First Quarter 2014 Earnings Call

May 6, 2014

Cautionary Statement Regarding Forward-looking Statements

Kodak

CAUTIONARY STATEMENT PURSUANT TO SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This document, which includes any exhibits or appendices attached hereto, includes “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, liquidity, investments, financing needs, business trends, and other information that is not historical information. When used in this document, the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “predicts,” “forecasts,” or future or conditional verbs, such as “will,” “should,” “could,” or “may,” and variations of such words or similar expressions, are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management's examination of historical operating trends and data are based upon the Company's expectations and various assumptions. Future events or results may differ from those anticipated or expressed in these forward-looking statements. Important factors that could cause actual events or results to differ materially from these forward-looking statements include, among others, the risks and uncertainties described in more detail in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013, under the headings “Business,” “Risk Factors,” and/or “Management's Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources,” and those described in filings made by the Company with the U.S. Bankruptcy Court for the Southern District of New York and in other filings the Company makes with the SEC from time to time, as well as the following: the Company’s ability to improve and sustain its operating structure, financial results and profitability; the ability of the Company to achieve cash forecasts, financial projections, and projected growth; our ability to achieve the financial and operational results contained in our business plans; the ability of the Company to discontinue or sell certain non-strategic businesses or operations; the Company’s ability to comply with the covenants in its credit facilities; our ability to obtain additional financing if and as needed; any potential adverse effects of the Chapter 11 proceedings on the Company's brand or business prospects; the Company's ability to fund continued investments, capital needs, restructuring payments and service its debt; changes in foreign currency exchange rates, commodity prices and interest rates; the resolution of claims against the Company; our ability to attract and retain key executives, managers and employees; our ability to maintain product reliability and quality and growth in relevant markets; our ability to effectively anticipate technology trends and develop and market new products, solutions and technologies; and the impact of the global economic environment on the Company. There may be other factors that may cause the Company's actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to the Company or persons acting on its behalf apply only as of the date of this document and are expressly qualified in their entirety by the cautionary statements included in this document and in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013. The Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

AGENDA

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▪	Introduction	David Bullwinkle, Director, Global Financial Planning and Analysis and Investor Relations
▪	Focus Areas and CEO Perspective on First Quarter	Jeff Clarke, Chief Executive Officer
▪	Financial Review	Becky Roof, Chief Financial Officer
▪	Concluding Remarks and Q&A	Jeff Clarke, Becky Roof

Focus Areas

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Four primary areas of focus:

1. Invest in and enable growth in our Strategic Technology Businesses.
2. Manage the expected decline and optimize cash flow in the Mature Businesses.
3. Reduce costs and streamline processes to improve operating leverage and efficiency.
4. Non-linear profile of the plan for the year.

Strategic Technology Businesses

($ millions)

Kodak's strategic technology businesses include Digital Printing Solutions, Packaging, Functional Printing, Enterprise Services, Intellectual Property/Brand Licensing and Graphics (encompassing Process Free plates and Workflow Software)

Strategic Technology Businesses

Including IP / Brand Licensing

	Q1 2013A	Q1 2014A
Revenue	$446	$397
Operational EBITDA[1]	$6	($5)

Excluding IP / Brand Licensing

	Q1 2013A	Q1 2014A
Revenue	$415	$390
Operational EBITDA[1]	($25)	($12)

- **Highlights:**
  - **Number of customers using SONORA Plates doubled; volume increased more than 5 times**
  - **PROSPER Products grew 23% overall with annuities up 34% year-over-year**
  - **Annuities from FLEXCEL NX System grew 55% in volume**

[1] Operational EBITDA is defined as Total Segment Earnings (Loss) plus depreciation and amortization expense, and excluding the reallocation of costs previously allocated to discontinued businesses, the impact of fresh start accounting, stock-based compensation expense and certain consulting costs.

This document should be read in conjunction with Eastman Kodak Company's Form 10-Q filing for the quarter ended March 31, 2014

Mature Businesses

($ millions)

Kodak's mature businesses include Entertainment and Commercial Films and Consumer Inkjet ink businesses

Mature Businesses

	Q1 2013A	Q1 2014A
Revenue	$148	$85
Operational EBITDA	$44	$8

Mature businesses continue to decline with lower film and consumer inkjet ink sales (43% decrease year over year)

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Reduce Costs and Streamline Processes

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- $40 Million Operational SG&A improvement on an annualized year-on-year run rate basis in Q1
- Graphics manufacturing footprint
  - Consolidation of plate manufacturing sites from 5 to 4 sites worldwide
  - Increase in capability to manufacture process free Sonora plates globally
  - $4 million in operational savings expected to be realized in 2014
  - $20 - 25 million in annual operational savings expected when consolidation process is completed in Q2 2015
- Eastman Business Park update

2014 Plan

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2014 Plan:

- Revenue of $2.1 billion to $2.3 billion
- Operational EBITDA of $145 to $165 million

A significant proportion of Operational EBITDA in second half of year from:

1. Seasonally weighted sales
2. Annuities improvement and incremental new business
3. Benefits from cost improvements

Q1 2013 to Q1 2014 Net Loss Improvement

($ millions)

	Three Months Ended March 31,	
	Successor 2014	Predecessor 2013
Net (Loss) Earnings	$ (36)	$ 283
Other Operating Income, net [1]	-	(494)
Reorganization Costs [2]	5	120
Loss on early extinguishment of debt	-	6
Net Loss on a comparable basis	**$ (31)**	**$ (85)**

Improvement of $54 million

[1] Refer to Note 7 in the Company's Form 10-Q filed on May 6, 2014
[2] Refer to Note 2 in the Company's Form 10-Q filed on May 6, 2014

2014 Actual Results

($ millions)

	2013 Q1	2014 Q1
Revenue	$594	$482
Operational EBITDA[1]	$50	$3

Year-over-Year Change

Revenue	($112)
Operational EBITDA[1]	($47)

Revenue and Operational EBITDA year over year declines, respectively, is primarily attributable to continued declines in film and consumer inkjet products, and a reduction in non-recurring IP/Brand licensing revenue

[1] Operational EBITDA is defined as Total Segment Earnings (Loss) plus depreciation and amortization expense, and excluding the reallocation of costs previously allocated to discontinued businesses, the impact of fresh start accounting, stock-based compensation expense and certain consulting costs.

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Financial Overview

- Segment Results

  - Graphics, Entertainment and Commercial Films (GECF)
  - Digital Printing and Enterprise (DP&E)

- Outlook

- Cash Flow and Balance Sheet

Concluding Remarks

We expect to invest $100 million in R&D and $40 million in capital expenditures on the following initiatives:

- Next generation of PROSPER Press, writing systems
- OEM partnerships in Digital Printing, Functional Printing
- Enhanced Packaging products, including smart packaging solutions
- Development/capacity related to our process-free plates and workflow software.

Q&A

APPENDIX

Non-GAAP Measures

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Reference is made to certain non-GAAP financial measures of Operational EBITDA, strategic technology businesses Operational EBITDA, mature businesses Operational EBITDA, strategic businesses Operational EBITDA excluding non-recurring licensing revenue, improvement in Operational Selling, General and Administrative ("SG&A") expenses, and 2014 Operational EBITDA.

The Company believes that these non-GAAP measures represent important internal measures of performance as used by the Company's management. Accordingly, where they are provided, it is to give investors the same financial data management uses with the belief that this information will assist the investment community in properly assessing the underlying performance of the company, its financial condition, results of operations and cash flow.

The reconciliations on the following pages are provided with respect to terms used in this presentation.

Reconciliation of Operational EBITDA to GAAP Basis

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The following table reconciles Operational EBITDA, strategic technology businesses Operational EBITDA, mature businesses Operational EBITDA, and strategic businesses Operational EBITDA excluding non-recurring licensing revenue to the most directly comparable GAAP measure of net (loss) earnings attributable to Eastman Kodak Company:

(in millions)

	1Q 2014	1Q 2013	Change
Strategic technology businesses Operational EBITDA excluding non-recurring licensing revenue, as presented	**$ (12)**	**$ (25)**	**$ 13**
Non-recurring licensing revenue	7	31	(24)
Strategic technology businesses Operational EBITDA, as presented	**(5)**	**6**	**(11)**
Mature businesses Operational EBITDA, as presented	**8**	**44**	**(36)**
Operational EBITDA, as presented	**3**	**50**	**(47)**
Impact of fresh start adjustments	1	-	1
Impact of stock based compensation and certain consulting costs	(4)	(1)	(3)
Reportable segments depreciation and amortization	(52)	(35)	(17)
Impact of costs previously allocated to discontinued operations	(3)	(16)	13
Total segment loss	$ (55)	$ (2)	$ (53)
All other	(3)	(2)	(1)
Restructuring costs and other (including restructuring related expenses reported in cost of sales)	(13)	(13)	-
Corporate components of pension and OPEB income (1)	30	12	18
Other operating income, net	-	494	(494)
Loss on early extinguishment of debt, net	-	6	(6)
Interest expense	16	24	(8)
Other income (charges)	2	(8)	10
Reorganization items, net	5	120	(115)
Consolidated (loss) earnings from continuing operations before income taxes	(60)	331	(391)
(Benefit) provision from income taxes	(7)	7	(14)
(Loss) earnings from continuing operations	(53)	324	(377)
Earnings (loss) from discontinued operations, net of income taxes	19	(41)	60
Net (Loss) Earnings	(34)	283	(317)
Less: Net income attributable to noncontrolling interests	2	-	2
Net (Loss) Earnings Attributable to Eastman Kodak Company (GAAP basis)	$ (36)	$ 283	$ (319)

(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.

Reconciliation of Operational SG&A to GAAP Basis

The following table reconciles the annualized improvement in Operational SG&A to the most directly comparable GAAP measure of SG&A:

(in millions)	1Q 2014	Annualized Twelve Months 2014	Twelve Months 2013	Change
Annualized Operational SG&A cost improvement	$ 90	$ 360	$ 400	**$ (40)**
Impact of costs previously allocated to discontinued operations	2	8	36	(28)
Impact of stock based compensation and certain consulting costs	3	12	1	11
Corporate components of pension and OPEB income (1)	(9)	(36)	(30)	(6)
All other	1	4	4	-
Selling, General and Administrative costs (GAAP basis)	$ 87	$ 348	$ 411	$ (63)

(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.

Reconciliation of 2014 Operational EBITDA to GAAP Basis

The following table reconciles 2014 Operational EBITDA to the most directly comparable GAAP measure of net (loss) earnings attributable to Eastman Kodak Company:

(in millions)	2014 Outlook Range
Operational EBITDA, as presented	**$145 - $165**
Depreciation and amortization	197
Restructuring costs and other (including restructuring related expenses reported in cost of sales)	$40 - $50
Corporate components of pension and OPEB income (1)	$140 - $150
Interest expense	62
Other income	10
Reorganization items, net	10
Consolidated earnings (loss) from continuing operations before income taxes	(20) - $20
Provision from income taxes	20
(Loss) earnings from continuing operations, as presented	(40) - $0
Earnings (loss) from discontinued operations, net of income taxes	-
Net (Loss) Earnings	(40) - $0
Less: Net Loss attributable to noncontrolling interests	-
Net (Loss) Earnings (GAAP basis)	(40) - $0

(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.

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