

EASTMAN KODAK CO
Form 10-K
March 16, 2015

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

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

For the year ended December 31, 2014 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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See the definitions 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)

Yes No

The aggregate market value of the voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2014 was approximately \$240 million. The registrant has no non-voting common stock.

The number of shares outstanding of the registrant's common stock as of March 2, 2015 was 41,873,154 shares of common stock.

Eastman Kodak Company
Form 10-K
December 31, 2014

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PART I

ITEM 1. BUSINESS

When used in this report, unless otherwise indicated by the context, “we,” “our,” “us,” and “Kodak” refer to the consolidated company on the basis of consolidation described in Note 1 to the consolidated financial statements in Part II, Item 8, “Financial Statements and Supplementary Data” of this Form 10-K Report. Also, unless otherwise indicated by the context, “EKC” means the parent company, Eastman Kodak Company (the “Company”).

Kodak is a technology company focused on imaging for business. Kodak provides commercial products and services built on its expertise in three core technologies: materials science; digital imaging science and software; and deposition processes. Kodak’s portfolio of products and services is designed to meet the needs of customers in different sectors and cycles of the commercial imaging and printing markets. Kodak leverages its core technology products and services to develop solutions for the product goods packaging and graphic communications markets, and is commercializing products for the functional printing market. Kodak also offers brand licensing and intellectual property opportunities, provides products and services for motion pictures and other commercial films, and sells ink to its existing installed consumer inkjet printer base.

The Company was founded by George Eastman in 1880 and incorporated in 1901 in the State of New Jersey. Kodak is headquartered in Rochester, New York.

EMERGENCE FROM VOLUNTARY REORGANIZATION UNDER CHAPTER 11 PROCEEDINGS

On January 19, 2012 (the “Petition Date”), the Company and its U.S. subsidiaries (collectively, the “Debtors”) filed voluntary petitions for relief (the “Bankruptcy Filing”) under chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The cases (the “Chapter 11 Cases”) were jointly administered as Case No. 12-10202 (ALG) under the caption “In re Eastman Kodak Company.” The Debtors operated their businesses as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of chapter 11 of the Bankruptcy Code and the orders of the Bankruptcy Court until their emergence from bankruptcy. The Company’s foreign subsidiaries (collectively, the “Non-Filing Entities”) were not part of the Chapter 11 Cases, and continued to operate in the ordinary course of business.

On August 23, 2013, the Bankruptcy Court entered an order (the “Confirmation Order”) confirming the revised First Amended Joint Chapter 11 Plan of Reorganization of Eastman Kodak Company and its Debtor Affiliates (the “Plan”). On September 3, 2013 (the “Effective Date”), the Plan became effective and the Debtors emerged from chapter 11 protection.

Fresh Start Accounting

Upon emergence from chapter 11, Kodak applied the provisions of fresh start accounting to its financial statements as of September 1, 2013. The adoption of fresh start accounting resulted in Kodak becoming a new entity for financial reporting purposes. Accordingly, the consolidated financial statements on or after September 1, 2013 are not comparable to the consolidated financial statements prior to that date. References to “Successor” or “Successor Company” relate to the reorganized Kodak subsequent to the Effective Date. References to “Predecessor” or “Predecessor Company” relate to Kodak prior to the Effective Date.

REPORTABLE SEGMENTS

Kodak reports financial information for two reportable segments: the Graphics, Entertainment and Commercial Films Segment and the Digital Printing and Enterprise Segment. The balance of Kodak's continuing operations, which do not meet the criteria of a reportable segment, are reported in All Other and are composed of Kodak's consumer film business in countries where that business has not yet transferred ownership to the KPP Purchasing Parties (as defined in Note 24, "Emergence From Voluntary Reorganization Under Chapter 11 Proceedings", section "KPP Global Agreement" in the Notes to Financial Statements) and a utilities variable interest entity. Effective August 31, 2013, the Company sold certain utilities and related facilities and entered into utilities supply and servicing arrangements with RED-Rochester LLC, a variable interest entity.

Kodak's sales, earnings and assets by reportable segment for each of the past three years are shown in Note 23, "Segment Information," in the Notes to Financial Statements.

Graphics, Entertainment and Commercial Films (“GECF”) Segment

The GECF segment provides digital and traditional product and service offerings to a variety of commercial industries, including commercial print, direct mail, book publishing, newspapers and magazines, offset packaging (which is packaging printed using offset printing plates), motion picture entertainment, printed electronics, and industrial film markets.

Graphics: Kodak’s Graphics portfolio, covering the pre-press component of the offset printing market, includes digital plates, production workflow software, computer-to-plate equipment and digital front-end controllers. Kodak also provides services and support related to its Graphics products. Graphics products and services are sold globally to customers both directly by Kodak and indirectly through dealers.

- Kodak’s digital offset plate offerings include traditional digital offset plates and KODAK SONORA Process Free Plates. KODAK SONORA Process Free Plates are offset plates that are able to be prepared directly with a computer-to-plate thermal output device and do not require subsequent processing chemistry, processing equipment or chemical disposal. As a result, SONORA Process Free Plates deliver cost savings and efficiency for customers and promote environmental sustainability practices.
- Production workflow software is used by customers to manage digital and conventional print content from file creation to output. Kodak’s production workflow software includes KODAK PRINERGY Workflow Software, KODAK PREPS Imposition Software, KODAK COLORFLOW Software and the KODAK INSITE Software family of products. The production workflow software manages content and color, reduces manual errors and helps customers manage the collaborative creative process.
- Computer-to-plate thermal output devices are used by customers to transfer images onto aluminum offset printing plates, and provide a consistent and high quality image carrier for offset press applications. Kodak’s computer-to-plate products include the KODAK MAGNUS Platesetter and TRENDSETTER Platesetter with SQUARESPOT Imaging Technology, which provides high resolution, consistency and stability in thermal imaging. Kodak also offers the ACHIEVE Platesetter with TH5 imaging technology, which provides a highly efficient and cost-effective imaging solution at a lower price point.
- Digital front-end controllers, which are branded as KODAK CREO Servers, are used by customers to drive personalized content to digital presses while controlling color and print consistency.

Net sales for Graphics accounted for 54%, 52%, 49% and 49% of total net revenue for the year ended December 31, 2014, four months ended December 31, 2013, eight months ended August 31, 2013 and year ended December 31, 2012, respectively.

Entertainment Imaging & Commercial Films: Kodak’s Entertainment Imaging & Commercial Films group includes its motion picture film business serving the entertainment and advertising industries. Motion picture products are sold directly to studios, laboratories and independent filmmakers. The group also offers industrial films, including films used by the electronics industry to produce printed circuit boards. Entertainment Imaging & Commercial Films also includes related component businesses: Polyester Film, Specialty Chemicals, Inks & Dispersions, and Solvent Recovery.

In January 2015 Kodak finalized new film supply agreements with major Hollywood studios. Despite significant sales volume declines, the agreements make it possible for Kodak to continue to manufacture motion picture film while also pursuing new opportunities to leverage film production technologies in growth applications, such as

touchscreens for smartphones and tablet computers.

Net sales of Entertainment Imaging and Commercial Films accounted for 10%, 11%, 13% and 14% of total net revenue for the year ended December 31, 2014, four months ended December 31, 2013, eight months ended August 31, 2013 and year ended December 31, 2012, respectively.

Intellectual Property and Brand Licensing: Intellectual Property and Brand Licensing includes licensing activities related to Kodak's patents, proprietary technology and brand. With respect to Brand Licensing, Kodak currently licenses its brand for use with a range of consumer products, including batteries, cameras and camera accessories and recordable media. Kodak intends to continue efforts to grow its portfolio of consumer product licensees in order to generate both ongoing royalty streams and upfront payments. Additionally, Kodak actively seeks opportunities to leverage its patents and associated technology in licensing and/or cross-licensing deals to support both revenue growth and ongoing businesses.

Marketing and Competition: The key imperatives and marketing focus for the Graphics business are: investing in process-free technology; driving a total, optimized prepress solution; delivering the next-generation print software portfolio; expanding in emerging markets; and driving operational excellence and profitability. Kodak faces competition from other companies that offer commercial offset and digital printing equipment, production software, consumables and service. Competitiveness is generally focused on a broad range of technology, solutions and price. The motion picture business faces competition from electronic substitution with digital capture and digital cinema theater display.

Digital Printing and Enterprise ("DP&E") Segment

DP&E serves a variety of customers in the commercial printing, packaging, newspaper, digital service bureau market, in-plant, and consumer printing market segments with a range of software, media and hardware products. DP&E products and services are sold both directly by Kodak and indirectly through dealers.

Digital Printing: Digital Printing includes both Inkjet Printing Solutions and Electrophotographic Printing Solutions equipment and related consumables and service.

- Kodak's Inkjet Printing Solutions product offering includes the PROSPER Press and PROSPER System Hybrid Components, featuring ultrafast inkjet droplet generation.
- The PROSPER Press features Stream Inkjet Technology, which delivers a continuous flow of ink that enables constant and consistent operation, with uniform ink droplet size and accurate placement, even at very high print speeds. Applications of the PROSPER Press include publishing, commercial print, direct mail, and packaging. The business also includes a large base of customers who continue to use KODAK VERSAMARK Products, the predecessor products to the PROSPER Press. Users of KODAK VERSAMARK Products continue to purchase ink and media consumables as well as service from Kodak.
- PROSPER System Hybrid Components are also integrated into original equipment manufacturer partner portfolios where the manufacturer combines PROSPER Writing Systems with its press systems that transport webs of paper and other substrates through the press. Sales of equipment that incorporate the PROSPER Writing Systems result in recurring revenue from sales of ink and other consumables and equipment service. The level of recurring revenue depends on the application for which the equipment is used, which drives the total number of pages printed and ink usage.
- Electrophotographic Printing Solutions encompasses the NEXPRESS Platform and the DIGIMASTER Production Platform. The NEXPRESS Platform offers high-quality, differentiated printing of short-run, personalized print applications such as direct mail, books, marketing collateral and photo products. The DIGIMASTER Production Platform uses monochrome electrophotographic printing technology to create high-quality printing of statements, short run books, corporate documentation, manuals and direct mail.

Net sales for Digital Printing accounted for 18%, 21%, 18% and 17%, of total net revenue for the year ended December 31, 2014, four months ended December 31, 2013, eight months ended August 31, 2013 and year ended December 31, 2012, respectively.

Packaging and Functional Printing: Packaging and Functional Printing includes flexographic printing equipment and plates and related consumables and services, as well as printed functional materials and components.

- The Packaging business includes Kodak's FLEXCEL NX System and FLEXCEL Direct Platform that offer digitization into the flexographic print market. The FLEXCEL NX System uses Kodak's proprietary SQUAREspot laser imaging technology to produce high resolution imaging that reduces waste and ink usage. The FLEXCEL Direct Platform delivers process-less high productivity and the environmental benefits of a process-less solution. These print production capabilities leverage a portfolio of offset, flexographic, and digital products and services, which help enable customers to preserve brand equity, enhance shelf appeal, and drive efficiency from design to solution.
- The Functional Printing business leverages Kodak's expertise in imaging and materials science and deposition processes to create products using printing processes that have previously been manufactured using traditional techniques. Functional printing offers many advantages over traditional manufacturing, including cost and environmental impact. The Functional Printing business is in a start-up phase. Kodak's first initiatives in Functional Printing are focusing on two separate solutions that will provide touch panel sensor films to the touchscreen industry. These solutions consist of a silver halide-based solution and an additive printing solution, which are both being commercialized in collaboration with business partners.

Enterprise Services & Solutions: Enterprise Services & Solutions assists organizations with challenges and opportunities created by the worldwide digital transformation. Enterprise Services & Solutions provides print and managed media services that provide customers with solutions for their printing requirements using Kodak technologies; brand protection technologies and services to help brand owners combat counterfeiters and diverters; and document management services, including expertise in the capture, archiving, retrieval and delivery of documents. Enterprise Services & Solutions serves enterprise customers in numerous sectors, including governments, pharmaceuticals and life sciences, consumer and luxury product goods and retail and financial services.

Consumer Inkjet Systems: Consumer Inkjet Systems involves the sale of ink to an existing installed base of consumer inkjet printers.

Net sales for Consumer Inkjet Systems accounted for 6%, 7%, 9% and 11% of total net revenue for the year ended December 31, 2014, four months ended December 31, 2013, eight months ended August 31, 2013 and year ended December 31, 2012, respectively.

Marketing and Competition: The key imperatives and marketing focus for the DP&E businesses are 1) to expand the company's position in the high-growth markets of commercial inkjet, packaging and functional printing by leveraging Kodak's success in developing and commercializing digital printing technologies, including the SQUAREspot laser writing imaging technology and continuous Stream Inkjet Technology and 2) to partner with and provide professional services to customers in the commercial printing and digital imaging markets, supporting new customer applications and business solutions. DP&E faces competition from other companies that offer a range of commercial offset and digital printing equipment, consumables and service. Competition is generally focused on technology, solutions and price.

2015 Segments

In 2015, Kodak implemented a new organizational structure to make the company faster-moving, more competitive and more entrepreneurial. Effective January 1, 2015, financial information will be reported for seven segments: Print Systems, Enterprise Inkjet Systems, Micro 3D Printing and Packaging, Software and Solutions, Consumer and Film, Intellectual Property Solutions and Eastman Business Park.

- Print Systems will be comprised of Prepress Solutions, which includes Kodak’s digital offset plate offerings and computer to plate imaging solutions, and Electrophotographic Printing Solutions.
- Enterprise Inkjet Systems will include commercial inkjet printing solutions and digital front-end controllers.
 - Micro 3D Printing and Packaging will be comprised of Packaging and Functional Printing.
- Software and Solutions will be comprised of Kodak Technology Solutions, which includes enterprise services and solutions, and workflow software.
- Consumer and Film will be comprised of Consumer Inkjet, Entertainment Imaging and Commercial Films, and Brand Licensing.
- Intellectual Property Solutions will include licensing and research and development activities not directly related to the other segments.

DISCONTINUED OPERATIONS

Discontinued operations of Kodak include the Personalized Imaging and Document Imaging businesses, the digital capture and devices business, Kodak Gallery, and other miscellaneous businesses. For details, refer to Note 27, “Discontinued Operations” in the Notes to Financial Statements for additional information.

FINANCIAL INFORMATION BY GEOGRAPHIC AREA

Financial information by geographic area for the past three years is shown in Note 23, “Segment Information,” in the Notes to Financial Statements.

RAW MATERIALS

The raw materials used by Kodak are many and varied, and are generally readily available. Lithographic aluminum is the primary material used in the manufacture of offset printing plates. Kodak procures lithographic aluminum coils from several suppliers on a spot basis or under contracts generally in place over the next one to two years. Electronic components are used in the manufacturing of commercial printers and other electronic devices. Although most electronic components are generally available from multiple sources, certain key electronic components included in the finished goods manufactured by and purchased from Kodak’s third party suppliers are obtained from single or limited sources, which may subject Kodak to supply risks.

SEASONALITY OF BUSINESS

Equipment sales generally are higher in the fourth quarter, resulting from customer or industry budgeting practices.

RESEARCH AND DEVELOPMENT

Through the years, Kodak has engaged in extensive and productive efforts in research and development.

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Research and development expenditures for Kodak's two reportable segments were as follows:

(in millions)	Successor		Predecessor	
	Year Ended December 31, 2014	Four Months Ended December 31, 2013	Eight Months Ended August 31, 2013	Year Ended December 31, 2012
Graphics, Entertainment and Commercial Films	\$21	\$7	\$13	\$40
Digital Printing and Enterprise	88	33	55	132
Impact of exclusion of certain components of pension and other postretirement benefit plan income from the segment measure of profitability (1)	(15)	(7)	(2)	(4)
Total	\$94	\$33	\$66	\$168

(1) Composed of interest cost, expected return on plan assets, amortization of actuarial gains and losses, amortization of prior service credits related to the U.S. Postretirement Benefit Plan and special termination benefits, curtailments and settlement components of pension and other postretirement benefit expenses, except for settlements in connection with the chapter 11 bankruptcy proceedings that are recorded in Reorganization items, net and curtailments and settlements included in Earnings (loss) from discontinued operations, net of income taxes in the Consolidated Statement of Operations.

Research and development is headquartered in Rochester, New York. Other U.S. groups are located in Stamford, Connecticut; Dayton, Ohio; Oakdale, Minnesota; and Columbus, Georgia. Outside the U.S., groups are located in Canada, England, Israel, Germany, Japan and China. These groups work in close cooperation with manufacturing units and marketing organizations to develop new products and applications to serve both existing and new markets.

Kodak's general practice is to protect its investment in research and development and its freedom to use its inventions by obtaining patents. The ownership of these patents contributes to Kodak's ability to provide industry-leading products. Kodak holds portfolios of patents in several areas important to its business, including the specific technologies previously discussed, such as flexographic and lithographic printing plates and systems; digital printing workflow and color management proofing systems; color and black-and-white electrophotographic printing systems; commercial and consumer inkjet writing systems, printers, and presses; inkjet inks and media; functional printing materials, formulations, and deposition modalities; dye sublimation (thermal transfer) printing systems; and color negative films, processing and papers. Each of these areas is important to existing and emerging business opportunities that bear directly on Kodak's overall business performance.

Kodak's major products are not dependent upon one single, material patent. Rather, the technologies that underlie Kodak's products are supported by an aggregation of patents having various remaining lives and expiration dates. There is no individual patent, or group of patents, whose expiration is expected to have a material impact on Kodak's results of operations.

ENVIRONMENTAL PROTECTION

Kodak is subject to various laws and governmental regulations concerning environmental matters. The U.S. federal environmental legislation and state regulatory programs having an impact on Kodak include the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the NY State

Chemical Bulk Storage Regulations and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (the “Superfund Law”).

It is Kodak’s policy to carry out its business activities in a manner consistent with sound health, safety and environmental management practices, and to comply with applicable health, safety and environmental laws and regulations. Kodak continues to engage in programs for environmental, health and safety protection and control.

Based upon information presently available, future costs associated with environmental compliance are not expected to have a material effect on Kodak's capital expenditures or competitive position, although costs could be material to a particular quarter or year.

EMPLOYMENT

At the end of 2014, Kodak employed the full time equivalent of approximately 7,300 people globally, of whom approximately 3,200 were employed in the U.S. The actual number of employees may be greater because some individuals work part time.

AVAILABLE INFORMATION

Kodak files many reports with the Securities and Exchange Commission (“SEC”) (www.sec.gov), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. These reports, and amendments to these reports, are made available free of charge as soon as reasonably practicable after being electronically filed with or furnished to the SEC. They are available through Kodak's website at www.Kodak.com. To reach the SEC filings, follow the links to About Kodak, Investor Center, Financial Information and then SEC Filings.

ITEM 1A. RISK FACTORS

Risks Related to Our Business

The Company has significantly restructured its business and adopted a new business plan, including a new segment reporting structure. The restructured Company and new business plan have been in effect for a limited period of time and there are no assurances that the Company will be able to successfully implement its business plan or successfully operate as a restructured business.

The Company has focused its investments on imaging and printing for business, specifically, commercial inkjet, packaging and functional (Micro 3D) printing solutions, and enterprise services and solutions. Each of these businesses requires additional investment and may not be successful. The introduction of successful innovative products at market competitive prices and the achievement of scale are necessary for us to grow these businesses, improve margins and achieve our financial objectives. Additionally, our strategy is based on a number of factors and assumptions, some of which are not within our control, such as the actions of third parties. There can be no assurance that we will be able to successfully execute all or any elements of our strategy, or that our ability to successfully execute our strategy will be unaffected by external factors. If we are unsuccessful in growing the Company's investment businesses as planned, or perceiving the needs of our target customers, our financial performance could be adversely affected.

If Kodak is not able to successfully implement its strategic business plans, or experiences implementation delays in cost structure reduction, the Company's consolidated results of operations, financial position and liquidity could be negatively affected.

We recognize the need to rationalize Kodak's workforce and streamline operations to a leaner and more focused organization aligned with the emerged businesses and operations. We have implemented such cost rationalization plans including a restructuring of manufacturing, supply chain, marketing, sales and administrative resources. There are no assurances that such measures will prove to be successful or that the results we achieve through these plans will be consistent with our expectations. As a result, our results of operations, financial position and liquidity could be negatively impacted. Additionally, if restructuring plans are not effectively managed, we may experience lost customer sales, product delays, additional costs and other unanticipated effects, causing harm to our business and customer relationships. The business plans are subject to a number of assumptions, projections, and analysis. If these assumptions prove to be incorrect, we may be unsuccessful in executing our business plan or achieving the projected

results, which could adversely impact our financial results and liquidity. Finally, the timing and implementation of these plans require compliance with numerous laws and regulations, including local labor laws, and the failure to comply with such requirements may result in damages, fines and penalties which could adversely affect the Company's business.

Kodak's inability to effectively complete and manage partnerships and other significant transactions could adversely impact our business performance, including our financial results.

As part of the Company's strategy, we may be engaged in discussions with third parties regarding possible divestitures, asset sales, spin-offs, investments, acquisitions, strategic alliances, joint ventures, and outsourcing transactions and may enter into agreements relating to such transactions in order to further our business objectives. In order to pursue this strategy successfully, we must identify suitable buyers, sellers and partners and successfully complete transactions, some of which may be large and complex, and manage post-closing issues such as the elimination of any remaining post-sale costs related to divested businesses. Transaction risk can be more pronounced for larger and more complicated transactions, or when multiple transactions are pursued simultaneously. If we fail to identify and successfully complete transactions that further the Company's strategic objectives, we may be required to expend resources to develop products and technology internally, we may be at a competitive disadvantage or we may be adversely affected by negative market perceptions. Any of these factors could have an adverse effect on our revenue, gross margins and profitability. In addition, unpredictability surrounding the timing of such transactions could adversely affect our financial results.

We may pursue acquisitions or combinations that could fail or present unanticipated problems for our business in the future, which would adversely affect our ability to realize the anticipated benefits of those transactions or increase the price we would be required to pay.

We may seek to enter into transactions that may include acquiring or combining with other businesses. We may not be able to identify suitable acquisition or combination opportunities or finance and complete any particular acquisition or combination successfully. Furthermore, acquisitions and combinations involve a number of risks and challenges, including:

- the ability to obtain required regulatory and other approvals;
- the need to integrate acquired or combined operations with our operations;
 - potential loss of key employees;
- difficulty in evaluating operating costs, infrastructure requirements, environmental and other liabilities and other factors beyond our control;
 - potential lack of operating experience in new geographic areas;
 - an increase in our expenses and working capital requirements;
 - management's attention may be temporarily diverted; and
- the possibility that we may be required to issue a substantial amount of additional equity or debt securities or assume additional debt in connection with any such transactions.

Any of these factors could adversely affect our ability to achieve anticipated levels of cash flows or realize synergies or other anticipated benefits from a strategic transaction. Furthermore, the market for transactions is highly competitive, which may adversely affect our ability to find transactions that fit our strategic objectives or increase the price we would be required to pay (which could decrease the benefit of the transaction or hinder our desire or ability to consummate the transaction). Strategic transactions may occur at any time and may be significant in size relative to our assets and operations.

If the Company is unable to successfully develop or commercialize new products, our business, financial position and operating results may suffer.

We generally sell our products in industries that are characterized by rapid technological changes, frequent new product and service introductions and changing industry standards. Without the timely introduction of new products, services and enhancements, our products and services will become technologically obsolete over time, in which case our revenue and operating results would suffer. Therefore, our future results of operations will depend to a significant extent upon our ability to successfully commercialize new products in a timely manner. The success of our new products and services will depend on several factors, including our ability to:

- identify customer needs;
- innovate and develop new technologies, services, and applications;
 - commercialize new technologies in a timely manner;

- manufacture and deliver our products in sufficient volumes and on time;
 - differentiate our offerings from our competitors' offerings;
 - price our products and services competitively;
- anticipate our competitors' development of new products, services or technological innovations;
 - work successfully alongside our partners, including UniPixel, Bobst and Kingsbury; and
 - control product quality in our manufacturing processes.

As a result of these and other factors, products currently in development by Kodak may or may not be successfully commercialized in a timely manner, or at all. If any of our key products cannot be successfully or timely commercialized, our operating results could be adversely affected. Moreover, we cannot guarantee that any investment we made in developing products will be recouped, even if we are successful in commercializing those products, which could have a material adverse effect on our business, financial position and operating results.

We may not be successful in commercializing technologies for micro 3D printing, one of our target markets, which could have a material adverse effect on our business, operating results and financial position.

We are in the process of commercializing technologies for micro 3D printing, one of our target markets. We may not be successful in developing and marketing products in some or all of the areas we seek to enter in micro 3D printing. Development, production, marketing or administrative costs may exceed expectations and operating cash flow generated from these products. Customers may favor other technologies or solutions, and our products may not be competitive on the basis of cost, functionality or other characteristics. In addition, our competitors may have better technologies to which we may not have access, and may have more financial or other resources to support development and marketing of their products. We rely on our partners, such as UniPixel and Kingsbury, for technology and other expertise that are key to our efforts to commercialize micro 3D printing products. Issues with either of these companies or in our relationship with them could adversely affect our plans with respect to commercialization of our technologies. The investment required to develop products may exceed our expectations. If any or all of these risks occurred, we may not realize benefits associated with our investments in micro 3D printing, and it could have a material adverse effect on our business, operating results and financial position.

If Kodak's commercialization and manufacturing processes fail to prevent product reliability, yield and quality issues, our product launch plans may be delayed, our financial results may be adversely impacted, and our reputation may be harmed.

In developing, commercializing and manufacturing Kodak's products and services, we must adequately address reliability, yield and other quality issues, including defects in our engineering, design and manufacturing processes, as well as defects in third-party components included in our products. Because Kodak's products are sophisticated and complicated to develop and commercialize with rapid advances in technologies, the occurrence of defects may increase, particularly with the introduction of new product lines. Unanticipated issues with product performance may delay product launch plans which could result in additional expenses, lost revenue and earnings. Although we have established internal procedures to minimize risks that may arise from product quality issues, there can be no assurance that we will be able to eliminate or mitigate occurrences of these issues and associated liabilities. Product reliability, yield and quality issues can impair our relationships with new or existing customers and adversely affect our brand image, product quality issues can result in recalls, warranty, or other service obligations and litigation, and our reputation as a producer of high quality products could suffer, which could adversely affect our business as well as our financial results.

Our ability to generate positive operating cash flows will be necessary for us to continue to operate our business.

While Kodak has significantly reduced its rate of negative operating cash flow over the past two years, we continue to generate net negative operating cash flow. There is no assurance that Kodak will be able to generate positive cash flow from operations in the future, which could have a material adverse effect on Kodak's liquidity and financial position.

Continued investment, capital needs, restructuring payments and servicing the Company's debt require a significant amount of cash and we may not be able to generate cash necessary to finance these activities, which could adversely affect our business, operating results and financial condition.

Kodak's business may not generate cash flow in an amount sufficient to enable us to pay the principal of, or interest on our indebtedness, or to fund Kodak's other liquidity needs, including working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, restructuring actions and other general corporate requirements.

Kodak's ability to generate cash is subject to general economic, financial, competitive, litigation, regulatory and other factors that are beyond our control. We cannot assure you that:

- Kodak's businesses will generate sufficient cash flow from operations;
- Kodak will be able to repatriate or move cash to locations where and when it is needed;
- Kodak will meet all the conditions associated with making borrowings or issuing letters of credit under the Asset Based Revolving Credit Agreement (the "ABL Credit Agreement");
- Kodak will realize cost savings, earnings growth and operating improvements resulting from the execution of our business and restructuring plan;
 - Kodak will not have to expend cash defending litigations regardless of the merits of any claims raised; or
 - future sources of funding will be available in amounts sufficient to enable funding of our liquidity needs.

If we cannot fund our liquidity needs, we will have to take actions, such as reducing or delaying capital expenditures, product development efforts, strategic acquisitions, and investments and alliances; selling additional assets; restructuring or refinancing the Company's debt; or seeking additional equity capital. Such actions could increase the Company's debt, negatively impact customer confidence in our ability to provide products and services, reduce the Company's ability to raise additional capital and delay sustained profitability. We cannot assure you that any of these actions could, if necessary, be effected on commercially reasonable terms, or at all, or that they would permit us to meet the Company's scheduled debt service obligations. In addition, if we incur additional debt, the risks associated with the Company's substantial leverage, including the risk that we will be unable to service the Company's debt, generate cash flow sufficient to fund our liquidity needs, or maintain compliance with the covenants in our various credit facilities, could intensify.

There can be no assurance that the Company will be able to comply with the terms of our various credit facilities.

A breach of any of the financial or other covenants contained in the Senior Secured First Lien Term Credit Agreement (the "First Lien Term Credit Agreement"), Senior Secured Second Lien Term Credit Agreement (the "Second Lien Term Credit Agreement", and together with the First Lien Term Credit Agreement, the "Term Credit Agreements") or the ABL Credit Agreement (and together with the Term Credit Agreements the "Credit Agreements") could result in an event of default under these facilities. If any event of default occurs and we are not able to either cure it or obtain a waiver from the requisite lenders under each of these facilities, the administrative agent of each credit facility may, and at the request of the requisite lenders for that facility shall, declare all of our outstanding obligations under the applicable credit facility, together with accrued interest and fees, to be immediately due and payable and the agent under the ABL Credit Agreement may, and at the request of the requisite lenders shall, terminate the lenders' commitments under that facility and cease making further loans, and if applicable, each respective agent could institute foreclosure proceedings against our pledged assets. Any of these outcomes could adversely affect our operations and our ability to satisfy our obligations as they come due.

Due to the nature of the products we sell and Kodak's worldwide distribution, we are subject to changes in currency exchange rates, interest rates and commodity costs that may adversely impact our results of operations and financial position.

As a result of Kodak's global operating and financing activities, we are exposed to changes in currency exchange rates and interest rates, which may adversely affect our results of operations and financial position. Exchange rates and interest rates in markets in which we do business tend to be volatile and, at times, our sales can be negatively impacted across all of the Company's segments depending upon the value of the U.S. dollar, the Euro and other major currencies. In addition, the Company's products contain aluminum, silver, petroleum based or other commodity based raw materials, the prices of which have been, and may continue to be, volatile. If the global economic situation remains uncertain or worsens, there could be further volatility in changes in currency exchange rates, interest rates and commodity prices, which could have negative effects on our revenue and earnings.

Weakness or worsening of global economic conditions could adversely affect our financial performance and liquidity.

The global economic environment may adversely affect sales of our products, profitability and liquidity. Global financial markets have been experiencing volatility. Economic conditions could accelerate any decline in demand for products, which could also place pressure on our results of operations and liquidity. There is no guarantee that anticipated economic growth levels in markets that have experienced some economic strength will continue in the future, or that we will succeed in expanding sales in these markets. In addition, accounts receivable and past due accounts could increase due to a decline in our customers' ability to pay as a result of an economic downturn, and the Company's liquidity, including our ability to use credit lines, could be negatively impacted by failures of financial instrument counterparties, including banks and other financial institutions. If global economic weakness and tightness in the credit markets exist, worsen or are attenuated, the Company's profitability and related cash generation capability could be adversely affected and, therefore, affect the Company's ability to meet the Company's anticipated cash needs, impair the Company's liquidity or increase the Company's costs of borrowing.

The competitive pressures we face could harm Kodak's revenue, gross margins and market share.

The markets in which we do business are highly competitive with large, entrenched, and well financed industry participants, many of which are larger than us. In addition, we encounter aggressive price competition for many of our products and services from numerous companies globally. Any of our competitors may foresee the course of market developments more accurately than we do; sell superior products and provide superior services or offer a broader variety of products and services; have the ability to produce or supply similar products and services at a lower cost; have better access to supplies and the ability to acquire supplies at a lower cost; develop stronger relationships with our suppliers or customers; or adapt more quickly to new technologies or evolving customer requirements than we do or have access to capital markets or other financing sources on more favorable terms than we can obtain. As a result, we may not be able to compete successfully with our competitors. Finally, we may not be able to maintain our operating costs or prices at levels that would allow us to compete effectively. Kodak's results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures. If our products, services and pricing are not sufficiently competitive with current and future competitors, we could also lose market share, adversely affecting our revenue and gross margins.

An inability to provide competitive financing arrangements to Kodak's customers or extension of credit to customers whose creditworthiness deteriorates could adversely impact our revenue, profitability and financial position.

The competitive environment in which we operate may require us to facilitate or provide financing to our customers in order to win a contract. Customer financing arrangements may cover all or a portion of the purchase price for the

Company's products and services. We may also assist customers in obtaining financing from banks and other sources. Our success may be dependent, in part, upon our ability to provide customer financing on competitive terms and on our customers' creditworthiness. Tightening of credit in the global financial markets can adversely affect the ability of Kodak's customers to obtain financing for significant purchases, which may result in a decrease in, or cancellation of, orders for our products and services. If we are unable to provide competitive financing solutions to our customers or if we extend credit to customers whose creditworthiness deteriorates, our revenues, profitability and financial position could be adversely impacted.

If the U.K. Kodak Pension Plan Purchasing Parties ("KPP Purchasing Parties") are not able to successfully operate the Personalized Imaging and Document Imaging Business (the "PI/DI Business") acquired from the Company or meet their commitments under supply, service and transition services and other agreements entered into with the Company, the Company's brand, reputation and financial results could suffer.

The Amended and Restated Stock and Asset Purchase Agreement between Eastman Kodak Company, Qualex, Inc., Kodak (Near East), Inc., KPP Trustees Limited, as Trustee for the Kodak Pension Plan of the United Kingdom, and, solely for the purposes of Section 11.4, KPP Holdco Limited, dated August 30, 2013 ("Amended SAPA") and certain related agreements permit the KPP Purchasing Parties to use the Kodak name and brand in its operations of the PI/DI Business on a going-forward basis. If the KPP Purchasing Parties are not successful in the operation of the PI/DI Business, the Company's brand image and reputation as a producer of high quality products could be harmed, which could affect our financial results or operations. In addition, in connection with the closing under the Amended SAPA, on the Effective Date, the Company entered into certain supply and transition services agreements with the KPP Purchasing Parties under which the KPP Purchasing Parties are purchasing supplies and services from the Company. The inability of the KPP Purchasing Parties to make payments as they are due under the supply, service and transition service agreements could negatively affect our financial results. Further, with respect to a certain jurisdiction for which a deferred closing is expected to occur pursuant to the Amended SAPA in 2015, certain factors may delay the closing from occurring on the expected date, which could result in costs or operational impacts to Kodak.

If we cannot attract, retain and motivate key management and other key employees, Kodak's revenue and earnings could be harmed.

In order for us to be successful, we must continue to attract, retain and motivate executives and other key employees, including technical, managerial, marketing, sales, research and support positions. Hiring and retaining qualified executives, research and engineering professionals, and qualified sales representatives, particularly in Kodak's targeted growth markets, are critical to our future. We may be unable to attract and retain highly qualified management and employees, particularly if we do not offer employment terms competitive with the rest of the market. Failure to attract and retain qualified individuals, key leaders, executives and employees, or failure to develop and implement a viable succession plan, could result in inadequate depth of institutional knowledge or skill sets, which could adversely affect our business.

If we cannot effectively anticipate technology trends and develop and market new products to respond to changing customer preferences, our revenue, earnings and cash flow could be adversely affected.

We are a technology company serving imaging for business markets, including packaging, micro 3D printing, graphic communications and enterprise services. Our success in these markets depends on our ability to offer differentiated solutions to capture market share and grow scale. To enable this, we must continually develop and introduce new products and services in a timely manner to keep pace with technological developments and achieve customer acceptance. In addition, the services and products that we provide to customers may not or may no longer meet the needs of our customers as the business models of our customers evolve. Our customers may decide to outsource their imaging needs or may purchase imaging services and needs from other suppliers. In addition, it is difficult to predict successfully the products and services our customers will demand. The success of our business depends in part on our ability to identify and respond promptly to changes in customer preferences, expectations and needs. If we do not timely assess and respond to changing customer expectations, preferences and needs, our financial condition, results of operations or cash flows could be adversely affected.

We must also effectively communicate to our customers, investors, and other key stakeholders our new business model and successfully position our products for the markets we serve. If we are unable to anticipate new technology trends, develop improvements to the Company's current technology to address changing customer preferences, and effectively communicate our businesses, products, and the markets we serve, our revenue, earnings and cash flow could be adversely affected.

We have outsourced a significant portion of Kodak's overall worldwide manufacturing, logistics and back office operations and face the risks associated with reliance on third party suppliers.

We have outsourced a significant portion of our overall worldwide manufacturing, logistics, customer support and administrative operations to third parties. To the extent that we rely on third party service providers, we face the risk that those third parties may not be able to:

- develop manufacturing methods appropriate for the Company's products;
 - maintain an adequate control environment;
- quickly respond to changes in customer demand for the Company's products;
- obtain supplies and materials necessary for the manufacturing process; or

- mitigate the impact of labor shortages and/or disruptions.

Further, even if Kodak honors its payment and other obligations to its key suppliers of products, components and services, such suppliers may choose to unilaterally withhold products, components or services, or demand changes in payment terms. In addition, we may experience shortages in supply and disruptions in service as a result of unexpected demand, transportation and logistical limitations, and/or disruptions or production difficulties at our suppliers such as disruptions due to fires, other natural disasters or events outside of a supplier's control. In addition, disruptions could result from a reduction in the number of our suppliers due to their own financial difficulties or a reduction in the products offered by such suppliers. As a result of the loss of any supplier, or a substantial decrease in the availability of products from our suppliers, we may be unable to meet our customer commitments, our costs could be higher than planned, and our cash flows and the reliability of the Company's products could be negatively impacted. Kodak will vigorously enforce its contractual rights under such circumstances, but there is no guarantee we will be successful in preventing or mitigating the effects of unilateral actions by our suppliers. Other supplier problems that we could face include electronic component shortages, excess supply, risks related to the duration and termination of Kodak's contracts with suppliers for components and materials and risks related to dependency on single source suppliers on favorable terms or at all. The realization of any of these risks should alternative third party relationships not be established, could cause interruptions in supply or increases in costs that might result in Kodak's inability to meet customer demand for our products, damage to our relationships with Kodak's customers, and reduced market share, all of which could adversely affect our results of operations and financial condition.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our worldwide operations could be subject to earthquakes, power shortages, telecommunications failures, cyber-attacks, terrorism, water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics, political or economic instability, and other natural or manmade disasters or business interruptions, for which we are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm our revenue and financial condition and increase our costs and expenses. In addition, some areas, including parts of the east and west coasts of the United States, have previously experienced, and may experience in the future, major power shortages and blackouts. These blackouts could cause disruptions to our operations or the operations of our suppliers, distributors and resellers, or customers. We have operations including research and development facilities in geographically disparate locations, such as Israel, Japan, China and Canada. The impact of these risks is greater in areas where products are manufactured at a sole or limited number of location(s), and where the sourcing of materials is limited to a sole or limited base of suppliers, since any material interruption in operations in such locations or suppliers could impact our ability to provide a particular product or service for a period of time. These events could seriously harm our revenue and financial condition, and increase our costs and expenses.

If we cannot protect the intellectual property rights on which the Company's business depends, or if third parties assert that we violate their intellectual property rights, our revenue, earnings, expenses and liquidity may be adversely impacted.

A key differentiator for Kodak in many of our businesses is our technological advantage over competitors' products and solutions. Our technological advantage is supported by Kodak's intellectual property rights. Patent, copyright, trademark and trade secret laws in the United States and similar laws in other countries, and non-disclosure, confidentiality and other types of agreements with Kodak's employees, customers, suppliers and other parties, may not be effective in establishing, maintaining and enforcing Kodak's intellectual property rights. Any of Kodak's direct or indirect intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated, or such intellectual property rights may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly product redesign efforts, discontinuance of certain product offerings or other competitive harm. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions, we may be unable to protect Kodak's proprietary technology adequately against unauthorized third party copying, infringement or use, which could adversely affect our competitive position. Also, because of the rapid pace of technological change in the information technology industry, much of Kodak's business and many of Kodak's products rely on key technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

We have made substantial investments in new, proprietary technologies and have filed patent applications and obtained patents to protect Kodak's intellectual property rights in these technologies as well as the interests of Kodak's licensees. There can be no assurance that Kodak's patent applications will be approved, that any patents issued will adequately protect Kodak's intellectual property or that such patents will not be challenged by third parties.

In addition, third parties may claim that Kodak's customers, licensees or other parties indemnified by us are infringing upon their intellectual property rights. Such claims may be made by competitors seeking to block or limit our access to certain markets. Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from large companies like ours. Even if we believe that the claims are without merit, these claims may have the following negative impacts on our business:

- claims can be time consuming and costly to defend and may distract management's attention and resources;
- claims of intellectual property infringement may require us to redesign affected products, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of our products;
- even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations; and
- if we cannot or do not license the infringed technology at all, license the technology on reasonable terms or substitute similar technology from another source, our revenue and earnings could be adversely impacted.

Finally, we use open source software in connection with our products and services. Companies that incorporate open source software into their products have, from time to time, faced claims challenging the ownership of open source software and/or compliance with open source license terms. As a result, the Company could be subject to suits by parties claiming ownership of what we believe to be open source software or noncompliance with open source licensing terms. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and/or make available any derivative works of the open source code on unfavorable terms or at no cost; any requirement to disclose the Company's source code or pay damages for breach of contract could be harmful to our business results of operations and financial condition.

Kodak's future pension and other postretirement benefit plan costs and required level of contributions could be unfavorably impacted by changes in actuarial assumptions, market performance of plan assets and obligations imposed by legislation or pension authorities which could adversely affect our financial position, results of operations, and cash flow.

Kodak has significant defined benefit pension and other postretirement benefit obligations. The funded status of our U.S. and non U.S. defined benefit pension plans (and other postretirement benefit plans), and the related cost reflected in our financial statements, are affected by various factors that are subject to an inherent degree of uncertainty. Key assumptions used to value these benefit obligations, funded status and expense recognition include the discount rate for future payment obligations, the long term expected rate of return on plan assets, salary growth, healthcare cost trend rates, mortality trends, and other economic and demographic factors. Significant differences in actual experience, or significant changes in future assumptions or obligations imposed by legislation or pension authorities could lead to a potential future need to contribute cash or assets to Kodak's plans in excess of currently estimated contributions and benefit payments and could have an adverse effect on Kodak's consolidated results of operations, financial position or liquidity.

In past years, we have experienced increases in the costs of these defined benefit pension and postretirement benefit obligations as a result of macro-economic factors beyond our control, including increases in health care costs, declines in investment returns on pension plan assets and changes in discount rates and mortality rates used to calculate pension and related liabilities. At least some of these macro-economic factors may again put pressure on the cost of providing pension and medical benefits. There can be no assurance that we will succeed in limiting cost increases, and continued upward pressure, including any as a result of new legislation, could reduce the profitability of our businesses.

Kodak's businesses experience seasonality of sales. Therefore, lower demand for Kodak's products or increases in costs during periods that are expected to be at peak in seasonality may have a pronounced negative effect on our results of operations.

Equipment and consumables sales generally exhibit higher levels in the fourth quarter due to the seasonal nature of placements, resulting from customer or industry budgeting practices. As a result, a sequential quarter-to-quarter comparison is not a good indication of our performance or how we will perform in the future. In addition, adverse developments during what are expected to be peak periods in seasonality, such as lower-than-anticipated demand for Kodak's products, an internal systems failure, increases in materials costs, or failure of or performance problems with one of our key logistics, components supply, or manufacturing partners, could have a material adverse impact on our financial condition and operating results. Tight credit markets that limit capital investments or a weak economy that decreases print demand could negatively impact equipment or consumable sales. These external developments are often unpredictable and may have an adverse impact on our business and results of operations.

If we fail to manage distribution of Kodak's products and services properly, our revenue, gross margins and earnings could be adversely impacted.

We use a variety of different distribution methods to sell and deliver Kodak's products and services, including third party resellers and distributors and direct and indirect sales to both enterprise accounts and customers. Successfully managing the interaction of direct and indirect channels to various potential customer segments for our products and services is a complex process. Moreover, since each distribution method has distinct risks and costs, Kodak's failure to achieve the most advantageous balance in the delivery model for our products and services could adversely affect our revenue, gross margins and earnings. This has concentrated Kodak's credit and operational risk and could result in an adverse impact on our financial performance.

Kodak's future results could be harmed if we are unsuccessful in our efforts to expand sales in emerging markets.

Because we are seeking to expand our sales and number of customer relationships outside the United States, and specifically in emerging markets in Asia, Latin America and Eastern Europe, Kodak's business is subject to risks associated with doing business internationally, such as:

- support of multiple languages;
- recruitment of sales and technical support personnel with the skills to design, manufacture, sell and supply products;
- compliance with governmental regulation of imports and exports, including obtaining required import or export approval for our products;
 - complexity of managing international operations;
 - exposure to foreign currency exchange rate fluctuations;
 - commercial laws and business practices that may favor local competition;
- multiple, potentially conflicting, and changing governmental laws, regulations and practices, including differing export, import, tax, anti-corruption, anti-dumping, economic sanction, labor, and employment laws;
 - difficulties in collecting accounts receivable;
 - limitations or restrictions on the repatriation of cash;

- limitations or reductions in protection of intellectual property rights;
- complications in logistics and distribution arrangements; and
- political or economic instability.

There can be no assurance that we will be able to market and sell our products in all of Kodak's targeted markets. If our efforts are not successful, our business growth and results of operations could be harmed. As a global company, Kodak is subject to regulatory requirements and laws in the jurisdictions in which we operate, and any alleged non-compliance with these requirements or laws could result in an adverse financial or reputational impact.

We are subject to environmental laws and regulations and failure to comply with such laws and regulations or liabilities imposed as a result of such laws and regulations could have an adverse effect on our business, results of operations and financial condition.

We are subject to environmental laws and regulations in the jurisdictions in which we conduct our business, including laws regarding the discharge of pollutants, including greenhouse gases, into the air and water, the need for environmental permits for certain operations, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, the content of Kodak's products and the recycling and treatment and disposal of our products. If we do not comply with applicable laws and regulations in connection with the use and management of hazardous substances, or otherwise incur liabilities under such laws which in some instances can impose liability without regard to fault, then we could incur liability and/or could be prohibited or limited in the operation of certain facilities, which could have a material adverse effect on our business, results of operations and financial condition. The cost of complying with such laws, and costs associated with the cleanup of contaminated sites, could have a material adverse effect on our business, results of operations and financial condition.

In addition, the Company, the New York State Department of Environmental Conservation and the New York State Urban Development Corporation have entered into a settlement agreement concerning certain of the Company's historical environmental liabilities at Eastman Business Park through the establishment of a \$49 million environmental remediation trust. Should historical liabilities exceed \$49 million, New York State is responsible for payments of cost up to an additional \$50 million. In the event the historical liabilities exceed \$99 million, the Company will become liable for 50% of the portion above \$99 million, which could have a material adverse effect on our financial condition. The implementation date of the settlement agreement occurred on May 20, 2014. The settlement agreement includes a covenant not to sue from the U.S. Environmental Protection Agency. Any uncertainties related to the Company's environmental obligations may impact our ability to further develop and transform Eastman Business Park.

Our business, results of operations and financial condition may be negatively impacted by legal matters.

We have various contingencies that are not reflected on our balance sheet, including those arising as a result of being involved from time to time in a variety of claims, lawsuits, investigations and proceedings concerning: commercial, customs, employment, and intellectual property matters, as well as the Employee Retirement Income Security Act (ERISA) and other laws and regulations as discussed in the "Contingencies" note in the Consolidated Financial Statements. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or

settlement occurs.

Regulations related to “conflict minerals” will require Kodak to incur additional expenses and could limit the supply and increase the cost of certain metals used in manufacturing Kodak’s products.

The Dodd-Frank Wall Street Reform and Consumer Protection Act contains provisions to improve transparency and accountability concerning the supply of minerals originating from the conflict zones of the Democratic Republic of Congo (DRC) and adjoining countries. As a result, in August 2012, the SEC adopted rules requiring disclosure related to sourcing of specified minerals, known as “conflict minerals,” that are necessary to the functionality or production of products manufactured or contracted to be manufactured by public companies. Kodak has developed a framework and management system consistent with the guidance issued by the Organization for Economic Co-operation and Development (OECD), and is currently performing due diligence on our supply chain. We expect to incur additional costs to comply with these disclosure requirements, including costs related to determining the sources of the specified minerals used in our products, in addition to the cost of any changes to products, processes, or sources of supply as a consequence of such verification activities, which may adversely affect our business. In addition, the number of suppliers who provide “conflict-free” minerals may be limited, which may make it difficult to satisfy customers who require that all of the components of our products be certified as conflict-free, which could place us at a competitive disadvantage if we are unable to do so. Because Kodak’s supply chain is complex, we may also not be sufficiently able to verify the origins of the relevant minerals used in our products through the due diligence procedures that we implement, which may harm our reputation.

We have determined that certain of our products contain such specified minerals, and we have developed a process to identify where such minerals originated. We filed our Conflict Minerals Disclosure report on June 2, 2014. As of the date of our conflict minerals report for the 2013 calendar year, we were unable to determine whether or not such minerals originate from the DRC or adjoining country.

Risks Related to Our Level of Indebtedness and Access to Capital Markets

Our substantial monetary obligations require that a portion of our cash flow be used to pay interest and fund other obligations rather than be invested in the business and could adversely affect our ability to fund our operations.

Our indebtedness under our Credit Agreements and our other obligations could have important negative consequences to us and investors in our securities. These include the following:

- we may not be able to satisfy all of our obligations, including, but not limited to, our obligations under the Credit Agreements, which may cause a cross-default or cross-acceleration on other debt we may have incurred;
- we could have difficulties obtaining necessary financing in the future for working capital, capital expenditures, debt service requirements, refinancing or other purposes;
- we will have to use a significant part of our cash flow to make payments on our debt and to satisfy the other obligations set forth above, which may reduce the capital available for operations and expansion; and
 - adverse economic or industry conditions may have more of a negative impact on us.

We cannot be sure that cash generated from our business will be as high as we expect or that our expenses will not be higher than we expect. Because a portion of our expenses are fixed in any given year, our operating cash flow margins are highly dependent on revenues, which are largely driven by customer demand. A lower amount of cash generated from our business or higher expenses than expected, when coupled with our debt obligations, could adversely affect our ability to fund our operations.

Our access to the capital markets may be limited.

Because of our emergence from bankruptcy in 2013, our current non-investment grade credit rating, and/or general conditions in the financial and credit markets, our access to the capital markets may be limited. Moreover, the urgency of a capital-raising transaction may require us to pursue additional capital at an inopportune time. Our ability to obtain capital and the costs of such capital are dependent on numerous factors, including:

- covenants in our Credit Agreements;
- investor confidence in us and the markets in which we operate;
- our financial performance and the financial performance of our subsidiaries;
 - our levels of debt;
- our ability to generate positive cash flow;
- our requirements for posting collateral under various commercial agreements;
 - our credit ratings;
 - our cash flow;

- our long-term business prospects; and
- general economic and capital market conditions, including the timing and magnitude of any market recovery.

We may not be successful in obtaining additional capital for these or other reasons. An inability to access capital may limit our ability to meet our operating needs and, as a result, may have a material adverse effect on our financial condition, results of operations and cash flows.

Our current non-investment grade status may adversely impact our commercial operations, increase our liquidity requirements and increase the cost of refinancing opportunities. We may not have adequate liquidity to post required amounts of additional collateral.

Our corporate family credit rating is currently below investment grade and we cannot assure you that our credit ratings will improve, or that they will not decline, in the future. Our credit ratings may affect the evaluation of our creditworthiness by trading counterparties and lenders, which could put us at a disadvantage to competitors with higher or investment grade ratings.

In carrying out our commercial business strategy, our current non-investment grade credit ratings have resulted and will likely continue to result in requirements that we either prepay obligations or post significant amounts of collateral to support our business. Additionally, our current non-investment grade credit ratings may limit our ability to obtain additional sources of liquidity, refinance our debt obligations or access the capital markets at the lower borrowing costs that would presumably be available to competitors with higher or investment grade ratings. Should our ratings continue at their current levels, or should our ratings be further downgraded, we would expect these negative effects to continue and, in the case of a downgrade, become more pronounced.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Kodak's worldwide headquarters is located in Rochester, New York.

Products in the DP&E Segment are manufactured in the United States in Rochester, New York; Dayton, Ohio; and Weatherford, Oklahoma. Manufacturing facilities outside the United States are located in China, Japan and Canada.

Products in the GECF Segment are manufactured in the United States in Rochester, New York and Columbus, Georgia. Manufacturing facilities outside the United States are located in Germany, China, Japan, United Kingdom and Canada.

Properties within a country may be shared by all segments operating within that country.

Regional distribution centers are located in various places within and outside of the United States. Kodak owns or leases administrative, research and development, manufacturing, marketing, and processing facilities in various parts of the world. The leases are for various periods and are generally renewable.

ITEM 3. LEGAL PROCEEDINGS

Subsequent to the Company's Bankruptcy Filing, between January 27, 2012 and March 22, 2012, several putative class action suits were filed in federal court in the Western District of New York against the committees of the Company's Stock Ownership Plan ("SOP") and Savings and Investment Plan ("SIP"), and certain former and current executives of the Company. The suits have been consolidated into a single action brought under the Employee Retirement Income Security Act ("ERISA"), styled as *In re Eastman Kodak ERISA Litigation*. The allegations concern the decline in the Company's stock price and its alleged impact on SOP and SIP. Plaintiffs seek the recovery of any losses to the applicable plans, a constructive trust, the appointment of an independent fiduciary, equitable relief, as applicable, and attorneys' fees and costs. Defendants' motion to dismiss the litigation was denied on December 17, 2014 and the case is proceeding. On behalf of the defendants in this case, the Company believes that the case is without merit and will vigorously defend the defendants on their behalf.

Kodak's Brazilian operations are involved in various litigation matters and have received or been the subject of numerous governmental assessments related to indirect and other taxes in various stages of litigation, as well as civil litigation and disputes associated with former employees and contract labor. The tax matters, which comprise the majority of the litigation matters, are primarily related to federal and state value-added taxes and income taxes. Kodak's Brazilian operations are disputing these matters and intend to vigorously defend their position. Kodak routinely assesses these matters as to the probability of ultimately incurring a liability in its Brazilian operations and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable. As of December 31, 2014, Kodak maintained accruals of approximately \$16 million for claims aggregating approximately \$233 million inclusive of interest and penalties where appropriate. In connection with assessments and litigation in Brazil, local regulations may require Kodak to post security for a portion of the amounts in dispute. Generally, any encumbrances of the Brazilian assets would be removed to the extent the matter is resolved in Kodak's favor.

Kodak is involved in various lawsuits, claims, investigations, remediations and proceedings, including, from time to time, commercial, customs, employment, environmental, and health and safety matters, which are being handled and defended in the ordinary course of business. Kodak is also subject, from time to time, to various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that are incorporated in a broad spectrum of our products. These matters are in various stages of investigation and litigation, and are being vigorously defended. Based on information currently available, we do not

believe that it is probable that the outcomes in any of these matters, individually or collectively, will have a material adverse effect on Kodak's financial condition or results of operations. Litigation is inherently unpredictable, and judgments could be rendered or settlements entered that could adversely affect Kodak's operating results or cash flows in a particular period.

ITEM 4. MINE SAFETY DISCLOSURES

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instructions G (3) of Form 10-K, the following list is included as an unnumbered item in Part I of this report in lieu of being included in the Proxy Statement for the Annual Meeting of Shareholders.

Name	Age	Positions Held	Year First Elected	
			Executive Officer	Present Office
Jeffrey J. Clarke	53	Chief Executive Officer	2014	2014
Philip Cullimore	49	Senior Vice President	2015	2015
Brad W. Kruchten	55	Senior Vice President	2009	2015
Eric-Yves Mahe	52	Senior Vice President	2015	2015
John N. McMullen	56	Chief Financial Officer	2014	2014
Steven Overman	46	Senior Vice President	2015	2015
Eric H. Samuels	47	Chief Accounting Officer and Corporate Controller	2009	2009
Terry R. Taber	60	Senior Vice President	2009	2010
Sharon E. Underberg	53	General Counsel, Secretary, and Senior Vice President	2015	2015

The executive officers' biographies follow:

Jeffrey J. Clarke

Jeff Clarke is the Chief Executive Officer and a member of the Board of Directors of Kodak.

Prior to joining Kodak in March 2014, Clarke was a Managing Partner of Augusta Columbia Capital, a private investment firm he co-founded in 2012. From 2012 to 2014, Clarke was the Chairman of Travelport, Inc., a private, travel technology firm, where he served as CEO from 2006 to 2011, after leading its sale from Cendant Corporation to the Blackstone Group for \$4.3 billion in 2006.

Clarke was the Chief Operating Officer of CA, Inc. (now called CA Technologies), an enterprise software company, from 2004 to 2006. At CA, he was responsible for sales, services, distribution, corporate finance, mergers & acquisitions, information technology, corporate strategy and planning.

From 2002 to 2003, Clarke was Executive Vice President of Global Operations at Hewlett Packard (“HP”). In this role, he was responsible for HP's worldwide supply chain, manufacturing, procurement and internet operations. He also co-lead HP's merger integration with Compaq Computer. Prior to HP, Clarke was the Chief Financial Officer of Compaq Computer, which he joined in 1998 following the merger of Compaq with Digital Equipment Corporation (“DEC”). Clarke was with DEC from 1985 to 1998, serving in management roles in international operations, finance and manufacturing.

Clarke has served on the board of directors of Red Hat, Inc., an enterprise software company, since 2008. He served as Chairman of Orbitz Worldwide, a global online travel agency, after leading the company's IPO in July 2007, until April 2014 and was also a director for the Compuware Corporation, an enterprise software company, from November 2013 until December 2014. Mr. Clarke served on the board of directors of Utstarcom, which designs and manufactures communications equipment, from 2005 to 2010.

Clarke earned an MBA from Northeastern University, where he serves as a Trustee. He holds a B.A. degree in Economics from SUNY Geneseo.

Philip Cullimore

Effective January 1, 2015, Philip Cullimore is President of the Enterprise Inkjet Systems Division, which serves existing and future commercial inkjet printing customers. He reports to Chief Executive Officer Jeff Clarke.

On an interim basis, effective January 1, 2015, Cullimore also is President of the Micro 3D Printing and Packaging Division, which serves packaging customers and display original equipment manufacturer (“OEM”) partners with products such as KODAK FLEXCEL NX Systems and Plates, legacy packaging solutions, and touch sensor films. The Board of Directors elected Cullimore a senior vice president effective January 2015.

From December 2010 to December 2014, Cullimore was Regional Managing Director, Europe, Africa and Middle East Region (EAMER) and Chairman Eastman Kodak Sàrl.

During Cullimore’s fourteen years at Kodak, he has directed Kodak’s strategy in the photographic printing market and taken responsibility for Kodak’s Wide Format Printer and Inks participation at ENCAD Inc, with assignments in the U.K., U.S., and Switzerland.

Prior to rejoining Kodak in 2000, Cullimore’s career included periods as U.K. Managing Director for Purup-Eskofot and Worldwide Business Director for Workflow Software at Fujifilm Electronic Imaging. He also founded, grew, and sold two software businesses during the 1990s.

Cullimore holds a B. S. Honours Degree in Physics and Environmental Sciences from the University of East Anglia.

Brad W. Kruchten

Effective January 1, 2015, Brad Kruchten is President of the Print Systems Division, which serves graphic arts and commercial print customers with printing plates, computer to plate imaging solutions, electrophotographic printing solutions, OEM toner, and all equipment services. He reports to Chief Executive Officer Jeff Clarke.

Prior to Kruchten's current position, he was President of GECF. Formerly, Kruchten was the President of the Film, Photofinishing & Entertainment Group ("FPEG"). In this capacity, he was responsible for profit and loss for all silver halide products. Kruchten was named President of FPEG in 2009. The Board of Directors elected him a senior vice president in 2009 as well.

Previously, Kruchten was the worldwide General Manager for Retail Printing and managed the products and services that enable retailers to offer an integrated retail solution to analog and digital photographers. These products and services included kiosks, paper, retail workflow software, service, and support. Before that, Kruchten was the General Manager for the Consumer and Professional film business. The Board of Directors elected him a corporate vice president in July 2002.

Kruchten's career at Kodak began in 1982 as a Quality Engineer. In 1986, he moved into a sales position for Copy Products and over the next five years held a number of sales and marketing positions within Printer Products and Business Imaging Systems. In 1993, Kruchten became a product line manager for Business Imaging Systems. In 1998, he was named Strategic Business Unit Manager and a divisional vice president of the Capture and Services business within the Document Imaging unit. During his tenure, Kodak introduced a number of scanners which made the company the world's leading seller of high-speed production scanning. In 2000, Kruchten was named Chief Operating Officer and vice president of the Document Imaging unit. As COO, he led the acquisition of the Imaging division of Bell & Howell. In 2001, Kruchten was named Site Manager, Kodak Colorado Division, and became a divisional vice president of Kodak's Global Manufacturing unit. In 2002, he was the Chief Executive Officer of Encad Inc., a wholly-owned Kodak subsidiary.

Prior to Kodak, Kruchten worked as a project engineer at Inland Steel and as a tool designer for General Motors Corp.

A native of Flint, Michigan, Kruchten has a B.S. degree in Engineering from Michigan State University, an M.S. in Statistics and Quality Management from the Rochester Institute of Technology, and has attended the Executive Management Development program at Penn State University.

Eric-Yves Mahe

Effective January 1, 2015, Eric-Yves Mahe is President of Software and Solutions for Kodak. He is responsible for Kodak Technology Solutions, Kodak's go-to-market engine to prioritize and monetize Kodak innovations in partnership with Kodak Research Labs. He reports to Chief Executive Officer Jeff Clarke.

Beginning April 2014, Mahe was Senior Vice President Kodak Technology solutions, sales strategy and sales operations. In that capacity, Mahe was responsible for formulating a strategy to drive and measure sales of Kodak's unique and innovative portfolio of hardware, consumables, software and services. Mahe also advised Kodak's senior management team on software, OEM partnerships and the sale of complex solutions. In April 2014, the Board of Directors elected Mahe a senior vice president.

Mahe has more than 25 years experience in the IT industry with several multinational companies. Prior to joining Kodak, he was based in Singapore with Pitney Bowes Inc., most recently as President, Global Growth Markets, with responsibility for the company's operations in Latin America, Asia Pacific, Middle East, Africa and emerging markets,

from July 2010 until March 2014. Mahe managed this innovation-centered business from inception, and in two years, it became Pitney Bowes's best performing operation worldwide. Mahe joined Pitney Bowes in 2007 as President, Asia Pacific, Middle East and Africa.

Previously, Mahe was Vice President and General Manager of Asia North for CA, Inc. (now called CA Technologies), with responsibility for business operations and enterprise sales in China, Hong Kong and Taiwan. He also has held sales management positions with Sun Microsystems, where he focused on OEM partnerships; Siemens Nixdorf; and Xerox.

Mahe is active in the fight against human trafficking, serving as Chairman of Friends of Thai Daughters, an organization committed to protecting young girls, and is a Director of the Mekong Club, which is dedicated to fighting the business of slavery.

Mahe earned his MBA. in Marketing and International Trade from Ecole Superieure de Commerce et d'Administration des Entreprises in Bretagne, France, in 1986.

John N. McMullen

John McMullen is Chief Financial Officer and Executive Vice President of Kodak. The Board of Directors elected McMullen to this position effective June 2014. McMullen reports to Chief Executive Officer Jeff Clarke.

McMullen is responsible for Kodak's financial strategy and all functions within Kodak's Finance organization. Real estate, Eastman Business Park, credit and collections, and internal audit also report to the CFO office under McMullen.

McMullen has deep knowledge of the commercial imaging and printing industries, having held a series of senior financial roles during a 32-year career from 1981 to 2013 with HP and predecessor companies Compaq Computer and DEC. His positions included Senior Vice President of Finance and Corporate Treasurer of HP from March 2007 until July 2013; Chief Financial Officer of HP's Imaging and Printing Group from May 2002 until March 2007; Vice President of Finance and Strategy for Compaq's Worldwide Sales and Services Group from March 2001 to May 2002; Compaq's Director of Investor Relations; and Controller of DEC's Worldwide Products Division.

Since 2011, McMullen has also been a member of the Board of Directors and Audit Committee Chair of Vocera Communications, where he has played an active role in helping the company to transition and scale its finance team and control environment, especially from the time Vocera went public in March 2012.

McMullen earned a B.A. degree in Finance with a concentration in Accounting from the University of Massachusetts in 1981.

Steven Overman

Effective January 1, 2015, Steven Overman is President of the Consumer and Film Division and Kodak's Chief Marketing Officer. He reports to Chief Executive Officer Jeff Clarke.

As President of the Consumer and Film Division, Overman leads Kodak's most consumer-facing division, with responsibility for consumer inkjet solutions, motion picture and commercial films, synthetic chemicals, and brand licensing. This division is responsible for the exploration of other potential initiatives in the consumer space.

In his Chief Marketing Officer role, Overman is responsible for leading a global, company-wide renewal of the Kodak brand to increase its power, relevance and value. He leads the strategic development and coordination of Kodak's brand identity; global marketing programs and activities; and communication of Kodak's vision, strategy and progress in an integrated way to all of the company's stakeholders. The Board of Directors elected him a Senior Vice President effective January 2015.

Overman previously served as vice president and global head of brand strategy and marketing creation for Nokia from June 2010 until April 2013. He founded Match & Candle, a consultancy supporting startups and marketing service agencies with brand strategy development in September 2013 and was there until October 2014. He also held several different leadership roles in technology companies and marketing services agencies. In those roles, his responsibilities included corporate brand strategy and execution, product and service innovation, corporate strategic initiatives, product launches and sales development. He was among the first employees at Wired.

Early in his career, Overman was a multimedia artist whose photographic and motion picture work was exhibited at leading international galleries. He also was the director's assistant for the 1993 Academy Award-winning film Philadelphia, supporting all aspects of the film's creative development and production.

Overman is the author of *The Conscience Economy, How a Mass Movement for Good Is Great for Business* (Bibliomotion, October 2014).

Overman is a graduate of the Rhode Island School of Design.

Eric H. Samuels

Eric Samuels was appointed Corporate Controller and Chief Accounting Officer in July 2009. Samuels previously served as the Company's Assistant Corporate Controller and brings to his position more than 20 years of leadership experience in corporate finance and public accounting. He joined Kodak in 2004 as Director, Accounting Research and Policy. He reports to Chief Financial Officer John McMullen.

Prior to joining Kodak, Samuels had a 14-year career in public accounting during which he served as a senior manager at KPMG LLP's Department of Professional Practice (National Office) in New York City. Prior to joining KPMG in 1996, he worked in Ernst & Young's New York City office.

Samuels has a B.S. degree in business economics from the State University of New York College at Oneonta. He is a Certified Public Accountant in New York and a member of the American Institute of Certified Public Accountants.

Terry R. Taber, PhD

Terry Taber joined Kodak in 1980. In January 2009, he was named Chief Technical Officer, a position he currently holds. The Board of Directors elected him a corporate vice president in December 2008, and then a senior vice president in December 2010. Effective January 1, 2015, Taber also leads our new Intellectual Property Solutions segment. He reports to Chief Executive Officer Jeff Clarke.

Taber was previously the Chief Operating Officer of Kodak's Image Sensor Solutions ("ISS") business, a leading developer of advanced CCD and CMOS sensors serving imaging and industrial markets. Prior to joining ISS in 2007, Taber held a series of senior positions in Kodak's research and development and product organizations. During his 30 plus years at Kodak, Taber has been involved in new materials research, product development and commercialization, manufacturing, and executive positions in R&D and business management.

Taber's early responsibilities included research on new synthetic materials, an area in which he holds several patents. He then became a program manager for several film products before completing the Sloan Fellows program at the Massachusetts Institute of Technology ("MIT"). He returned from MIT to become the worldwide consumer film business product manager from 1999 to 2002, and then became an Associate Director of R&D from 2002 to 2005, followed by a position as the director of Materials & Media R&D from 2005 to 2007.

Taber received a B.S. degree in Chemistry from Purdue University and a Ph.D. in Organic Chemistry from the California Institute of Technology. He also received an M.S. in General Management from MIT as a Kodak Sloan Fellow. In 2003, he was elected to the Board of Trustees at Roberts Wesleyan College and Northeastern Seminary. Taber is a Board Member of the Innovation & Material Sciences Institute and serves on the Executive Advisory Board of FIRST Rochester (For Inspiration and Recognition of Science and Technology). He also serves on the Executive Committee of the Rochester Business Alliance, and the New York State Business Council.

Sharon E. Underberg

Sharon Underberg has served as General Counsel, Secretary and Senior Vice President since January 2015. She is responsible for leading the company's global legal function and for providing legal guidance to senior leadership. Underberg reports to Chief Executive Officer Jeff Clarke.

Underberg has been an attorney with Kodak for over 25 years, most recently serving as Deputy General Counsel and Vice President, Legal Department from September 2014 to January 2015. For much of her tenure with Kodak, she has specialized in global commercial transactions, particularly acquisitions, divestitures, joint ventures and corporate financings. Underberg has led the legal team on numerous deals, including the completion of the acquisitions of the Kodak Polychrome Graphics and NexPress joint ventures, the divestiture of the Health Imaging business, and the spinoff of the PI / DI Business. She has advised on every major financing transaction the Company has completed in the past 15 years. In addition, Underberg was an instrumental part of the team that led the Company through its chapter 11 restructuring, providing advice on a wide range of contractual, litigation, financing, and divestiture activities.

Underberg has been a manager in the Legal Department since 2006. During this time, she led legal teams in a wide variety of substantive areas, including corporate, transactional and commercial matters worldwide. From 2004 to 2006, Underberg served as Assistant Secretary, working with the Board of Directors on matters related to corporate governance, executive compensation, and SEC reporting and disclosure matters.

Prior to joining Kodak, Underberg was an attorney in the New York City office of international law firm Fulbright & Jaworski (currently Norton Rose Fulbright).

Underberg received a B.A. degree in political science from Brandeis University and a J.D. from the University of Pennsylvania School Of Law.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is listed on the New York Stock Exchange (NYSE) under the symbol "KODK." There were 4,860 shareholders of record of common stock on February 27, 2015.

MARKET PRICE DATA

The market price data below reflects the high and low sales price of the Company's stock since September 23, 2013 (the date the Successor Company's common stock commenced trading).

Price per share:	2014		2013	
	High	Low	High	Low
1st Quarter	\$37.73	\$25.46	n/a	n/a
2nd Quarter	\$34.94	\$23.71	n/a	n/a
3rd Quarter	\$26.57	\$20.49	\$26.50	\$19.25
4th Quarter	\$23.82	\$17.40	\$34.71	\$22.00

DIVIDEND INFORMATION

No dividends were paid during 2013 or 2014.

Dividends may be restricted under Kodak's debt agreements. Refer to Note 8, "Short-Term Borrowings and Long-Term Debt," in the Notes to Financial Statements.

PERFORMANCE GRAPH - SHAREHOLDER RETURN

The following graph compares the performance of the Company's common stock with the performance of the Standard & Poor's (S&P) Information Technology Index and the S&P Midcap 400 Composite Stock Price Index by measuring the quarterly changes in common stock prices from September 23, 2013, plus reinvested dividends.

9/23/13 9/30/13 12/31/13 3/31/14 6/30/14 9/30/14 12/31/14

Eastman Kodak Company	100.00	128.87	178.92	172.16	126.13	113.25	111.91
S&P Midcap 400	100.00	105.21	113.98	117.44	122.52	117.64	125.11
S&P Information Technology	100.00	102.88	116.52	119.18	126.94	132.99	139.96

ISSUER PURCHASES OF EQUITY SECURITIES

During the third quarter of 2014, the Company purchased 44,911 shares of common stock for approximately \$1 million to satisfy tax withholding obligations in connection with the vesting of restricted stock units issued to employees.

ITEM 6. SELECTED FINANCIAL DATA

EASTMAN KODAK COMPANY
SUMMARY OF OPERATING DATA – UNAUDITED

(in millions, except per share data, shareholders, and employees)	Successor			Predecessor		
	2014	September 1, 2013 through December 31, 2013	January 1, 2013 through August 31, 2013 (6)	2012 (6)	2011 (6)	2010 (6)
Net sales from continuing operations	\$2,102	\$ 807	\$1,542	\$2,719	\$3,585	\$4,438
Loss (earnings) from continuing operations before interest expense, loss on extinguishment of debt, other income (charges), net, reorganization items, net, and income taxes	(16)	(46)	457	(642)	(616)	(263)
Loss (earnings) from:						
Continuing operations	(122)	(82)	2,201	(1,337)	(739)	(560)
Discontinued operations (5)	4	4	(135)	(42)	(25)	(128)
Net (Loss) earnings	(118)	(78)	2,066	(1) (1,379)	(2) (764)	(3) (688)
Less: Net earnings attributable to noncontrolling interests	5	3	-	-	-	-
Net (Loss) earnings Attributable to Eastman Kodak Company	(123)	(81)	2,066	(1,379)	(764)	(688)
Earnings and Dividends						
(Loss) earnings from continuing operations - % of net sales from continuing operations	-5.8 %	-10.2 %	142.7 %	-49.2 %	-20.6 %	-12.6 %

Net (loss) earnings							
- % return on average equity	-25.9 %	-12.7 %	70.6 %	-45.8 %	-44.6 %	-124.0 %	
Basic and diluted (loss) earnings per share attributable to Eastman Kodak Company common shareholders:							
Continuing operations	(3.05)	(2.04)	8.08	(4.92)	(2.75)	(2.08)	
Discontinued operations	0.10	0.10	(0.50)	(0.15)	(0.09)	(0.48)	
Total	(2.95)	(1.94)	7.58	(5.07)	(2.84)	(2.56)	
Cash dividends declared and paid							
- on common shares	-	-	-	-	-	-	
- per comon share	-	-	-	-	-	-	
Weighted average common shares outstanding at end of period	41.7	41.7	272.7	271.8	269.1	268.5	
Shareholders at year end	4,860	1,511	N/A	48,656	49,760	51,802	
Statement of Financial Position Data							
Working capital	951	1,086	564	(806)	(60)	966	
Property, plant and equipment, net	524	684	507	607	796	1,037	
Total assets	2,556	3,200	3,037	4,321	4,676	6,226	
Short-term borrowings and current portion of long-term debt	5	4	681	699	152	50	
Long-term debt, net of current portion	672	674	370	740	1,363	1,195	

EASTMAN KODAK COMPANY
 SUMMARY OF OPERATING DATA – UNAUDITED (CONT'D)

		Successor	January 1, 2013 through September 1, 2013 through December 31, 2013	Predecessor		
	2014		2013	2012	2011	2010
Supplemental Information			(6)	(6)	(6)	(6)