

EASTMAN KODAK CO  
Form 10-Q  
November 03, 2011

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the quarterly period ended September 30, 2011

or

Transition report pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the transition period from \_\_\_ to \_\_\_

Commission File Number 1-87

EASTMAN KODAK COMPANY  
(Exact name of registrant as specified in its charter)

NEW JERSEY  
(State of incorporation)

16-0417150  
(IRS Employer Identification No.)

343 STATE STREET, ROCHESTER, NEW  
YORK  
(Address of principal executive offices)

14650  
(Zip Code)

Registrant's telephone number, including area code: 585-724-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Title of each Class            | Number of shares Outstanding at<br>October 28, 2011 |
|--------------------------------|---|
| Common Stock, \$2.50 par value | 269,954,791   |

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## Part I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## EASTMAN KODAK COMPANY

## CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

(in millions, except per share data)

|   | Three Months Ended<br>September 30, |               | Nine Months Ended<br>September 30, |               |
|---|-------------------------------------|---------------|------------------------------------|---------------|
|   | 2011                                | 2010          | 2011                               | 2010          |
| Net sales   |                                     |               |                                    |               |
| Products  | \$1,253                             | \$1,332       | \$3,648                            | \$3,847       |
| Services  | 196                                 | 189           | 581                                | 568           |
| Licensing & royalties   | 13                                  | 235           | 40                                 | 810           |
| Total net sales   | \$1,462                             | \$1,756       | \$4,269                            | \$5,225       |
| Cost of sales   |                                     |               |                                    |               |
| Products  | \$1,108                             | \$1,132       | \$3,278                            | \$3,217       |
| Services  | 147                                 | 150           | 448                                | 438           |
| Total cost of sales   | \$1,255                             | \$1,282       | \$3,726                            | \$3,655       |
| Gross profit  | \$207                               | \$474         | \$543                              | \$1,570       |
| Selling, general and administrative expenses                            | 284                                 | 313           | 884                                | 935           |
| Research and development costs  | 68                                  | 82            | 214                                | 241           |
| Restructuring costs, rationalization and other                          | 17                                  | 24            | 79                                 | 48            |
| Other operating expenses (income), net                                  | 12                                  | (3)           | (59)                               | (1)           |
| (Loss) earnings from continuing operations before interest expense,     |                                     |               |                                    |               |
| other income (charges), net and income taxes                            | (174)                               | 58            | (575)                              | 347           |
| Interest expense  | 41                                  | 38            | 117                                | 117           |
| Loss on early extinguishment of debt, net                               | -                                   | -             | -                                  | 102           |
| Other income (charges), net   | (7)                                 | 8             | 2                                  | 4             |
| (Loss) earnings from continuing operations before income taxes          | (222)                               | 28            | (690)                              | 132           |
| Provision (benefit) for income taxes                                    | -                                   | 71            | (40)                               | 223           |
| Loss from continuing operations   | (222)                               | (43)          | (650)                              | (91)          |
| Earnings (loss) from discontinued operations, net of income taxes       | -                                   | -             | 3                                  | (1)           |
| <b>NET LOSS ATTRIBUTABLE TO EASTMAN KODAK COMPANY</b>                   | <b>\$(222)</b>                      | <b>\$(43)</b> | <b>\$(647)</b>                     | <b>\$(92)</b> |
| Basic and diluted net (loss) earnings per share attributable to Eastman |                                     |               |                                    |               |
| Kodak Company common shareholders:                                      |                                     |               |                                    |               |
| Continuing operations   | \$(0.83)                            | \$(0.16)      | \$(2.42)                           | \$(0.34)      |
| Discontinued operations   | -                                   | -             | 0.01                               | -             |

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|       |          |   |          |   |          |   |          |   |
|-------|----------|---|----------|---|----------|---|----------|---|
| Total | \$ (0.83 | ) | \$ (0.16 | ) | \$ (2.41 | ) | \$ (0.34 | ) |
|-------|----------|---|----------|---|----------|---|----------|---|

