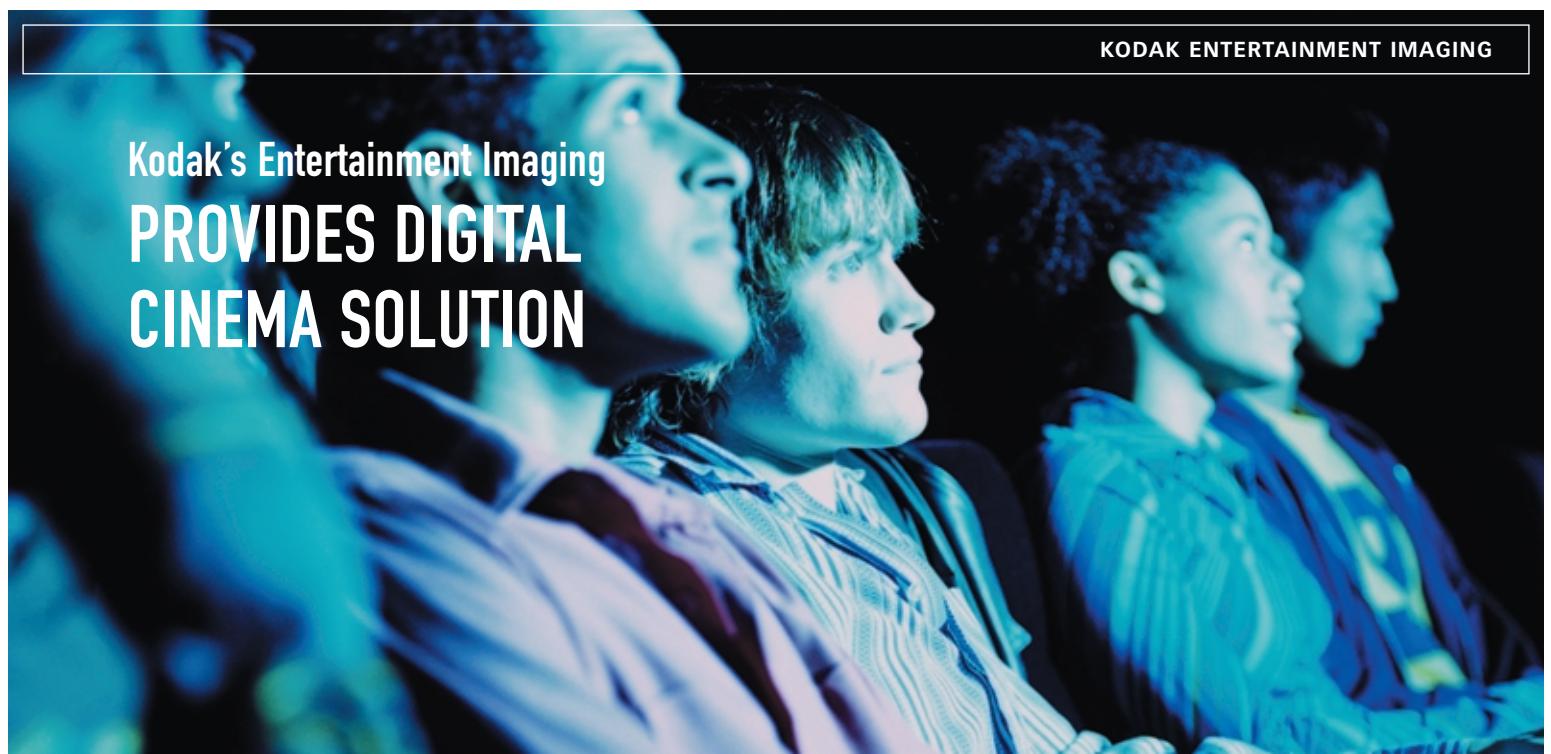


Kodak's Entertainment Imaging PROVIDES DIGITAL CINEMA SOLUTION



Industry analysts predict that there will be 6,000 to 7,000 installed digital screens worldwide by the end of 2005.

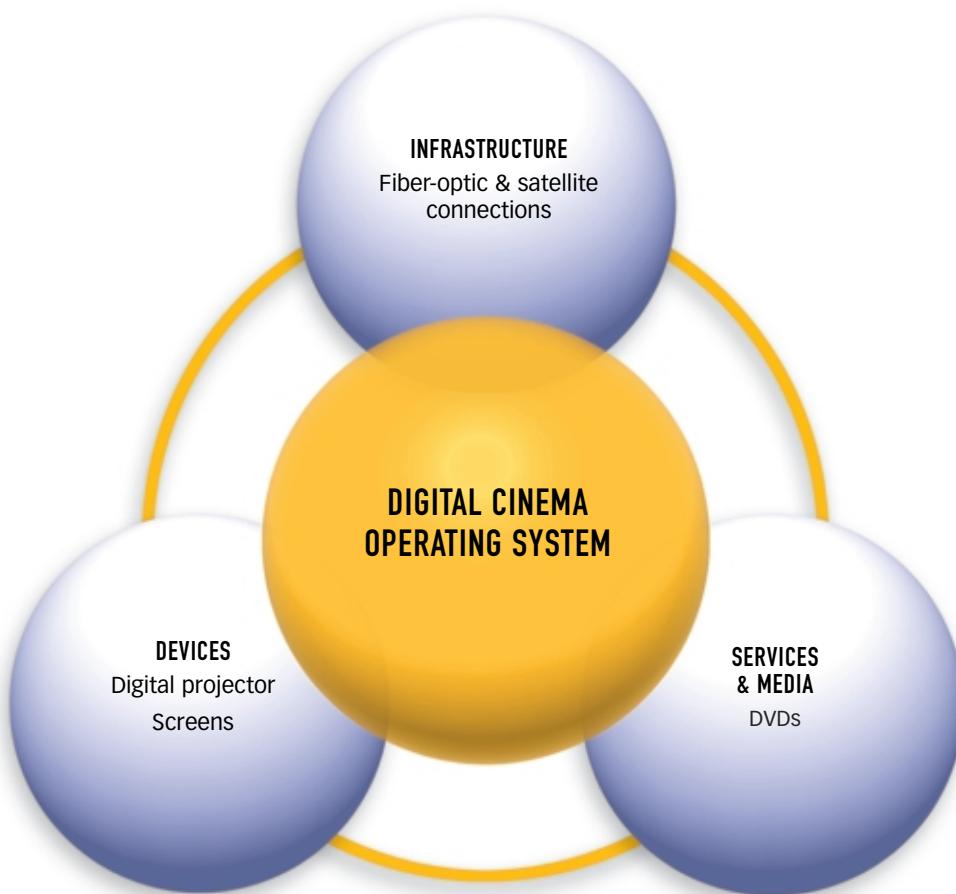
OVERVIEW: BEFORE INFOIMAGING

Currently, staff at local movie theaters have to undertake a number of labor-intensive tasks to prepare a motion picture for projection in a theater. And this process has to be replicated with each individual motion picture. Kodak, however, is developing Digital Cinema technologies that will enable functions that are time-consuming and labor-intensive today to be performed with the click of a mouse.

INFOIMAGING IN ACTION

Although film-based projection systems will show the majority of motion pictures for long into the future, there is a growing interest in Digital Cinema. With a Digital Cinema system, all motion picture content (feature films, movies, trailers, snipes, ads, etc.) will be received as digital files—instead of being received on large reels, which have to be spliced together and joined to trailers and other film elements. In the beginning, those digital files will come on DVDs (**media**), but eventually, satellites (**infrastructure**) will be used.

Once any content has been stored in the main server (**infrastructure**), which is part of the Kodak Digital Cinema Operating System, it can be combined with all other content in appropriate ways to create the "playlist" for each theater. Then, again using a computer keyboard with unique Kodak software (**infrastructure**), theater managers can schedule, distribute and play the digital files—using digital projectors (**devices**)—on their cinema screens. Kodak's high-quality, high-resolution, high-brightness digital projectors combine JVC's 3-million-pixel chips with Kodak's color management technology, putting more than twice the image resolution on the screen than any other digital projector. The Kodak Digital Cinema Operating System and digital projector, now in advanced prototype stage, are part of an end-to-end solution that involves the preparation, distribution, protection and projection of images—in ways that preserve and extend the uniqueness of the cinema experience.



Kodak expects to install its first complete Digital Cinema System in early 2003.

INFOIMAGING'S IMPACT

- Kodak's Digital Cinema Operating System is currently being tested in the Mann's multiplex in Los Angeles. Kodak plans to begin beta testing a commercial version of the system later this year.
- Kodak's Digital Cinema system offers studios a reliable and cost-effective means to distribute movies and other content in ways that protect them from piracy, enable them to more rapidly respond to market enthusiasm and provide the opportunity to faithfully deliver to the screen the "look" and color the filmmaker intended.
- Today, there are approximately 100 digitally equipped screens. (More than 100,000 screens have film projection systems). Analysts expect there may be 6,000 to 7,000 installed digital screens worldwide by the end of 2005.

For more information about infoimaging, go to:
www.kodak.com/go/infoimaging