

# Kodak Reports to You

Highlights from our 1949 Annual Report



WE recently mailed our 1949 Annual Report to Kodak's 33,000 shareholders, of whom some 11,250 live in or near Rochester. We feel, however, that many other people in the community may be interested in reading a short account of our business for the year.

In presenting this account, I should like once again to express a "well done" to Kodak men and women and a "welcome" to the people of this area to visit our plants.

*George Eastman*  
PRESIDENT

## THE YEAR IN FOCUS

"IN 1949 our plants were generally able to produce as much as or more than our markets demanded. For most of our product lines, this was true for the first time since the end of the war. As with many other businesses in this country, the company was affected by what some economists have termed a 'high-level recession.' This was the picture in brief:

**SALLES:** "Our total sales in dollars (\$396.2 million) were high—only 4½ percent below our peak year, 1948. But, at the same time, there was no uniform sales pattern. . . . Most of our films, papers, and chemicals in 1949 sold at levels close to or above the previous year. Cameras, lenses, and other photographic apparatus, however, were considerably under 1948. Our synthetic textile products, yarn and staple . . . slumped in the spring but by late summer swung back to capacity production and sales."

**EARNINGS:** "Net earnings for 1949 (\$49.7 million) were below 1948 by about 3 percent. Cash dividends declared on the common stock in 1949 totaled \$1.70 a share compared with \$1.60 the year before. In addition, a one-for-twenty common stock dividend was voted in both years . . .

"To meet changing market conditions and to promote as stable employment as possible, we took these main steps: brought out new

better products in all major lines; increased our advertising; improved our research facilities; and generally tried to strengthen our sales and service activities."

**FINANCIAL POSITION:** "The company has been able to maintain a sound financial position. Our liabilities, for example, are made up only of current obligations. We have no long-term or bank debts." (Net assets: \$318.5 million)

**PLANT IMPROVEMENTS:** "Approximately \$30 million was spent during the year to improve our plants, machinery, and equipment. (Of this, \$20 million was spent in Rochester). . . . These projects, largely deferred during the war, have helped greatly to make our production methods more efficient, to set up better research facilities, and to provide good working conditions for Kodak men and women."

**PEOPLE:** "As already explained, sales of some products fell sharply in 1949. With regret, therefore, we had to adjust our production and employment to meet these changes in demand. Some layoffs and short work schedules were necessary. Most affected were Tennessee Eastman, Camera Works, and Hawk-Eye Works."

"Our employment at the year's end in the United States was 42,000—about 14 percent below 1948, yet on a par with the highest wartime

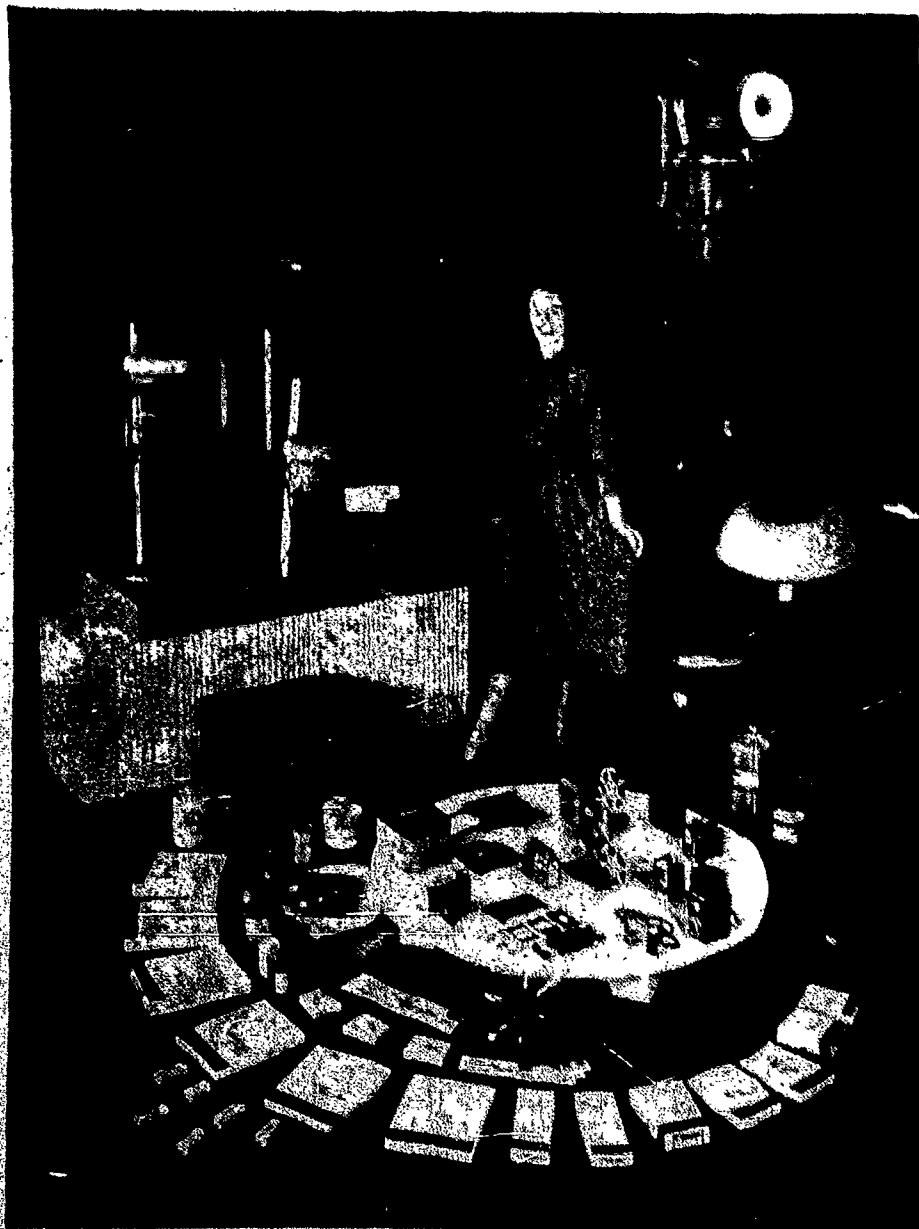
figure. In contrast, the year-end figure of pre-war 1940 was 27,800. These comparisons are significant. They show the growth of our business and employment over a decade of war and peace.

	1949	1941	1940
	(Year End)	(War High)	(Year End)
Rochester	28,700	30,100	18,500
Tennessee Eastman	7,700	7,100	5,700
United States Total	42,000	42,000	27,800

"We believe that maintenance of our employment will be helped by the research, advertising, sales and production activities previously mentioned. These efforts will be continued."

(Our 1949 payroll: \$149.3 million; employee benefits: \$37.5 millions)

**WHAT'S AHEAD IN 1950:** "The answer to that question cannot, we believe, be a very definite one. Much depends, of course, on economic and political conditions throughout the world. Businessmen and economists seem generally agreed that business in the first half of 1950, at least, should continue close to 1949 levels. We feel that this conclusion also applies to the business prospects of our company. Therefore, barring economic upsets that we cannot foresee, we expect that the company's sales will continue at a relatively high level."

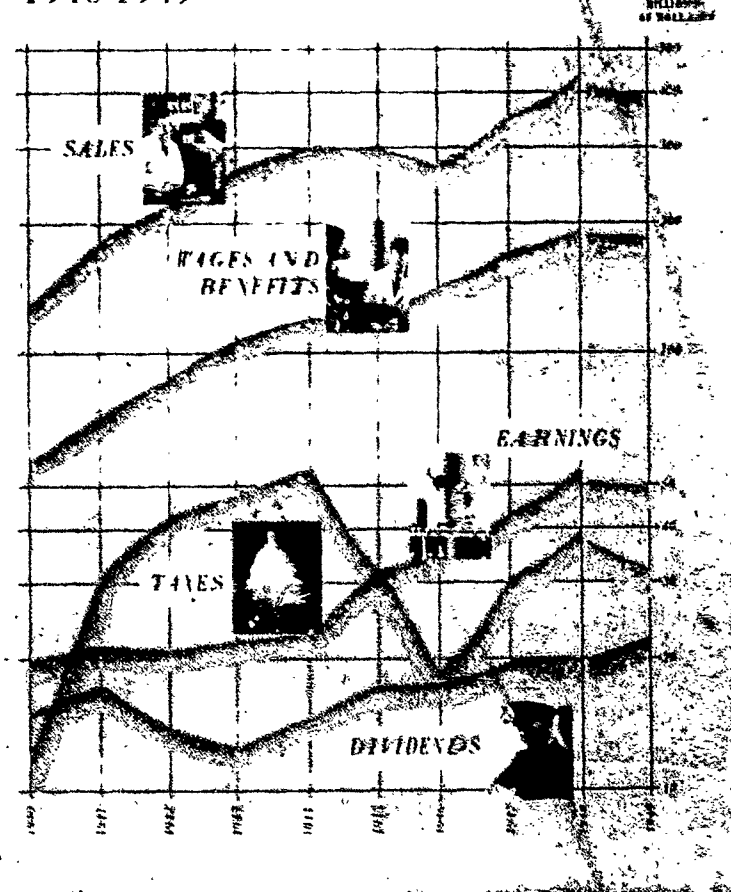


**PRODUCT PROGRESS**—Photo above (from the report) shows some of the new Eastman Kodak products introduced in 1949. They include films, papers, chemicals (foreground); cameras and apparatus (circular table); enlargers, Recordak unit, photo-printer, light, and containers of vitamin concentrates (surrounding model). Below displays cases containing Eastman acetate yarn.



Representative of the thousands of persons who visit Kodak plants each year are those pictured above. The uppermost photo shows a group on a guided tour of Kodak Park; bottom, left, Kodak people and their families trying out a new company product at an "open house"; bottom, right, visitors learning how Kodak roll films are wrapped and boxed.

1940-1949



This chart shows trends in our business over the past ten years. Use the top of the heavy lines to determine actual figures. The break in the heavy lines indicates a change to a new basis of presenting our financial information, namely for our U. S. companies and subsidiaries rather than for those throughout the Western Hemisphere.

You may have a copy of the complete, 36-page, illustrated 1949 Annual Report upon request. Please address: Eastman Kodak Co., Public Relations Dept., 343 State St., Rochester 4, N. Y.

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