

EASTMAN CENTENNIAL YEAR. 1954 is the one-hundredth year since the birth of George Eastman, founder of Eastman Kodak Company and father of modern photography.

A report to the community based upon Eastman Kodak Company 1953 Annual Report

KODAK 1953 SALES UP, 1954 OUTLOOK GOOD

Earnings, taxes, pay rolls, benefits are up

Figures	1953	1952	Kodak People, Share Owners, End of Year	1953	1952
Sales	\$634,575	\$581,115	Employees in World	73,200	71,700
Earnings before taxes	133,115	115,000	Employees in U. S.	51,900	52,400
Income and excise tax	83,400	75,000	Employees in Rochester	36,900	35,600
Net earnings	50,440	40,000	Kodak Share Owners	15,500	15,000
Pay rolls and benefits	272,250	260,000			

Net earnings reflect effects of high taxes, but are 9% over 1952

In 1953, customers bought more of Kodak products than ever before. Our sales set a new record at \$634 million, an increase of 9% over 1952. Kodak's second best sales year.

Photography—and color photography in particular—has grown and broadened since World War II. This trend continued in 1953.

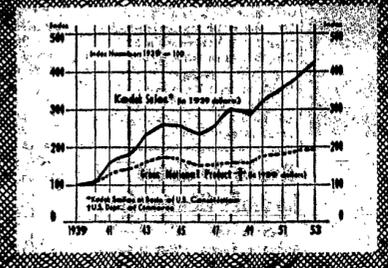
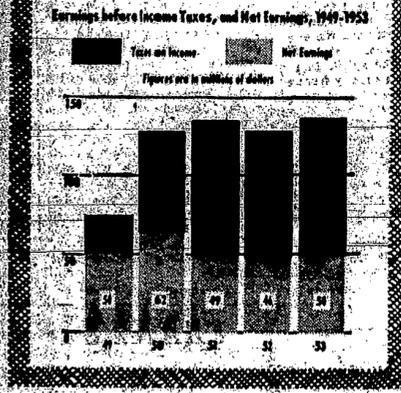
Kodak photographic products are sold principally in Rochester. Employment here at the close of 1953 was 3 percent higher than at the end of 1952. Pay rolls and benefits of Kodak Rochester people totaled \$265 million.

Plastics, chemical sales also good in 1953 for our plants and industrial chemical sales. And the dollar amount of the company's domestic business was slightly higher.

Reflecting unstable conditions in the textile fields, sales of cellulose acetate yarn and rayon fibers were below 1952. Chromopan, our new color-locked acetate fiber, however, showed a good increase for the year.

Earnings up, taxes higher
Kodak's earnings, before taxes on income of \$133 million were the largest to date, 6 percent over 1952. Total taxes also were higher and were \$87.5 million in 1953. Taxes amounted to about 35 percent of common stock. Net earnings at \$50.4 million were the third highest to date and were up 25 percent over 1952.

All told, 1953 was one of the best years Kodak has had. The company's management is optimistic about doing a good business in 1954.



Sales in 1953 were \$634 million, the highest sales total to date

IN NEARLY ALL of the past fifteen years, Kodak sales have risen faster than have total expenditures in the U. S. for all goods and services.

This upward trend—which continued in 1953—is an important fact about the business. It indicates that Kodak's continuing effort to broaden our markets and to offer many new and better products at reasonable prices has been worth while—our products are competing successfully.

of \$126 million, this was not out of proportion to the increase in the company's business. Excess inventory turnover was good and there were no overstocks of any significant amount.

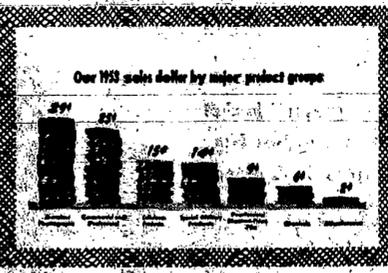
Cash dividends higher
Kodak's earnings in 1953 were \$2.86 per common share on the increased number of shares outstanding resulting from the stock dividend paid in May, 1953. This compared with earnings of \$2.74 reported for the year 1952.

Better plants, new and improved products, aid Kodak sales gain

In 1953, Kodak sales, adjusted for changes in company selling prices, were over four times their 1933 amount. In the same interval, expenditures for all goods and services in the U. S. (Gross National Product) in terms of 1939 dollars approximately doubled.

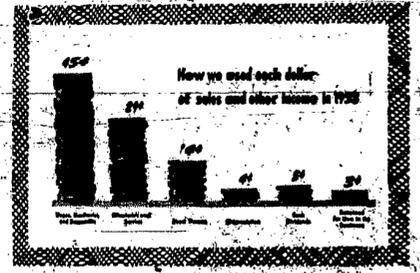
Our products, plants, and production improvements enabled us to sell our products at prices attractive to more and more customers. Also, during recent years the company has been adding many new and improved products to the lines. These factors have helped to make year after year growth more rapid than the growth in the U. S.—economy as a whole.

WHERE THE MONEY CAME FROM—HOW IT WAS USED



The company was in sound financial condition throughout the year. Working capital increased \$9 million, from \$180 million to \$189 million. Net assets, at the close of 1953, were \$419 million, an increase of about \$19 million, which represents the addition to the total equity of share owners.

While investments increased by about \$3.6 million during the year, to a total



OUTPUT MADE GAINS; KODAK TO INVEST \$52 MILLION IN 1954

Gains made in plant, production and improvement programs



Plant investment total for Rochester will be \$27 million

In 1953, Kodak invested \$39 million in new plants and equipment. Of this total, approximately \$27 million was invested in our Rochester plants and offices.

For the past 8 years, 1946-1953, the company has spent \$293 million on new and improved plants and equipment—an average of \$37 million per year. About half of this large total has been invested in Rochester. Another 25 percent was used by Tennessee Eastman, Kingsport, Tennessee. The new Tennessee plant at Longview, Texas, required approximately \$4 million. This balance was used for other domestic companies and divisions.

Higher budget for 1954
Kodak has planned a new, high total for capital expansion and improvement for 1954. Approximately \$52 million is budgeted for the year. Of the total, approximately \$27 million will be used for new plants, better equipment, and improved methods in our Rochester establishments.

Good progress in research

Our research laboratories made good progress in 1953. The results of research were put to use in many new products and processes. Our laboratories also made forward steps in their important studies of fundamental scientific problems that underlie our business.

While continuing the company's steady program to develop new and improved products, the laboratories did expanded work in color, in materials for graphic arts, and made new advances to aid television's use of photographic materials.

The laboratories at Tennessee Eastman expanded their activities on new materials for yarns, fibers, and plastics.

One aspect of the work of our foreign laboratories was their increased emphasis on color photography.

OUTLOOK IS GOOD

At Kodak, it is felt that we shall have to work harder for the business we get in 1954. But the company is prepared to meet this challenge. New products and services are being developed along steadily from our research and development departments. Our plants and equipment are in good shape for efficient production, and the men and women of the company know how to use these facilities efficiently. Our sales and advertising people are ready with new programs.

All in all, the company is optimistic about doing a good business in 1954. Assuming that there is no sudden or serious drop in business generally, the management feels that the company's sales can be maintained at about the level of 1953, our best sales year.

New sales, advertising programs planned

Sales progress furthered by extra selling effort, added customer service
Kodak's new sales record of \$634 million for 1953 reflected increased selling effort and improved service to customers. The sales program for 1954 is aimed for increased selling in the many company fields.

Added service will be available in 1954 with the opening of our new Southeastern Sales Division and processing laboratory at Chamblee (near Atlanta), Georgia. Improved service will also be available in the Northeast and in the West with the opening of our two new processing laboratories at Fair Lawn, New Jersey, and Palo Alto, California.

Progress made gains
In 1953, photographic products were about 66 percent of total sales, compared with 65 percent in 1952. Increased sales of Kodak by our patterns has been a strong factor in Kodak's business in all recent years.

The pictures, left, show some products made in Kodak's Rochester plants and by Tennessee Eastman that influenced our 1953 business. Many new products will be offered in 1954.

Advertising expanded in 1953
Kodak's 1953 advertising program was an expanded one. The main campaigns presented the company's products and name to the public widely and consistently. Special campaigns were used to introduce and sell the company's new products—for example, Verifax Printer, the Brownie Movie Camera and Projector, and Duo-Pak Kodak's popular roll film in the two-roll carton.

New new programs planned
New programs for 1954 will extend and broaden the company's promotional

MANY NEW OR IMPROVED PRODUCTS WERE INTRODUCED TO THE MARKET IN 1953

Verifax Printer makes copies fast in low cost.	Minox, made by D.P.I., makes tiny film.	Brownie Projector for home and travel.	New TEC product, Half Second Brownie Camera, cartoon on package.	Kodak film in Duo-Pak.
Brownie Projector makes home movies.	Brownie Movie Camera, the most of TEC's.	Brownie Projector, the most of TEC's.	Brownie Projector, the most of TEC's.	Brownie Projector, the most of TEC's.
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For a copy of the complete 1953 Annual Report, please address Eastman Kodak Company, Public Relations Department, 100 State Street, Rochester 1, New York. Pictures are released at Kodak. Complete hours of Kodak film short of 1.30 in. and 1.20 in. and of 16 mm. and 8 mm. film. We should be happy to have you visit us.