

# EASTMAN KODAK COMPANY

## Offer to Purchase for Cash Up to \$100,000,000 Aggregate Principal Amount of its 7.25% Senior Notes due 2013 (CUSIP No. 277461BD0)

The Tender Offer will expire at 9:00 a.m., New York City time, on March 4, 2010, unless extended or earlier terminated by the Company (such date and time, as they may be extended, the "Expiration Date"). You must validly tender your Securities (as defined below) on or prior to the Expiration Date to be eligible to receive the Tender Offer Consideration (as defined below). To receive the Total Consideration (as defined below), including the Early Tender Premium (as defined below), you must validly tender your Securities on or prior to 5:00 p.m., New York City time, on February 11, 2010, unless extended or earlier terminated (such date and time, as they may be extended, the "Early Tender Date").

Tendered Securities may be withdrawn from the Tender Offer on or prior to, but not after, 5:00 p.m., New York City time, on February 11, 2010, unless extended or earlier terminated (such date and time, as they may be extended, the "Withdrawal Deadline"). Tendered Securities may not be withdrawn after the Withdrawal Deadline unless the Company amends the Tender Offer in a manner materially adverse to tendering Holders (as defined below) or is otherwise required by law to permit withdrawal.

Upon the terms and subject to the conditions described in this Offer to Purchase, the Letter of Transmittal and any amendments or supplements to the foregoing, Eastman Kodak Company, a New Jersey corporation (the "Company"), hereby offers (the "Tender Offer") to purchase for cash up to \$100,000,000 in aggregate principal amount (the "Maximum Tender Amount") of the Company's outstanding 7.25% Senior Notes due 2013 (the "Securities"). The Tender Offer is open to all registered holders (individually, a "Holder", collectively, the "Holders") of the Securities.

The consideration for each \$1,000 principal amount of Securities validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer will be \$910.00 (the "Tender Offer Consideration"). Holders of Securities that are validly tendered at or prior to the Early Tender Date and accepted for purchase will receive the Tender Offer Consideration plus an early tender premium of \$40.00 per \$1,000 principal amount of Securities (the "Early Tender Premium" and, together with the Tender Offer Consideration, the "Total Consideration"). Holders of Securities tendered after the Early Tender Date but before the Expiration Date and accepted for purchase will receive the Tender Offer Consideration, but not the Early Tender Premium. All such consideration will be payable on the Settlement Date (as defined below), together with accrued and unpaid interest on the Securities from the last interest payment date to, but not including, the Settlement Date.

If the aggregate principal amount of Securities validly tendered exceeds the Maximum Tender Amount and the Company accepts Securities for purchase, it will purchase an amount of Securities that is prorated based on the aggregate principal amount of Securities tendered, rounded down to the nearest integral multiple of \$1,000. As a result, some validly tendered Securities may be returned. The amount of Securities returned will depend on the level of participation in the Tender Offer. The Company reserves the right to increase or waive the Maximum Tender Amount in its sole discretion, subject to compliance with applicable law, and does not intend to grant withdrawal rights at such time.

The following table sets forth the material pricing terms of the Tender Offer:

Title of Security	CUSIP Number	Principal Amount Outstanding	Maximum Tender Amount	Dollars per \$1,000 Principal Amount of Securities		
				Tender Offer Consideration	Early Tender Premium	Total Consideration
7.25% Senior Notes due 2013	277461BD0	\$500,000,000	\$100,000,000	\$910.00	\$40.00	\$950.00

The Dealer Manager for the Tender Offer is:

**Citi**

February 3, 2010

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## IMPORTANT DATES

You should take note of the following dates in connection with the Tender Offer:

<b><u>Date</u></b>	<b><u>Calendar Date</u></b>	<b><u>Event</u></b>
Early Tender Date	5:00 p.m., New York City time, February 11, 2010, unless extended or earlier terminated by the Company in its sole discretion.	The last time for you to tender Securities in order to qualify for the payment of the Total Consideration, which includes the Early Tender Premium.
Withdrawal Deadline	5:00 p.m., New York City time, February 11, 2010, unless extended or earlier terminated by the Company in its sole discretion.	The last time for you to validly withdraw tenders of Securities.
Expiration Date	9:00 a.m., New York City time, March 4, 2010, unless extended or earlier terminated by the Company in its sole discretion.	The last day for you to tender Securities pursuant to the Tender Offer.
Acceptance Date	The Company expects that this date will be promptly following the Expiration Date.	Acceptance for purchase by the Company of Securities validly tendered on or prior to the Expiration Date, subject to proration.
Settlement Date	The Company expects that this date will be the same as the Acceptance Date.	The Company will deposit with the Depository or with The Depository Trust Company (“DTC”) the amount of cash necessary to pay the Total Consideration or Tender Offer Consideration, as applicable, plus accrued and unpaid interest to, but not including, the Settlement Date for your accepted Securities. The Company shall have no obligation to pay interest by reason of any delay by the Depository or DTC in making payments to Holders.

## ABOUT THE TENDER OFFER

The Company's obligation to accept for payment and to pay for the Securities in the Tender Offer is subject to the satisfaction or waiver of a number of conditions, including (i) the raising of not less than \$100,000,000 of second lien debt on terms reasonably satisfactory to the Company in order to finance the Tender Offer (the "Additional Financing") and (ii) the entry into an amendment to the Company's Amended and Restated Credit Agreement, dated as of March 31, 2009, as amended, with the lenders party thereto and Citicorp USA, Inc., as agent, on terms reasonably satisfactory to the Company, to permit the Additional Financing (the "Credit Agreement Amendment"). See "The Terms of the Tender Offer — Conditions to the Tender Offer."

The consideration for each \$1,000 principal amount of Securities validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer will be the "Tender Offer Consideration" set forth in the table on the cover page of this Offer to Purchase. Holders of Securities that are validly tendered at or prior to the Early Tender Date and accepted for purchase will receive the "Total Consideration" set forth in the table on the cover page of this Offer to Purchase, which is equal to the Tender Offer Consideration plus the "Early Tender Premium" set forth in the table on the cover page of this Offer to Purchase. Holders of Securities tendered after the Early Tender Date but before the Expiration Date and accepted for purchase will receive the Tender Offer Consideration, but not the Early Tender Premium. All such consideration will be payable on the Settlement Date (as defined below).

In addition to the Tender Offer Consideration or the Total Consideration, as applicable, all Holders of Securities accepted for purchase will also receive accrued and unpaid interest on those Securities from the last interest payment date to, but not including, the Settlement Date.

The "Settlement Date" for the Securities will be the date on which the Company deposits with the Depository or with DTC the amount of cash necessary to pay the Total Consideration or Tender Offer Consideration, as applicable, plus the accrued and unpaid interest described above. The Company anticipates that the Settlement Date for Securities will be the same as the date on which the Company accepts validly tendered Securities for purchase (the "Acceptance Date"). No tenders will be valid if submitted after the Expiration Date.

If you validly tender your Securities prior to the Withdrawal Deadline, you may validly withdraw your tendered Securities at any time prior to the Withdrawal Deadline. After such time, you may not withdraw your Securities unless the Company amends the Tender Offer in a manner materially adverse to tendering Holders or is otherwise required by law to permit withdrawal, in which case withdrawal rights will be extended as the Company determines to be appropriate or as required by law. In the event of a termination of the Tender Offer, the Securities tendered pursuant to the Tender Offer will be promptly returned.

See "Certain U.S. Federal Income Tax Considerations" for a discussion of certain factors that should be considered in evaluating the Tender Offer.

**IF YOU DO NOT TENDER YOUR SECURITIES THEY WILL REMAIN OUTSTANDING. IF THE COMPANY CONSUMMATES THE TENDER OFFER, THE TRADING MARKET FOR YOUR OUTSTANDING SECURITIES MAY BE SIGNIFICANTLY MORE LIMITED. FOR A DISCUSSION OF THIS RISK, SEE "MARKET AND TRADING INFORMATION."**

## IMPORTANT INFORMATION

The Securities are represented by a global certificate registered in the name of Cede & Co., the nominee of DTC. DTC is the only registered holder of the Securities. DTC facilitates the clearance and settlement of securities transactions through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.

If your Securities are held by a broker, dealer, commercial bank, trust company, custodian or other nominee and you desire to tender such Securities in the Tender Offer, you must contact your nominee and instruct the nominee to tender your Securities on your behalf.

To properly tender Securities, the Depository must receive, prior to the Expiration Date:

- a timely confirmation of book-entry transfer of such Securities; and
- a properly completed and duly executed Letter of Transmittal or an agent's message through the automated tender offer program ("ATOP") of DTC.

There are no guaranteed delivery procedures provided by the Company in order to properly tender Securities in the Tender Offer. For more information regarding the procedures for tendering your Securities, see "The Terms of the Tender Offer — Procedure for Tendering Securities."

Requests for additional copies of this Offer to Purchase and requests for assistance relating to the procedures for tendering Securities may be directed to the Information Agent at the address and telephone number on the back cover page of this Offer to Purchase. Requests for assistance relating to the terms and conditions of the Tender Offer may be directed to the Dealer Manager at its address and telephone number on the back cover page of this Offer to Purchase. If a broker, dealer, commercial bank, trust company, custodian or other nominee holds your Securities, you may contact your nominee for assistance regarding the Tender Offer.

**None of the Company, its board of directors, the Depository, the Information Agent, the Dealer Manager or the indenture trustee with respect to the Securities makes any recommendation that you tender or refrain from tendering all or any portion of the principal amount of your Securities, and no one has been authorized by any of them to make such a recommendation. You must make your own decision as to whether to tender your Securities, and, if so, the principal amount of Securities to tender.**

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**You should read this Offer to Purchase and the Letter of Transmittal carefully before making a decision to tender your Securities.**

The Company has not filed this document with, and it has not been reviewed by, any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of this document and it is unlawful and may be a criminal offense to make any representation to the contrary.

This document and related documents do not constitute an offer to buy or the solicitation of an offer to sell Securities in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer will be deemed to be made by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Neither the delivery of this document and related documents nor any purchase of Securities by the Company will, under any circumstances, create any implication that the information contained in this document or in any related document is current as of any time subsequent to the date of such information.

**No dealer, salesperson or other person has been authorized to give any information or to make any representations with respect to the Tender Offer other than the information and representations contained or incorporated by reference in this Offer to Purchase or in the Letter of Transmittal, and, if given or made, such information or representations must not be relied upon as having been authorized.**

In this Offer to Purchase, the Company has used the convention of referring to all Securities that have been validly tendered and not validly withdrawn as having been "validly tendered."

## WHERE YOU CAN FIND MORE INFORMATION

The Company files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”), as required by the Securities Exchange Act of 1934 (the “Exchange Act”). You may read and copy any materials the Company files with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The Company’s SEC filings also are available to the public at the SEC’s website at <http://www.sec.gov> and from the Company’s website at <http://www.kodak.com>.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This Offer to Purchase “incorporates by reference” information that the Company has filed with the SEC under the Exchange Act. This means that the Company is disclosing important information to you by referring you to those documents. Any statement contained in this Offer to Purchase or in any document incorporated or deemed to be incorporated by reference in this Offer to Purchase will be deemed to be modified or superseded for purposes of this Offer to Purchase to the extent that a statement contained in this Offer to Purchase or any subsequently filed document which also is, or is deemed to be, incorporated by reference in this Offer to Purchase modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

The Company incorporates by reference the following documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, until the Tender Offer expires or is terminated:

- its Annual Report on Form 10-K for the year ended December 31, 2008;
- its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009; and
- its Current Reports on Form 8-K filed on January 29, 2009 (with respect to Item 2.05), February 4, 2009, March 2, 2009, March 24, 2009, April 3, 2009, April 30, 2009 (with respect to Item 5.02), June 1, 2009, June 18, 2009, June 22, 2009, June 29, 2009, September 16, 2009, September 17, 2009 (except for Item 7.01), September 18, 2009 (except for Item 7.01), September 23, 2009, September 30, 2009, December 4, 2009, December 23, 2009, January 11, 2010 and January 28, 2010 (including Item 2.02 and exhibits related thereto).

In no event, however, will any of the information the Company furnishes rather than files with the SEC, pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K (including exhibits related thereto) or other applicable SEC rules, be incorporated by reference into, or otherwise be included in, this Offer to Purchase, unless such information is expressly incorporated herein by a reference in such furnished Current Report on Form 8-K or other furnished document. You may request a copy of any of the above filings at no cost, by contacting the Company at 343 State Street, Rochester, New York, 14650, telephone: (585) 724-4000. The above SEC filings are also available to the public on the Company’s website at [www.kodak.com](http://www.kodak.com). Information on the Company’s website is not part of this Offer to Purchase.

## FORWARD-LOOKING STATEMENTS

This Offer to Purchase and the documents incorporated herein by reference contain “forward-looking statements” that are based on current expectations, estimates, beliefs, assumptions and projections about the Company’s business. Words such as “expects,” “anticipates,” “intends,” “targets,” “plans,” “believes,” “seeks,” “estimates,” “may,” “will,” “should” and variations of such words, and similar expressions, are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors. Such factors include, but are not limited to, changes in the market and price for the Company’s securities, changes in the Company’s business and financial condition, changes in the debt markets in general, increased competition, adverse economic conditions in the U.S. and internationally, including adverse economic conditions in the specific markets for the Company’s products, adverse business conditions, failure to design, develop and manufacture new products, lack of success in technological advancements, lack of acceptance of new products, unexpected changes in the demand for the Company’s products and services, the inability to successfully manage inventory pricing pressures, failure to reduce costs or improve operating efficiencies, changes to and compliance with international laws and regulations, currency fluctuations, and the Company’s ability to attract, hire and retain key and qualified employees. Important factors that could cause actual outcomes to differ materially from the forward-looking statements include, among others, the risks, uncertainties, assumptions and factors specified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, and Exhibit 99.2 to the Company’s Current Report on Form 8-K filed on September 16, 2009, under the headings “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Cautionary Statement Pursuant to Safe Harbor Provisions the Private Litigation Reform Act of 1995” and in other filings the Company makes with the SEC from time to time.

These forward-looking statements speak only as of the date on which they are made, and, except as required by law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this Offer to Purchase. If the Company does update or modify one or more forward-looking statements, you should not conclude that the Company will make additional updates or modifications with respect thereto or with respect to other forward-looking statements, except as required by law.

## SUMMARY

*The following summary is provided solely for your convenience. This summary is not intended to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere or incorporated by reference in this Offer to Purchase or any amendments or supplements hereto. Each undefined capitalized term used in this Summary has the meaning set forth elsewhere in this Offer to Purchase. You are urged to read this Offer to Purchase in its entirety. When this Summary or the Offer to Purchase uses the words “the Company,” “we,” “us” and “our,” they refer to Eastman Kodak Company, a New Jersey corporation, unless otherwise stated or the context otherwise requires.*

The Offeror.....	Eastman Kodak Company, a New Jersey corporation
The Securities .....	7.25% Senior Notes due 2013
The Tender Offer.....	We are offering to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase, up to \$100,000,000 in aggregate principal amount of Securities.
Total Consideration .....	The Total Consideration for each \$1,000 principal amount of Securities tendered and accepted for payment pursuant to this Offer to Purchase shall be a price equal to the amount shown on the cover page of this Offer to Purchase, payable to Holders who validly tender their Securities at or prior to the Early Tender Date. The Total Consideration includes an Early Tender Premium of \$40.00 per \$1,000 principal amount of Securities. In addition, each Holder will receive accrued and unpaid interest on such \$1,000 principal amount of Securities from the last interest payment date to, but not including, the Settlement Date.
Tender Offer Consideration.....	Holders who validly tender their Securities after the Early Tender Date but at or prior to the Expiration Date will receive only the Tender Offer Consideration, which is the Total Consideration less the Early Tender Premium. Accrued interest from the last interest payment date to, but not including, the Settlement Date, will also be payable.
Purpose of the Tender Offer .....	The Company is making the Tender Offer at this time in light of recently improved conditions in the debt markets that may allow the Company to extend the maturity of its existing debt, thereby further improving its capital structure.
Tender Offer Procedure.....	We are offering to purchase up to the Maximum Tender Amount. If the aggregate principal amount of Securities validly tendered exceeds the Maximum Tender Amount and the Company accepts Securities for purchase, we will purchase an amount of Securities that is prorated based on the aggregate principal amount of Securities tendered, rounded down to the nearest integral multiple of \$1,000.

We reserve the right to increase or waive the Maximum Tender Amount in our sole discretion, subject to compliance with applicable law. There can be no assurance that we will exercise our right to increase the Maximum Tender Amount. We may increase the Maximum Tender Amount for the Securities without reinstating withdrawal rights.

Other Purchases of Securities ..... We may from time to time purchase any Securities that remain outstanding after the Expiration Date through open market purchases or privately negotiated transactions, one or more additional tender or exchange offers or otherwise, on terms that may or may not be equal to the Total Consideration or Tender Offer Consideration, or we may exercise any of our rights under the indenture under which the Securities were issued. There can be no assurance as to which, if any, of these alternatives or combination thereof that we will choose to pursue in the future.

Expiration Date..... The Tender Offer will expire at 9:00 a.m., New York City time, on March 4, 2010, unless extended or earlier terminated. If a broker, dealer, commercial bank, trust company, custodian or other nominee holds your Securities, such nominee may have an earlier deadline for accepting the Tender Offer, and you should promptly contact such nominee to determine its deadline.

Early Tender Date ..... The Early Tender Date will be at 5:00 p.m., New York City time, on February 11, 2010, unless extended or earlier terminated.

Settlement Date ..... The Settlement Date will occur promptly after our acceptance for payment of the validly tendered Securities. We anticipate that the Settlement Date will be the same as the Acceptance Date.

Settlement of Accepted Securities ..... Payment of the Total Consideration with respect to the Securities that are validly tendered at or prior to the Early Tender Date, and are accepted for purchase, will be made on the Settlement Date. Payment of the Tender Offer Consideration with respect to the Securities that are validly tendered after the Early Tender Date but at or prior to the Expiration Date, and that are accepted for purchase, also will be made on the Settlement Date.

Conditions of the Tender Offer ..... Our obligation to accept and pay for Securities in the Tender Offer is subject to the satisfaction or waiver of a number of conditions, including (i) the completion by us of the Additional Financing (the “Financing Condition”) and (ii) the entry into the Credit Agreement Amendment (the “Credit Agreement Amendment Condition”). See “The Terms of the Tender Offer — Conditions to the Tender Offer.”

The Tender Offer is not conditioned on any minimum amount of Securities being tendered. Subject to applicable law, we expressly reserve the right, in our sole discretion, to terminate the Tender Offer if the conditions are not satisfied. If the Tender Offer is terminated at any time, the Securities tendered will be promptly returned to the tendering Holders.

How to Tender Securities ..... If you desire to tender your Securities and they are registered in the name of a broker, dealer, commercial bank, trust company, custodian or other nominee, you should contact that nominee promptly and instruct such nominee to tender your Securities on your behalf. To properly tender Securities, the Depositary must receive, prior to the Early Tender Date or the Expiration Date, as applicable:

- a timely confirmation of book-entry transfer of such Securities;

and

- a properly completed and duly executed Letter of Transmittal or an agent’s message through DTC’s ATOP.

See “The Terms of the Tender Offer — Procedure for Tendering Securities.” For further information, please contact the Information Agent or the Dealer Manager, or consult your broker, dealer, commercial bank, trust company, custodian or other nominee, if applicable, for assistance.

Withdrawal of Tenders ..... Securities tendered at or prior to the Withdrawal Deadline may be withdrawn any time at or prior to the Withdrawal Deadline but not thereafter. Securities tendered after the Withdrawal Deadline but prior to the Expiration Date may not be withdrawn unless the Company amends the Tender Offer in a manner materially adverse to tendering Holders or is otherwise required by law to permit withdrawal, in which case withdrawal rights will be extended as the Company determines to be appropriate or as required by law. To validly withdraw Securities from the Tender Offer, Holders must deliver a written or facsimile notice of withdrawal, with the required information (as set forth below under “The Terms of the Tender Offer — Withdrawal of Tenders”) at or prior to the Withdrawal Deadline. We may increase the Maximum Tender Amount for the Securities without reinstating withdrawal rights.

Certain U.S. Federal Income Tax Considerations ..... For a discussion of the material U.S. federal income tax considerations of the Tender Offer applicable to Holders of Securities, see “Certain U.S. Federal Income Tax Considerations.”

Untendered or Unpurchased Securities ..... We will return any tendered Securities that we do not accept for purchase to the tendering Holder without expense. Securities not tendered or otherwise not purchased pursuant to the Tender Offer will remain outstanding. The aggregate principal amount of Securities that remains outstanding after the Tender Offer will be reduced. This may adversely affect the liquidity of and, consequently, the market price for, the Securities that remain outstanding.

Dealer Manager ..... Citigroup Global Markets Inc. is serving as Dealer Manager in connection with the Tender Offer. Its contact information appears on the back cover page of this Offer to Purchase.

The Depository and the Information Agent ..... The Bank of New York Mellon is serving as Depository and Georeson Inc. is serving as Information Agent in connection with the Tender Offer. Requests for additional copies of this Offer to Purchase should be directed to the Information Agent at its address or phone number on the back cover page of this Offer to Purchase.

Brokerage Commissions ..... No brokerage commissions are payable by Holders to us, the Dealer Manager, the Depository or the Information Agent. If your Securities are held through a nominee who tenders the Securities on your behalf, the nominee may charge you a commission for doing

so. You should consult with your nominee to determine whether any charges will apply. See “The Terms of the Tender Offer — Payment for Securities.”

## **THE COMPANY**

Eastman Kodak Company is the world's foremost imaging innovator, providing imaging technology products and services to the photographic and graphic communications markets. The Company was incorporated in 1901. The principal executive offices of the Company are currently located at 343 State Street, Rochester, New York, 14650. The Company's telephone number is (585) 724-4000. Additional information about the Company's business can be found in its periodic filings with the SEC, including its Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. See "Where You Can Find More Information" and "Incorporation of Certain Documents by Reference."

## **PURPOSE OF THE TENDER OFFER**

The Company is making the Tender Offer at this time in light of recently improved conditions in the debt markets that may allow the Company to extend the maturity of its existing debt, thereby further improving its capital structure.

## **SOURCES OF FUNDS**

We are offering to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase, up to the Maximum Tender Amount of the Securities. See "The Terms of the Tender Offer — Tender Offer Procedure." We intend to use the proceeds from the Additional Financing and cash on hand to pay the total price for the Securities accepted for payment.

## THE TERMS OF THE TENDER OFFER

### General

The Securities were issued on October 10, 2003 under the Indenture, dated as of January 1, 1988, as supplemented, between the Company and The Bank of New York, as trustee (the "Trustee"). As of February 2, 2010, there was \$500,000,000 in aggregate principal amount of Securities outstanding.

Upon the terms and subject to the conditions described in this Offer to Purchase, the Letter of Transmittal and any amendments or supplements to the foregoing, we hereby offer to purchase for cash up to the Maximum Tender Amount of the Securities for the Tender Offer Consideration or Total Consideration, as applicable, plus accrued and unpaid interest from the last interest payment date to, but not including, the Settlement Date ("Accrued Interest"), in each case payable on the Settlement Date. Under no circumstances will any interest be payable because of any delay in the transmission of funds by the Depository or DTC.

Validly tendered Securities may be subject to proration because of the Maximum Tender Amount. **For more information regarding possible proration of the Securities, please see "— Tender Offer Procedure" below.**

The Tender Offer commenced on February 3, 2010 and will expire on the Expiration Date. The Tender Offer is open to all registered holders of the Securities.

The Total Consideration for each \$1,000 principal amount of Securities validly tendered (and not validly withdrawn) and accepted for payment pursuant to the Tender Offer shall be a price equal to the amount shown on the cover page of this Offer to Purchase, payable to Holders that validly tender their Securities at or prior to the Early Tender Date. The Total Consideration includes an Early Tender Premium of \$40.00 per \$1,000 principal amount of Securities. Holders that validly tender their Securities after the Early Tender Date but at or prior to the Expiration Date will receive only the Tender Offer Consideration, which is the Total Consideration less the Early Tender Premium.

Securities that are accepted for purchase will only be settled on the Settlement Date. Securities that are validly tendered at or prior to the Early Tender Date, and that are accepted for purchase, will receive the Total Consideration plus Accrued Interest on the Settlement Date. Securities that are validly tendered after the Early Tender Date but at or prior to the Expiration Date, and that are accepted for purchase, will receive the applicable Tender Offer Consideration plus Accrued Interest on the Settlement Date. We anticipate that the Settlement Date will be the same as the Acceptance Date.

No tenders will be valid if submitted after the Expiration Date. If a broker, dealer, commercial bank, trust company, custodian or other nominee holds your Securities, such nominee may have an earlier deadline for accepting the Tender Offer, and you should promptly contact such nominee to determine its deadline.

The Tender Offer is not contingent upon the tender of any minimum principal amount of Securities. Our obligation to accept and pay for Securities validly tendered pursuant to the Tender Offer is conditioned upon satisfaction of the Financing Condition and the other conditions set forth in "— Conditions to the Tender Offer" below. We reserve the right to waive any one or more of the conditions with respect to the Tender Offer at any time.

We also reserve the right, subject to applicable law, to (a) accept for purchase and pay for all Securities validly tendered on or before the Early Tender Date or Expiration Date, as applicable, and to keep the Tender Offer open or extend the Early Tender Date, Withdrawal Deadline or Expiration Date, as applicable, to a later date and time as we may announce; (b) increase the Maximum Tender Amount; (c) waive any or all conditions to Tender Offer; or (d) to the extent any of the general conditions described under "— General Conditions and Events" or the Financing Condition is not satisfied, to terminate or otherwise amend the Tender Offer.

In addition, we reserve the right, at any time prior to the satisfaction of the conditions set forth in "— Conditions to the Tender Offer," subject to applicable law, to amend the Tender Offer in any respect or to terminate

the Tender Offer and return the tendered Securities, in each case by giving written notice of such amendment or termination to the Depository. Any amendment to the Tender Offer will apply to all Securities tendered. We will publicly announce any such extension, amendment or termination in the manner described under “— Announcements.” There can be no assurance that we will exercise our right to extend, terminate or amend the Tender Offer. See “— Expiration Date; Extension; Termination and Amendment.”

**None of us, our board of directors, the Dealer Manager, the Depository, the Information Agent or the Trustee makes any recommendation that Holders tender or refrain from tendering all or any portion of the principal amount of their Securities, and no one has been authorized by any of them to make such a recommendation. Holders must make their own decision as to whether to tender their Securities, and, if so, the principal amount of Securities to tender.**

### **Tender Offer Procedure**

If the aggregate principal amount of Securities that are validly tendered exceeds the Maximum Tender Amount, we will accept for payment only such portion of the Securities that does not result in an aggregate principal amount purchased that is above the Maximum Tender Amount. If the Maximum Tender Amount is sufficient to allow us to accept some, but not all of the validly tendered Securities, the amount of Securities purchased will be prorated based on the aggregate principal amount of Securities validly tendered, rounded down to the nearest integral multiple of \$1,000.

We reserve the right to increase the Maximum Tender Amount at any time in our sole discretion, subject to compliance with applicable law, which could result in purchasing a greater principal amount of Securities in the Tender Offer. There can be no assurance that we will exercise our right to increase the Maximum Tender Amount.

If proration of the tendered Securities is required, we will determine the final proration factor as soon as practicable after the Expiration Date. We will announce results of such proration as described in “— Announcements” below. Holders may obtain such information from the Information Agent or the Dealer Manager and may be able to obtain such information from their brokers.

### **Payment For Securities**

Upon the terms and subject to the conditions of the Tender Offer, on the Settlement Date, we will purchase as many of the validly tendered Securities as we can by application of the Maximum Tender Amount. As noted above, validly tendered Securities may be subject to proration.

In all cases, payment for Securities purchased pursuant to the Tender Offer will be made by the deposit of the Total Consideration or Tender Offer Consideration, as applicable, plus Accrued Interest, in immediately available funds by us on the Settlement Date with the Depository or DTC, which will then transmit such payment to tendering Holders. For purposes of the Tender Offer, we will be deemed to have accepted for purchase up to the Maximum Tender Amount of the Securities validly tendered (or defectively tendered Securities with respect to which we have waived such defect) and not validly withdrawn if, as and when we give oral (confirmed in writing) or written notice thereof to the Depository.

We expressly reserve the right, in our sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for payment of or payment for Securities if any of the conditions to the Tender Offer shall not have been satisfied or waived, or in order to comply, in whole or in part, with any applicable law. See “— Conditions to the Tender Offer.” In all cases, payment by the Depository or DTC of the Total Consideration or Tender Offer Consideration, as applicable, and Accrued Interest, for Securities purchased pursuant to the Tender Offer will be made only after timely receipt by the Depository of (i) timely confirmation of a book-entry transfer of such Securities into the account of the Depository at DTC pursuant to the procedures set forth under “— Procedure for Tendering Securities,” (ii) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or a properly transmitted agent’s message and (iii) any other documents required by the Letter of Transmittal.

If any tendered Securities are not purchased pursuant to the Tender Offer for any reason, such Securities not purchased will be returned promptly, without expense, to the tendering Holder (or, in the case of Securities tendered by book-entry transfer, such Securities will be promptly credited to the account maintained at DTC from which Securities were delivered) after the expiration or termination of the Tender Offer.

Holders whose Securities are accepted for payment pursuant to the Tender Offer will be entitled to receive the Total Consideration or Tender Offer Consideration, as applicable, plus Accrued Interest. Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to the Holders of purchased Securities or otherwise.

Tendering Holders of Securities purchased in the Tender Offer will not be obligated to pay brokerage commissions to the Dealer Manager or to the Depository or Information Agent. We will pay or cause to be paid all transfer taxes with respect to the purchase of any Securities and all other charges and expenses related to the Tender Offer. If your Securities are held through a nominee who tenders the Securities on your behalf, the nominee may charge you a commission for doing so. You should consult with your nominee to determine whether any charges will apply.

Securities will be accepted for payment in the Tender Offer only in integral multiples of \$1,000. In the event that proration of tendered Securities is required, the sum of each Holder's validly tendered Securities accepted for payment will be determined by multiplying each Holder's tender by the proration factor, and rounding the product down to the nearest \$1,000. See "— Tender Offer Procedure." Holders whose Securities are purchased only in part will be issued new Securities equal in principal amount to any unpurchased portion of the Securities tendered.

### **Conditions to the Tender Offer**

Notwithstanding any other provision of this Offer to Purchase, we will not be required to accept for purchase, or to pay for, Securities validly tendered pursuant to the Tender Offer, and may terminate early, extend or amend the Tender Offer, and may (subject to Rule 14e-1(c) under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer) postpone for acceptance the purchase of, and payment for, Securities so tendered, if any of the conditions described below have not been satisfied or if any of the events described below occurs:

#### ***Financing Condition***

The Financing Condition must be satisfied. This means the raising of not less than \$100,000,000 of second lien debt on terms reasonably satisfactory to the Company in order to finance the Tender Offer.

#### ***Credit Agreement Amendment Condition***

The Credit Agreement Amendment Condition must be satisfied. This means the entry into an amendment to the Company's Amended and Restated Credit Agreement, dated as of March 31, 2009, as amended, with the lenders party thereto and Citicorp USA, Inc., as agent, on terms reasonably satisfactory to the Company, to permit the Additional Financing.

#### ***General Conditions and Events***

None of the following shall have occurred on or after the date of this Offer to Purchase and on or before the Acceptance Date:

- (1) there shall have been instituted, threatened or be pending any action, proceeding or investigation (whether formal or informal) (or there shall have been any material adverse development with respect to any action or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Tender Offer that, in our reasonable judgment, either (a) is, or is likely to be, materially adverse to our business,

operations, properties, condition (financial or otherwise), assets, liabilities or prospects, or (b) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer;

(2) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment, either (a) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer or (b) is, or is likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects;

(3) there shall have occurred or be likely to occur any event affecting our business or financial affairs that, in our reasonable judgment, would or might prohibit, prevent, restrict or delay consummation of the Tender Offer;

(4) the Trustee shall have objected in any respect to or taken action that could, in our reasonable judgment, adversely affect the consummation of the Tender Offer, or shall have taken any action that challenges the validity or effectiveness of the procedures we use in the making of the Tender Offer or in the acceptance of, or payment for, the Securities; or

(5) there has occurred (a) any general suspension of, or limitation on prices for, trading in securities in the United States securities or financial markets, (b) any adverse change in the price of securities in the United States or other major securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments with respect to banks in the United States or other major financial markets, (e) any limitation or action (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in our reasonable judgment, might affect the extension of credit by banks or other lending institutions, (f) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States or (g) in the case of any of the foregoing existing on the date hereof, in our reasonable judgment, a material acceleration or worsening thereof.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances, including any action or inaction by us, giving rise to such condition or may be waived by us in whole or in part at any time and from time to time in our sole discretion. If any condition to the Tender Offer is not satisfied or waived by us prior to the Settlement Date, we reserve the right, but will not be obligated, subject to applicable law:

- to terminate the Tender Offer and return any tendered Securities;
- to waive all unsatisfied conditions and accept for payment and purchase all Securities that are validly tendered prior to the Expiration Date;
- to extend the Tender Offer and retain the Securities that have been tendered during the period for which the Tender Offer is extended; or
- to amend the Tender Offer.

Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

Please note that our obligation to accept validly tendered Securities pursuant to the Tender Offer is also subject to the Maximum Tender Amount.

### **Procedure for Tendering Securities**

All of the Securities are held in book-entry form through the facilities of DTC. If you own Securities and wish to tender them in the Tender Offer, you should follow the instructions below.

If you hold your Securities in a brokerage or custodian account through a broker, dealer, commercial bank, trust company, custodian or other nominee, you will need to timely instruct your nominee to tender your Securities on or prior to the Early Tender Date (in order to receive the Total Consideration) or after that date and on or prior to the Expiration Date (in order to receive the Tender Offer Consideration), in the manner described below. Please refer to any materials forwarded to you by your nominee to determine how you can timely instruct your nominee to take these actions.

In order to participate in the Tender Offer, you must instruct your nominee to participate on your behalf. Your nominee should arrange for the DTC participant holding the Securities through its DTC account to tender those Securities in the Tender Offer to the Depository prior to the Early Tender Date or the Expiration Date, as applicable. You should consult with your nominee to determine whether any charges will apply for its services.

*The Role of a DTC Participant.* A DTC participant may tender Securities only by taking the following actions on or before the Early Tender Date (in order to receive the Total Consideration) or after that date and on or prior to the Expiration Date (in order to receive the Tender Offer Consideration):

- delivering Securities by means of book-entry transfer into the applicable account of the Depository at DTC; and
- transmitting an “agent’s message” to the Depository through the facilities of DTC, specifying that the relevant participant has received and agrees to be bound by the terms and conditions set forth in the Offer to Purchase, or by delivering to the Depository a properly completed and duly executed Letter of Transmittal.

By tendering Securities in accordance with the foregoing procedures, you and your nominee will be deemed to have agreed (i) to the terms and conditions of the Tender Offer as set forth in this Offer to Purchase and (ii) that we and the Depository may enforce the terms and conditions against you and your nominee.

Letters of Transmittal should be sent to the Depository and not to the Company, the Dealer Manager or the Trustee. The Depository will not accept any materials purporting to tender Securities other than the Letter of Transmittal or the DTC participant’s agent’s message.

*General Provisions.* The method of delivery of Securities and all documents or instructions including, without limitation, the agent’s message and the Letter of Transmittal, is at your risk. A tender will be deemed to have been received only when the Depository receives both (i) a duly completed agent’s message through the facilities of DTC at the applicable account of the Depository at DTC or a properly completed and duly executed Letter of Transmittal and (ii) confirmation of book-entry transfer of the Securities into the applicable account of the Depository at DTC. We have not provided guaranteed delivery provisions in connection with the Tender Offer.

We, in our sole discretion, will determine all questions as to the form of documents and validity, eligibility, including time of receipt, acceptance for payment and withdrawal of tendered Securities, and such determinations will be final and binding. We reserve the right to reject any and all tenders of Securities that we determine are not in proper form or the acceptance for payment of or payment for which may, in the opinion of our counsel, be unlawful. We also reserve the right in our sole discretion to waive any of the conditions of the Tender Offer or any defect or irregularity in the tender of any Securities, whether or not similar conditions, defects or irregularities are waived in the case of other tenders. Our interpretation of the terms and conditions of the Tender Offer will be final and binding. None of us, the Dealer Manager, the Depository, the Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in tenders or any notices of withdrawal or will incur any liability for failure to give any such notification.

*Compliance with “Short Tendering” Rule.* It is a violation of Rule 14e-4 (promulgated under the Exchange Act) for a person, directly or indirectly, to tender Securities in the Tender Offer for their own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Securities being tendered and (b) will cause such Securities to be delivered in accordance with the terms of the

Tender Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Securities in the Tender Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and us with respect to the Tender Offer upon the terms and subject to the conditions of the Tender Offer, including the tendering Holder's acceptance of the terms and conditions of the Tender Offer, as well as the tendering Holder's representation and warranty that (a) such Holder has a net long position in the Securities being tendered pursuant to the Tender Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Securities complies with Rule 14e-4.

### **Withdrawal of Tenders**

Tenders of Securities made prior to the Withdrawal Deadline may be validly withdrawn at any time on or prior to the Withdrawal Deadline. After the Withdrawal Deadline, tendered Securities may not be validly withdrawn unless we amend the Tender Offer in a manner materially adverse to tendering Holders or are otherwise required by law to permit withdrawal. Under such circumstances, we will allow previously tendered Securities to be withdrawn for a period of time that we determine to be appropriate or as required by law.

We may (i) extend or otherwise amend the Early Tender Date or Expiration Date or (ii) increase the Maximum Tender Amount, without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders.

In the event of a termination of the Tender Offer, Securities previously tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders and none of the Total Consideration, the Early Tender Premium or the Tender Offer Consideration, as the case may be, will be paid or become payable.

For a withdrawal of Securities to be valid, the Depository must timely receive either an agent's message or a written or faxed notice of withdrawal specifying the name of the tendering Holder, a description of the Securities to be withdrawn, the amount of Securities to be withdrawn and the number of the account at DTC to be credited with the withdrawn Securities, and you must otherwise comply with DTC procedures. Any notice of withdrawal must be signed by the Holder of such Securities in the same manner as the original signature on the Letter of Transmittal by which such Securities were tendered (including any required signature guarantees), or be accompanied by evidence sufficient to the Depository that the person withdrawing the tender has succeeded to the beneficial ownership of the Securities being withdrawn. If the Securities to be withdrawn have been delivered or otherwise identified to the Depository, an agent's message or a signed notice of withdrawal is effective immediately upon receipt by the Depository of the agent's message or written or faxed notice of such withdrawal even if re-transfer by DTC book-entry is not immediately effected.

Holders may not rescind their withdrawal of tendered Securities, and any Securities validly withdrawn will thereafter be deemed not validly tendered for purposes of the Tender Offer. Validly withdrawn Securities may, however, be tendered again by following one of the procedures described above under "— Procedure for Tendering Securities" at any time prior to the Expiration Date.

### **Expiration Date; Extension; Termination and Amendment**

The Tender Offer will expire on the Expiration Date, as defined on the cover page of this Offer to Purchase.

We reserve the right, at any time or from time to time, to extend the Early Tender Date and the Expiration Date. In addition, we reserve the right, at any time prior to the satisfaction of the conditions set forth in "— Conditions to the Tender Offer," subject to applicable law, to amend the Tender Offer in any respect or to terminate the Tender Offer and return the tendered Securities, in each case by giving written notice of such amendment or termination to the Depository. We will publicly announce any such extension, amendment or termination in the manner described under "— Announcements." There can be no assurance that we will exercise our right to extend, terminate or amend the Tender Offer.

If we make a material change in the terms of the Tender Offer or the information concerning the Tender Offer, we will disseminate additional Tender Offer materials and extend the Tender Offer to the extent required by law.

Please note that the terms of any extension of, or amendment of the terms of, the Tender Offer may vary from the terms of the original Tender Offer depending on such factors as prevailing interest rates and the principal amount of Securities previously tendered or otherwise purchased.

### **Announcements**

If we are required to make an announcement relating to an extension of the Withdrawal Deadline, the Early Tender Date or the Expiration Date, an amendment or termination of the Tender Offer, or acceptance of the Securities for payment, we will do so as promptly as practicable and, in the case of an extension or acceptance, no later than 9:00 a.m., New York City time, on the business day after the previously scheduled Withdrawal Deadline, Early Tender Date or Expiration Date, as applicable. Unless otherwise specified in this Offer to Purchase, we may choose to issue an announcement of this type in any reasonable manner, but we will have no obligation to do so other than by issuing a press release.

### **MARKET AND TRADING INFORMATION**

To the extent that the Securities are traded, prices of the Securities may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. To our knowledge, the Securities are traded infrequently in transactions arranged through brokers, and reliable market quotations for the Securities are not available.

### **CERTAIN SIGNIFICANT CONSEQUENCES TO NON-TENDERING HOLDERS**

In deciding whether to participate in the Tender Offer, each Holder should consider carefully, in addition to the other information contained in this Offer to Purchase, the risks, uncertainties, assumptions and factors specified in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, and Exhibit 99.2 to the Company's Current Report on Form 8-K filed on September 16, 2009, under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Cautionary Statement Pursuant to Safe Harbor Provisions the Private Litigation Reform Act of 1995" and in other filings the Company makes with the SEC from time to time, and the following:

#### **Limited Trading Market**

To the extent that any Securities are purchased pursuant to the Tender Offer, the trading market for any Securities that remain outstanding will become more limited. A debt security with a smaller outstanding principal amount available for trading, which the financial services industry refers to as a smaller "float," may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Securities not purchased pursuant to the Tender Offer may be affected adversely to the extent the amount of Securities purchased pursuant to the Tender Offer reduces the float of the Securities. The reduced float may also tend to make the trading price more volatile. The Company cannot assure Holders that if the Tender Offer is consummated that any trading market will exist for any Securities that remain outstanding. The extent of the trading market for the Securities following consummation of the Tender Offer would depend upon the number of Holders that remain at such time, the interest in maintaining markets in the Securities on the part of securities firms and other factors.

#### **Withdrawal Rights and the Maximum Tender Amount**

Securities tendered prior to the Withdrawal Deadline may only be withdrawn, in writing, prior to the Withdrawal Deadline (5:00 p.m. New York City time on February 11, 2010, unless extended). Securities tendered after the Withdrawal Deadline and prior to the Expiration Date may not be withdrawn. The Company may increase or modify the Maximum Tender Amount in its sole discretion. The Company is not required to extend the Withdrawal Deadline in connection with any such increase or any extension of the Expiration Date. Increasing the

Maximum Tender Amount will increase the amount of Securities that may be accepted for purchase by the Company. If Holders tender more Securities in the Tender Offer than they expect to be accepted for purchase by the Company based on the Maximum Tender Amount and the Company subsequently increases such Maximum Tender Amount on or after the Withdrawal Deadline, such Holders will not be able to withdraw any of their previously tendered Securities. Accordingly, Holders should not tender any Securities that they do not wish to be accepted for purchase.

Furthermore, the Company will not be able to definitively determine whether the Tender Offer is oversubscribed or what the effects of proration may be with respect to the Securities until after the Expiration Date has passed. Therefore you will not be able to withdraw tenders of your Securities at the time the Company establishes the amount of Securities to be purchased pursuant to the Tender Offer.

### **OTHER PURCHASES OF SECURITIES**

Following consummation or termination of the Tender Offer, the Company reserves the right to acquire the Securities from time to time otherwise than pursuant to the Tender Offer through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise. If the Company acquires Securities, it may do so on such terms and at such prices as it may determine, which may be more or less than the price to be paid pursuant to the Tender Offer and could be for cash or other consideration. There can be no assurance as to which, if any, of these alternatives or combination thereof that the Company will choose to pursue in the future.

### **CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

**Treasury Department Circular 230 Notice: To ensure compliance with Treasury Department Circular 230, you are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Offer to Purchase or any document referred to herein is not intended or written to be used, and cannot be used by you for the purpose of avoiding penalties that may be imposed on you under applicable tax law; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) you should seek advice based on your particular circumstances from an independent tax advisor.**

The following is a summary of the material U.S. federal income tax consequences with respect to the Tender Offer. This summary is based upon the Internal Revenue Code of 1986, as amended (the “Code”), existing, temporary and proposed Treasury regulations promulgated thereunder and rulings and administrative and judicial decisions now in effect, all of which are subject to change, possibly on a retroactive basis. This summary applies to you only if you have held your Securities as capital assets for U.S. federal income tax purposes.

This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular Holder of Securities in light of the beneficial owner’s individual circumstances or to certain types of beneficial owners subject to special tax rules — e.g., a dealer in securities, a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings, a bank or other financial institution, an insurance company, a person liable for the alternative minimum tax, a U.S. expatriate, a tax-exempt organization, a regulated investment company, a real estate investment trust, a personal holding company, a partnership or other pass-through entity (or other entity treated as such for tax purposes), a beneficial owner holding Securities through a partnership or other pass-through entity, a beneficial owner that owns Securities that are a hedge or that are hedged against interest rate risks, a beneficial owner that owns Securities as part of a straddle or conversion transaction for tax purposes, a Holder that received the Securities as compensation or a U.S. Holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar — nor does it address any estate and gift tax or any state, local or foreign tax consequences. In addition, the Company has not sought and does not plan to seek a formal ruling from the Internal Revenue Service (the “IRS”) or an opinion from its tax counsel with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with such statements and conclusions or that a court will not sustain any challenge by the IRS in the event of litigation.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds Securities, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of

the partner and the activities of the partnership. Each partner of a partnership holding Securities should consult its own tax advisors regarding the U.S. federal, state, local and foreign tax consequences to them of the Tender Offer.

**EACH BENEFICIAL OWNER OF SECURITIES IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE SPECIFIC U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE TENDER OFFER.**

### **U.S. Holders**

For purposes of this summary, a “U.S. Holder” is a beneficial owner of a Security that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust, if (i) a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (ii) it has a valid election in place to be treated as a U.S. person.

### ***Treatment of Tendering U.S. Holders Whose Securities Are Purchased by the Company***

A sale of Securities by a U.S. Holder pursuant to the Tender Offer will be a taxable transaction. A U.S. Holder will recognize gain or loss in an amount equal to the difference between (i) the gross amount of the cash paid to such U.S. Holder in respect of its tendered Securities, other than amounts received in respect of accrued but unpaid interest, and (ii) the U.S. Holder’s adjusted tax basis in its tendered Securities at the time of sale. Any amounts received pursuant to the Tender Offer that are attributable to accrued and unpaid interest on the Securities generally will be taxable to the Holder as ordinary income to the extent not previously included in income in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes. A U.S. Holder’s adjusted tax basis in a Security generally will equal the U.S. Holder’s initial cost of the Security, increased by any market discount previously included in income by the U.S. Holder and decreased by the amount of any bond premium previously amortized by the U.S. Holder. Except to the extent gain or loss is subject to the market discount rules discussed below, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder has held such Securities for more than one year. Long-term capital gain of a non-corporate U.S. Holder that is recognized in taxable years beginning before January 1, 2011 is generally subject to tax at a maximum rate of 15%. The ability of a U.S. Holder to deduct capital losses is subject to limitations.

An exception to the capital gain treatment described in the preceding paragraph applies to a U.S. Holder who holds a Security with “market discount.” Market discount is the amount by which the principal amount of the Security exceeded the U.S. Holder’s tax basis in the Security immediately after its acquisition at a time other than the Security’s original issuance by the Company. A Security will be considered to have no market discount if this excess is less than 1/4 of 1% of the principal amount of the Security multiplied by the number of complete years from the U.S. Holder’s acquisition date of the Security to its maturity date. The gain realized by a U.S. Holder of a Security with market discount will be treated as ordinary income to the extent that market discount has accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant-yield basis) from the U.S. Holder’s acquisition date to the date of sale, unless the U.S. Holder has elected to include market discount in income currently as it accrues. Gain in excess of accrued market discount will be subject to the capital gains rules described above.

### ***Treatment of U.S. Holders That Do Not Tender or Whose Securities are Not Purchased by the Company due to Proration***

A U.S. Holder who does not tender its Securities or whose Securities are not purchased by the Company due to proration will not recognize gain or loss for U.S. federal income tax purposes as a result of the Tender Offer.

### ***Information Reporting and Backup Withholding***

Sales of Securities pursuant to the Tender Offer by U.S. Holders generally will be subject to information reporting requirements. In addition, a U.S. Holder may be subject to backup withholding, currently at a rate of 28%, with respect to the receipt of the cash paid in exchange for the Securities unless such U.S. Holder (a) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (b) provides its correct taxpayer identification number on the IRS Form W-9 included in the Letter of Transmittal, certifies under penalties of perjury that it is not currently subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules.

Any amount withheld from a payment to a U.S. Holder under the backup withholding rules may be allowable as a refund or credit against such U.S. Holder's U.S. federal income tax liability, so long as the required information is timely provided to the IRS.

### **Non-U.S. Holders**

- For purposes of this summary, a "Non-U.S. Holder" is a beneficial owner of a Security that is an individual, a corporation, an estate or trust that, in each case, is not a U.S. Holder.

### ***Treatment of Tendering Non-U.S. Holders Whose Securities are Purchased by the Company***

A Non-U.S. Holder that receives cash in exchange for the Securities pursuant to the Tender Offer will realize gain or loss in an amount equal to the difference between (i) the amount of cash received (other than amounts attributable to accrued but unpaid interest, if any) and (ii) the Non-U.S. Holder's adjusted tax basis in the Securities. Subject to the discussion below regarding the backup withholding requirements of the Code, any gain realized by a Non-U.S. Holder on the exchange will not be subject to U.S. federal income tax unless: (i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met or (ii) that gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder (or, in the case of an applicable tax treaty, is attributable to the Non-U.S. Holder's permanent establishment or fixed base in the United States).

If the first exception applies, the Non-U.S. Holder generally will be subject to tax at a rate of 30% on the amount by which its U.S.-source gains exceed its U.S.-source losses. If the second exception applies, the Non-U.S. Holder will generally be required to pay U.S. federal income tax on the net gain derived from the sale in the same manner as U.S. Holders, as described above. In addition, corporate holders may be subject to a 30% branch profits tax on effectively connected gain. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the United States and its country of residence, any such gain will be subject to U.S. federal income tax in the manner specified by the treaty.

Accrued interest paid to a Non-U.S. Holder will be exempt from U.S. federal income tax and withholding so long as such payments are not effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder (or, in the case of an applicable tax treaty, are not attributable to the Non-U.S. Holder's permanent establishment or fixed base in the United States) and the Non-U.S. Holder complies with certain certification requirements, discussed below, unless such Non-U.S. Holder (i) holds, directly, indirectly or constructively, a 10% or greater interest of the voting stock of the Company, (ii) is a controlled foreign corporation related, directly or indirectly, to the Company within the meaning of the applicable sections of the Code or (iii) is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, in which case the Non-U.S. Holder will generally be subject to a 30% U.S. withholding tax. In order for a Non-U.S. Holder that is an individual or corporation (or entity treated as such for U.S. federal income tax purposes) to qualify

for this exemption, the “withholding agent” (generally, for this purpose, the last U.S. payor or a non-U.S. payor who is a qualified intermediary or withholding foreign partnership) must have timely received a statement (generally made on IRS Form W-8BEN) from the individual or corporation that (i) is signed under penalties of perjury by the beneficial owner of the Securities, (ii) certifies that such owner is not a U.S. person and (iii) provides the beneficial owner’s name and address and any other information required on IRS Form W-8BEN or W-8IMY. A Non-U.S. Holder that is not an individual or corporation (or an entity treated as a corporation for U.S. federal income tax purposes) holding the Securities on its own behalf may have substantially increased reporting requirements and should consult its tax advisor. If interest received with respect to the Securities is effectively connected with a Non-U.S. Holder’s conduct of a trade or business, the Non-U.S. Holder generally will be subject to U.S. federal income tax on the interest on a net-income basis in the same manner as if it were a U.S. Holder, unless an applicable treaty provides otherwise.

To the extent that accrued interest is not exempt from U.S. federal income and withholding tax as described above, a Non-U.S. Holder may still be able to eliminate or reduce such taxes under an applicable income tax treaty.

***Treatment of Non-U.S. Holders That Do Not Tender or Whose Securities Are Not Purchased by the Company Due to Proration***

A Non-U.S. Holder who does not tender its Securities or whose Securities are not purchased by the Company due to proration will not recognize gain or loss for U.S. federal income tax purposes as a result of the Tender Offer.

***Information Reporting and Backup Withholding***

In the case of a Non-U.S. Holder, backup withholding and information reporting will generally not apply to payments made if the Non-U.S. Holder provides the required certification that it is not a U.S. person, or the Non-U.S. Holder otherwise establishes an exemption, generally by properly completing and submitting the applicable IRS Form W-8, provided that the payor or withholding agent does not have actual knowledge or reason to know that the Non-U.S. Holder is a U.S. person or that the conditions of any exemption are not satisfied. However, information reporting (but not backup withholding) may apply to the payment of accrued interest even if such amount is not subject to tax because of a treaty or Code exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder’s U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

**DEALER MANAGER**

The Company has retained Citigroup Global Markets Inc. to act on its behalf as Dealer Manager in connection with the Tender Offer, and the Company has agreed to pay the Dealer Manager a customary fee in connection therewith. The Company has also agreed to reimburse the Dealer Manager for its reasonable out-of-pocket expenses incurred in connection with the Tender Offer, including reasonable fees and disbursements of counsel, and to indemnify the Dealer Manager against certain liabilities arising in connection with the Tender Offer, including liabilities under the federal securities laws.

In the ordinary course of its business, the Dealer Manager or its affiliates has performed and may from time to time in the future perform certain investment banking, commercial banking and financial advisory services, including the provision of credit facilities, for the Company.

In addition, the Dealer Manager, in the ordinary course of its business, makes markets in debt securities of the Company for its own account and for the accounts of its customers. As a result, from time to time, the Dealer Manager may own certain of the Company’s debt securities, including the Securities.

## **DEPOSITARY AND INFORMATION AGENT**

The Bank of New York Mellon has been appointed as the Depositary for the Tender Offer. The Letter of Transmittal and all correspondence in connection with the Tender Offer should be sent or delivered, as the case may be, to the Depositary at the address and telephone number set forth on the back cover page of this Offer to Purchase. Any questions concerning tender procedures should be directed to the Depositary at the address and telephone number set forth on the back cover page of this Offer to Purchase.

In addition, the Company has retained Georgeson Inc. to act as the Information Agent in connection with the Tender Offer. As such, it will handle requests for assistance in connection with the Tender Offer, and may request brokers, dealers, commercial banks, trust companies, custodians and other nominees to forward materials relating to the Tender Offer to beneficial owners.

The Company has agreed to pay each of the Depositary and the Information Agent a customary fee for such services. The Company has also agreed to reimburse each of the Depositary and the Information Agent for its reasonable out-of-pocket expenses and to indemnify each of the Depositary and the Information Agent against certain liabilities in connection with the Tender Offer, including liabilities arising under the federal securities laws.

None of the Dealer Manager, the Depositary, the Information Agent or the Trustee assumes any responsibility for the accuracy or completeness of the information concerning the Company contained in this Offer to Purchase, the Letter of Transmittal or any related documents or any amendments or supplements to the foregoing or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

*The Depositary for the Tender Offer is:*

**The Bank of New York Mellon**

*By Mail, Overnight Courier or Hand Delivery:*

**The Bank of New York Mellon Corporation  
Attn: William Buckley  
Corporate Trust Operations  
Reorganization Unit  
101 Barclay Street – 7 East  
New York, NY 10286**

*By Facsimile Transmission:*

**(212) 298-1915**

*Confirm Receipt by Calling:*

**(212) 815-5788**

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Any questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and addresses set forth below. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or related documents may be directed to the Information Agent at its telephone numbers or address set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer.

*The Information Agent for the Tender Offer is:*

**Georgeson**

**199 Water Street, 26th Floor  
New York, NY 10038**

**Banks and Brokers Call: (212) 440-9800  
All Others Call Toll-Free: (800) 248-7605**

*The Dealer Manager for the Tender Offer is:*

**Citigroup Global Markets Inc.**

**Liability Management Group  
390 Greenwich Street, 4th Floor  
New York, NY 10013**

**Banks and Brokers Call: (212) 723-6106  
All Others Call Toll-Free: (800) 558-3745**