

PROFILE SHEET

Guadalajara's branch of Carestream Health, Inc., formerly Eastman Kodak Company's Health Group, has transformed their traditional facility into a Lean one. Transformation has helped us to increase our manufacturing volume in the last four years by 75%; it has also led us to cost savings, inventory reduction, and improvement in customer satisfaction. Through the implementation of Lean practices, we have achieved world-class results.

Health, Safety, and Environment (HSE)

Thanks to our lean "Safe Tracks" and ergonomic programs, we have reached an OSHA injury rate of less than 0.5. We are also ISO 14000 certified.

Quality

Jidoka, Poka-Yoke, and Standard Work have empowered associates in Carestream Health to promote a zero quality-incidents mindset in our operations, driving us to maintain through several years defective parts per million (dppm), at levels below 10. We are also ISO 13485 and ISO 9001 certified.

Cost, Productivity, and Delivery

By implementing Kaizen as a daily activity, we have achieved the following:

- Reduced our days of inventory by 50% in three years, even when our volume has increased by 50%.
- 2007 output per headcount is 85% higher than in 2004.
- 100% On-time deliveries to our main customer, MedLink.
- Slitter setup time reduction of 71%, increasing our capacity by 30%

- 25% Footprint reduction as a result of the huge transformation in our operation toward a one-piece flow concept, allowing us to stop warehousing externally and giving us the ability to bring additional volume into our plant.

Business Results

We hold the leading market share position for all of our film-based products in Latin America.

Associates

Carestream Health works at generating a suitable Lean environment for its associates to promote their contribution and growth with honesty and respect for our values. As a result, our turnover rate in 2007 was 1.7% against a benchmark of 31% in the community.

Process

Carestream Health Guadalajara is a company that is owned by Onex Corporation, which is dedicated to the finishing of traditional and industrial X-ray film. The Carestream Health Production System (CHPS) is the way we think and behave in order to meet the needs of our customers, stockholders, and associates.

CHPS works on creating:

- *Stability* through visual controls, standard work, 5-S, and Kaizen
- *Just in Time* through the Leveling Process, Kanban, One-Piece Flow, and Heijunka
- *Jidoka* through Poka-Yokes and a Quality Assurance System (QAS)

We focused on simplifying our value stream map in order to eliminate non-value-added activities.

Product

In 2007, Guadalajara's branch of Carestream Health finished a total of 13.5 million square meters of medical imaging products for the dental extraoral, general radiology, wet laser, molecular imaging, oncology, and industrial businesses. For most of these businesses, we are the sole supplier for the world.

We have become a flexible and agile film-finishing plant for most of the low-volume, high labor-intensive items, finishing most of our volume for niche markets, with a portfolio close to 900 catalog items.

Our logistic network is active around the world, serving regions such as: Europe, Japan, Latin America, the United States, and Canada.

Facility

Onex acquired the former Eastman Kodak Company Health Group at the beginning of 2007; and in the middle of 2007, the Health Group became part of Onex as the Carestream Health business.

The business is carried out in the Guadalajara, Jalisco region, and it is housed within one Kodak-owned building, a leased warehouse, and office and manufacturing space consisting of a total of 10.6 thousand square meters, working with over 250 highly motivated associates who are committed to, and driven by, Lean Manufacturing Practices.

Customers

Carestream Health Guadalajara, being sole suppliers for most of their key products, has customers around the world.

We work with governments and distributors of health media who expect flawless quality, on-time delivery, and competitive pricing.

Corporation

Corporate Carestream Health is a worldwide manufacturer and marketer of medical devices with approximately 8,100 associates and revenues of \$2.54 billion.

The corporate office is located in Rochester, New York. Carestream Health, Inc. has film-manufacturing facilities in the United States, Germany, China, and Mexico, with subsidiaries in Germany and India

Carestream Health, Inc. can be found online at

<http://www.carestreamhealth.com>

For more information please contact:

Juan Bernardo Figueroa
Manufacturing Flow Manager
Carestream Health Guadalajara
Phone: (52) 333 678 6346

Email: juanbernardo.figueroasanchez@carestreamhealth.com