2004.

The notes are not redeemable at our option or repayable at the option of any holder prior to maturity. The notes will be our unsecured and unsubordinated obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness.

Concurrently with this offering, we are also making a private placement to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933, of \$500,000,000 aggregate principal amount of our 3.375% Convertible Senior Notes due 2033 (\$575,000,000 if the initial purchasers of the convertible senior notes exercise in full their option to purchase additional convertible senior notes). Neither of these offerings is conditioned upon the closing of the other offering.

Investing in the notes involves certain risks that are described in the Risk Factors section beginning on page S-10 of this prospectus supplement.

	Public Offering Price ⁽¹⁾	Underwriting Discount	Proceeds to Company
Per Note	99.879%	0.650%	99.229%
Total	\$ 499,395,000	\$ 3,250,000	\$ 496,145,000

(1) Plus accrued interest, if any, from October 10, 2003.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect that the notes will be ready for delivery in book-entry form through The Depository Trust Company, Clearstream Luxembourg or Euroclear on or about October 10, 2003.

Citigroup

Lehman Brothers

BNP PARIBAS

Deutsche Bank Securities

HSBC

Morgan Stanley

Scotia Capital

October 7, 2003

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

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

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SUMMARY OF INFORMATION

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

THE COMPANY

We are engaged primarily in developing, manufacturing and marketing traditional and digital imaging products, services and solutions for consumers, professionals, healthcare providers, the entertainment industry and other commercial customers. We are the leader in helping people take, share, enhance, preserve, print and enjoy images for memories, for information, and for entertainment.

We are a major participant in infoimaging a \$385 billion industry composed of devices (digital cameras and personal data assistants (PDAs)), infrastructure (online networks and delivery systems for images) and services and media (software, film and paper) enabling people to access, analyze and print images. We harness our technology, market reach and a host of industry partnerships to provide innovative products and services for customers who need the information-rich content that images contain.

Our traditional products and services are sold directly to retailers and through distributors throughout the world. A significant portion of our digital equipment and solutions is sold direct to end-users with the balance sold through original equipment manufacturers (OEMs). We have approximately 70,000 employees worldwide and have major manufacturing plants in the United States, Canada, Mexico, Brazil, England, France, Australia and China.

Reportable Segments

Photography Segment (68% of Revenues for the Six-Month Period Ended June 30, 2003)

Our Photography segment includes traditional and digital product offerings for consumers, professional photographers and the entertainment industry. This segment combines traditional and digital photography and photographic services in all its forms consumer, advanced amateur, and professional. We manufacture and market various components of these systems, including films (consumer, professional and motion picture), photographic papers, processing services, photofinishing equipment, photographic chemicals and cameras (including one-time-use and digital). We have also developed products that bridge traditional silver halide and digital products. Product and service offerings include kiosks and scanning systems to digitize and enhance images, digital media for storing images and a network for transmitting images. In addition, other digitization options have been created to stimulate more pictures in use, adding to the consumption of film and paper. These products serve amateur photographers, as well as professional, motion picture and television customers.

Health Imaging Segment (19% of Revenues for the Six-Month Period Ended June 30, 2003)

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

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Traditional products of our Health Imaging segment include analog medical films, chemicals, and processing equipment, and our history has both made us a leader in this area and has served as the foundation for building our important digital imaging business. Health Imaging provides digital medical imaging and information products, systems and solutions, including digital print films, laser imagers, computed and digital radiography systems, Picture Archiving and Communications Systems (PACS) and Radiology Information Systems (RIS). Our Health Imaging segment serves the general radiology market and specialty health markets, including dental, mammography and oncology. We are the world leader in dental x-ray film, and with our announced acquisition of PracticeWorks, Inc., we will be positioned to offer choices within a full spectrum of dental imaging products traditional and digital and services providing innovative information technology to dental professionals. This segment also provides molecular imaging for the biotechnology research market.

Commercial Imaging Segment (12% of Revenues for the Six-Month Period Ended June 30, 2003)

Our Commercial Imaging segment encompasses our business of providing imaging capture and solutions, analysis, printing and archiving, both to businesses and to governments. Markets for the segment include commercial printing, industrial, banking and insurance and state, local and federal government applications. Products include aerial, industrial, graphic and micrographic films, micrographic peripherals, inkjet printers, high-speed production document scanners, digital imaging systems for commercial imaging satellites, and electro-optical systems for land and space borne telescopes and image and data analysis systems. This segment also provides maintenance and professional services for our products as well as those of other manufacturers and provides imaging services to customers.

All Other

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

On August 21, 2003, we announced a realignment of our operations, which ultimately may change our reportable segments. However, no change in reportable segments is expected to occur until 2004.

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

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

Segment	For the Six Months Ended	For the Year Ended December 31,		
	June 30, 2003	2002	2001	2000
		(in millions)		
Photography Segment	\$ 241	\$ 513	\$ 542	\$ 575
Health Imaging Segment	77	152	152	138
Commercial Imaging Segment	29	63	58	61
All Other	26	34	27	10
Total	\$ 373	\$ 762	\$ 779	\$ 784

The downward trend in research and development expenditures in the Photography segment and upward trend in the other reportable segments and All Other reflect the shift in strategic focus from traditional products, such as color negative film and paper and color reversal films, to digital product areas, such as OLED technology, digital medical imaging and inkjet printing.

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SUMMARY OF THE OFFERING

For a more complete description of the terms of the notes, see [Description of Notes](#) in this prospectus supplement and [Description of Debt Securities](#) in the accompanying prospectus.

Issuer	Eastman Kodak Company
Aggregate Principal Amount	\$500,000,000
Maturity Date	November 15, 2013
Issue Date for the Notes	October 10, 2003
Issue Price	99.879%
Interest Payment Dates	Each May 15 and November 15, beginning on May 15, 2004
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness.
Risk Factors	You should consider carefully all of the information set forth in this prospectus supplement and the accompanying prospectus and, in particular, you should evaluate the specific factors set forth under Risk Factors beginning on page S-10, before deciding whether to invest in the notes.
Use of Proceeds	Concurrently with this offering, we are also making a private placement to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933, of \$500,000,000 aggregate principal amount of our 3.375% Convertible Senior Notes due 2033, which we refer to as the convertible senior notes (\$575,000,000 if the initial purchasers of the convertible senior notes exercise in full their option to purchase additional convertible senior notes). We intend to use the net proceeds from this offering, together with the net proceeds from the private placement of our convertible senior notes, to repay commercial paper borrowings and to help fund our previously announced acquisition of PracticeWorks, Inc. Neither of these offerings is conditioned upon the closing of the other offering. See Use of Proceeds in this prospectus supplement.
Form	Fully registered global notes in book-entry form
Trustee for the Notes	The Bank of New York
Delivery and Clearance	

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We will deposit the global notes representing the notes with The Depository Trust Company in New York. You may hold an interest in

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the global notes through The Depository Trust Company (in the United States) or Clearstream Luxembourg or Euroclear (outside of the United States), directly as a participant of any such system or indirectly through organizations that are participants in such systems.

How to Reach Us

Our principal executive offices are located at 343 State Street, Rochester, New York 14650 and our telephone number is (585) 724-4000.

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The following table sets forth summary consolidated financial information with respect to each of the fiscal years in the three-year period ended December 31, 2002, as well as the six-month periods ended June 30, 2002 and 2003. The summary consolidated financial information as of and for the six-month periods ended June 30, 2002 and 2003 are derived from our unaudited consolidated financial statements which, in our opinion, include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of such information. When you read this summary consolidated financial information and other data, you should also read the historical consolidated financial statements and accompanying notes that we have included in our annual report on Form 10-K for the fiscal year ended December 31, 2002. In addition, you should read "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K/A (Amendment No. 2) for the fiscal year ended December 31, 2002, our quarterly report on Form 10-Q for the quarter ended March 31, 2003 and our quarterly report on Form 10-Q/A (Amendment No. 1) for the quarter ended June 30, 2003. You may obtain these reports by following the instructions we provide under "Where You Can Find More Information" in the accompanying prospectus. The results for the six months ended June 30, 2003 are not necessarily indicative of the results that may be achieved for the full year ending December 31, 2003.

	As of or for the		As of or for the		
	Six Months Ended		Year Ended		
	June 30,		December 31,		
	2003	2002	2002	2001	2000
(in millions)					
Statement of Earnings Data:					
Net sales	\$ 6,092	\$ 6,042	\$ 12,835	\$ 13,229	\$ 13,994
Cost of goods sold	4,152	3,928	8,225	8,661	8,375
Gross profit	1,940	2,114	4,610	4,568	5,619
Selling, general and administrative expenses	1,282	1,196	2,530	2,625	2,514
Research and development costs	373	379	762	779	784
Goodwill amortization				153	151
Restructuring costs (credits) and other	76		98	659	(44)
Earnings from continuing operations before interest, other charges (income), and income taxes	209	539	1,220	352	2,214
Interest expense and other charges (income)	101	141	274	237	82
Earnings from continuing operations before income taxes	108	398	946	115	2,132
Provision (benefit) for income taxes	(1)	71	153	34	725
Earnings from continuing operations	109	327	793	81	1,407
Earnings (loss) from discontinued operations, net of income tax benefits	15	(4)	(23)	(5)	
Net earnings	\$ 124	\$ 323	\$ 770	\$ 76	\$ 1,407
Balance Sheet Data:					
Cash and cash equivalents	\$ 838	\$ 524	\$ 569	\$ 448	\$ 246
Goodwill, net	992	986	981	948	947
Total assets	14,076	13,717	13,369	13,362	14,212

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Short-term borrowings	1,474	1,813	1,442	1,534	2,206
Long-term debt, net of current portion	1,516	1,240	1,164	1,666	1,166
Total shareholders' equity	2,854	3,101	2,777	2,894	3,428

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	For the Six Months Ended		For the Year Ended		
	June 30,		December 31,		
	2003	2002	2002	2001	2000
(in millions, except ratios)					
Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	\$ 233	\$ 528	\$ 2,204	\$ 2,206	\$ 1,105
Investing activities	(366)	(304)	(758)	(1,188)	(906)
Financing activities	390	(148)	(1,331)	(808)	(314)
Depreciation and amortization	395	386	818	917	889
Additions to properties	(236)	(204)	(577)	(743)	(945)
Effect of exchange rate changes on cash	12		6	(8)	(12)
Other Data:					
Ratio of earnings to fixed charges ⁽¹⁾	2.5		5.8	1.7	9.0
Pro forma ratio of earnings to fixed charges ⁽¹⁾⁽²⁾	2.2		5.2		