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EASTMAN KODAK CO
Form 8-K
June 03, 2004

1 of 8 pages

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): June 3, 2004

Eastman Kodak Company
(Exact name of registrant as specified in charter)

| | | |
|---|-----------------------------|--------------------------------------|
| New Jersey | 1-87 | 16-0417150 |
| ----- | ----- | ----- |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

343 State Street,
Rochester, New York 14650

(Address of Principal Executive Office) (Zip Code)

Registrant's telephone number, including area code (585) 724-4000

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ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE

The Company changed its segment reporting structure effective January 1, 2004 in conjunction with an organizational realignment it announced on August 21, 2003. In addition, on February 9, 2004, the Company announced its intent to sell the assets and business of the Remote Sensing Systems operation, including the stock of Kodak's wholly owned subsidiary, Research Systems, Inc., collectively known as RSS, to ITT Industries. Accounting Principles Generally Accepted in the United States of America requires that when a company changes its reportable segments or when a component of an entity, such as RSS, has been reported as a discontinued operation, financial statements for prior periods must also be reported using the new segment reporting structure or report the financial results of the component in discontinued operations.

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In response to these requirements, on May 14, 2004, the Company filed a Form 8-K that presented revised financial results reflecting the Company's new segment reporting structure and RSS as a discontinued operation as of December 31, 2003 and 2002 and for the three years in the period ended December 31, 2003. The purpose of this Form 8-K is to present the results of operations for each quarter of 2003 under the new reportable segment structure, with RSS reflected as a discontinued operation.

The results of the Digital and Film Imaging Systems (formerly known as Photography) and Health Imaging segments have not been presented below because these segments were not impacted by the change in the reportable segment structure, nor were they impacted by the RSS discontinued operation.

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For the three months ended March 31, 2003

(in millions)

| | OLD STRUCTURE | | |
|---|-----------------------|--------------|---------------|
| | Commercial Imaging | All Other | Sub- Total |
| Net sales | \$ 372 | \$ 21 | \$ 393 |
| Cost of goods sold (COGS) | 265 | 21 | 286 |
| | ----- | ----- | ----- |
| Gross profit | 107 | - | 107 |
| Selling, general and administrative expenses (SG&A) | 48 | 5 | 53 |
| Research and development costs (R&D) | 15 | 12 | 27 |
| | ----- | ----- | ----- |
| Earnings before interest, other charges, net, and taxes (EFO) | \$ 44 | \$ (17) | \$ 27 |
| | ===== | ===== | ===== |

| | NEW STRUCTURE | | | | |
|--------------|-----------------------|---------------------------|--------------|----------------------|---------------|
| | Commercial Imaging | Graphic Communications | All Other | RSS Disc. Ops. | Sub- Total |
| Net sales | \$ 186 | \$ 88 | \$ 19 | \$ 100 | \$ 393 |
| COGS | 126 | 66 | 17 | 77 | 286 |
| | ----- | ----- | ----- | ----- | ----- |
| Gross profit | 60 | 22 | 2 | 23 | 107 |
| SG&A | 32 | 8 | 5 | 8 | 53 |
| R&D | 8 | 5 | 13 | 1 | 27 |
| | ----- | ----- | ----- | ----- | ----- |
| EFO | \$ 20 | \$ 9 | \$ (16) | \$ 14 | \$ 27 |
| | ===== | ===== | ===== | ===== | ===== |

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For the three months ended June 30, 2003

(in millions)

| OLD STRUCTURE | | | |
|--|-----------------------|--------------|---------------|
| | Commercial Imaging | All Other | Sub- Total |
| Net sales | \$ 382 | \$ 22 | \$ 404 |
| Cost of goods sold (COGS) | 277 | 21 | 298 |
| | ----- | ----- | ----- |
| Gross profit | 105 | 1 | 106 |
| Selling, general and administrative expenses (SG&A) | 50 | 10 | 60 |
| Research and development costs (R&D) | 15 | 13 | 28 |
| | ----- | ----- | ----- |
| Earnings before interest, other charges, net, and taxes (EFO) | \$ 40 | \$ (22) | \$ 18 |
| | ===== | ===== | ===== |

| NEW STRUCTURE | | | | | |
|---------------|-----------------------|---------------------------|--------------|----------------------|---------------|
| | Commercial Imaging | Graphic Communications | All Other | RSS Disc. Ops. | Sub- Total |
| Net sales | \$ 199 | \$ 89 | \$ 23 | \$ 93 | \$ 404 |
| COGS | 127 | 76 | 22 | 73 | 298 |
| | ----- | ----- | ----- | ----- | ----- |
| Gross profit | 72 | 13 | 1 | 20 | 106 |
| SG&A | 34 | 7 | 10 | 9 | 60 |
| R&D | 7 | 7 | 13 | 1 | 28 |
| | ----- | ----- | ----- | ----- | ----- |
| EFO | \$ 31 | \$ (1) | \$ (22) | \$ 10 | \$ 18 |
| | ===== | ===== | ===== | ===== | ===== |

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For the three months ended Sept. 30, 2003

(in millions)

| OLD STRUCTURE | | | |
|--|-----------------------|--------------|---------------|
| | Commercial Imaging | All Other | Sub- Total |
| Net sales | \$ 373 | \$ 28 | \$ 401 |
| Cost of goods sold (COGS) | 280 | 17 | 297 |
| | ----- | ----- | ----- |
| Gross profit | 93 | 11 | 104 |
| Selling, general and administrative expenses (SG&A) | 49 | 8 | 57 |

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| | | | |
|---|-------|---------|-------|
| Research and development costs (R&D) | 11 | 22 | 33 |
| | ----- | ----- | ----- |
| Earnings before interest, other charges, net, and taxes (EFO) | \$ 33 | \$ (19) | \$ 14 |
| | ===== | ===== | ===== |

NEW STRUCTURE

| | Commercial Imaging | Graphic Communications | All Other | RSS Disc. Ops. | Sub- Total |
|--------------|-----------------------|---------------------------|--------------|----------------------|---------------|
| Net sales | \$ 190 | \$ 82 | \$ 28 | \$ 101 | \$ 401 |
| COGS | 130 | 72 | 16 | 79 | 297 |
| | ----- | ----- | ----- | ----- | ----- |
| Gross profit | 60 | 10 | 12 | 22 | 104 |
| SG&A | 32 | 8 | 8 | 9 | 57 |
| R&D | 4 | 5 | 22 | 2 | 33 |
| | ----- | ----- | ----- | ----- | ----- |
| EFO | \$ 24 | \$ (3) | \$ (18) | \$ 11 | \$ 14 |
| | ===== | ===== | ===== | ===== | ===== |

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For the three months ended Dec. 31, 2003

(in millions)

OLD STRUCTURE

| | Commercial Imaging | All Other | Sub- Total |
|---|-----------------------|--------------|---------------|
| Net sales | \$ 432 | \$ 24 | \$ 456 |
| Cost of goods sold (COGS) | 313 | 14 | 327 |
| | ----- | ----- | ----- |
| Gross profit | 119 | 10 | 129 |
| Selling, general and administrative expenses (SG&A) | 60 | 7 | 67 |
| Research and development costs (R&D) | 10 | 23 | 33 |
| | ----- | ----- | ----- |
| Earnings before interest, other charges, net, and taxes (EFO) | \$ 49 | \$ (20) | \$ 29 |
| | ===== | ===== | ===== |

NEW STRUCTURE

| | Commercial Imaging | Graphic Communications | All Other | RSS Disc. Ops. | Sub- Total |
|-----------|-----------------------|---------------------------|--------------|----------------------|---------------|
| Net sales | \$ 216 | \$ 87 | \$ 23 | \$ 130 | \$ 456 |
| COGS | 139 | 85 | 14 | 89 | 327 |
| | ----- | ----- | ----- | ----- | ----- |

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| | | | | | |
|--------------|-------|---------|---------|-------|-------|
| Gross profit | 77 | 2 | 9 | 41 | 129 |
| SG&A | 36 | 14 | 7 | 10 | 67 |
| R&D | 4 | 6 | 21 | 2 | 33 |
| | ----- | ----- | ----- | ----- | ----- |
| EFO | \$ 37 | \$ (18) | \$ (19) | \$ 29 | \$ 29 |
| | ===== | ===== | ===== | ===== | ===== |

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For the year ended Dec. 31, 2003

(in millions)

OLD STRUCTURE

| | Commercial Imaging | All Other | Sub- Total |
|--|-----------------------|--------------|---------------|
| Net sales | \$ 1,559 | \$ 95 | \$ 1,654 |
| Cost of goods sold (COGS) | 1,135 | 73 | 1,208 |
| | ----- | ----- | ----- |
| Gross profit | 424 | 22 | 446 |
| Selling, general and administrative expenses (SG&A) | 207 | 30 | 237 |
| Research and development costs (R&D) | 51 | 70 | 121 |
| | ----- | ----- | ----- |
| Earnings before interest, other charges, net, and taxes (EFO) | \$ 166 | \$ (78) | \$ 88 |
| | ===== | ===== | ===== |

NEW STRUCTURE

| | Commercial Imaging | Graphic Communications | All Other | RSS Disc. Ops. | Sub- Total |
|--------------|-----------------------|---------------------------|--------------|----------------------|---------------|
| Net sales | \$ 791 | \$ 346 | \$ 93 | \$ 424 | \$ 1,654 |
| COGS | 522 | 299 | 69 | 318 | 1,208 |
| | ----- | ----- | ----- | ----- | ----- |
| Gross profit | 269 | 47 | 24 | 106 | 446 |
| SG&A | 134 | 37 | 30 | 36 | 237 |
| R&D | 23 | 23 | 69 | 6 | 121 |
| | ----- | ----- | ----- | ----- | ----- |
| EFO | \$ 112 | \$ (13) | \$ (75) | \$ 64 | \$ 88 |
| | ===== | ===== | ===== | ===== | ===== |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

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EASTMAN KODAK COMPANY
(Registrant)

Date: June 3, 2004

/s/ Richard G. Brown, Jr.
Richard G. Brown, Jr.
Controller
