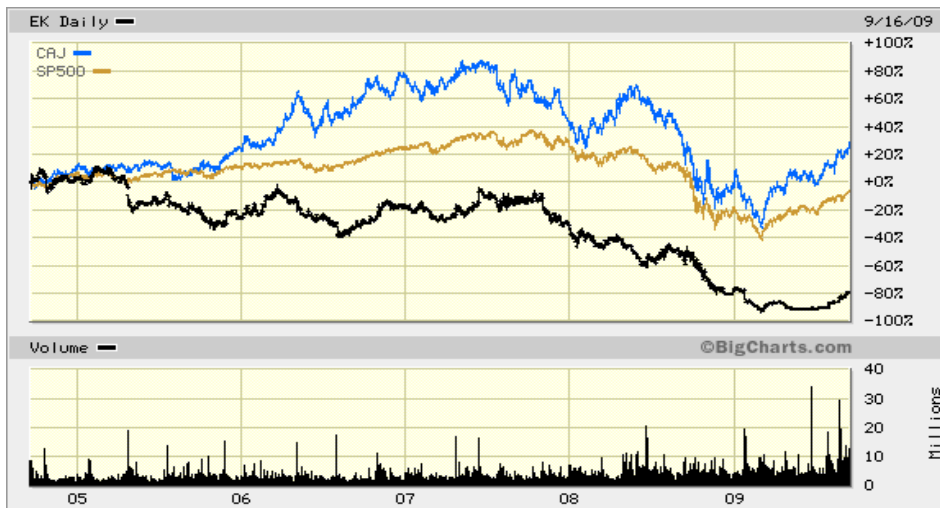


Eastman Kodak Co. (EK) 9/16/09

EK operates in imaging technology and services to the photographic and graphic markets worldwide. It operates in three business segments; Consumer Digital Imaging Group, Film Photofinishing and Entertainment Group, and Graphic Communications Group. EK has a collaboration Pitney Bowes for imaging and workflow solutions. The company was founded in 1880 and headquartered in Rochester, New York.

Current Price	\$6.68
52 Week High	\$16.90
52 Week Low	\$2.01
One Yr Target	\$1.63
Market Cap (in billions)	\$1.79
P/E (Trailing)	n/a
P/E(1 Yr Forward)	n/a
P/E/G	n/a
ROA	-13.55%
ROE	-79.98%
EPS	-\$5.12
Beta	1.74
Annualized Dividend	\$0.50
Dividend Yield	7.49%
Analyst Consensus	4.40



Annual EPS

2005	-\$5.76	
2006	-\$2.80	51.39%
2007	-\$0.71	74.64%
2008	-\$2.58	-263.38%
2009E	-\$5.12	-98.45%

Annual Revenue (in millions)

2005	\$11,395.00	
2006	\$10,568.00	-7.26%
2007	\$10,301.00	-2.53%
2008	\$9,416.00	-8.59%

Annual Net Income (in millions)

2005	-\$1,261.00	
2006	-\$601.00	52.34%
2007	\$676.00	212.48%
2008	-\$442.00	-165.38%

Required Rate of Return

14.91%

Dividend Growth Model

Present Value of 2014 Price	\$0.00
Holding Period Return (5 years)	-100.00%

Expected Annualized Return Model

Present Value of 2014 Price	\$0.00
Holding Period Return (5 years)	-100.00%

Residual Income Model

Intrinsic Stock Price	\$183.75
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Analysis

Positives

Good dividend yield

Significantly undervalued according to the RI model

Negatives

Consensus analyst outlook is poor with a 4.4 average and a one year target price of \$1.63

EPS, Revenue, and Net Income have been subjected to huge negative pressure for years

Grossly overvalued according to the EAR and DG valuation models

Financial Statements

Balance Sheet is decent but has been getting weaker in past years

Income Statement is horrible and has been for several years back

Cash Flows are volatile and are negative for the past year

Industry Analysis

One of the larger companies in the industry

Has some of the worst financial ratios in the industry

Summary

EK used to be the premier name in the photo and film industry, but seems to have fallen in the digital age. The company has mostly poor financial ratios. The financial statements are average except for a poor Income Statement. Two of three valuation models have the stock price falling all the way to zero which is a huge red flag. EK as a stock has done horrible over the past five years, and unless the company has something huge happening through R&D this trend should continue. With all these issues in consideration, EK earns a **sell** rating.