

# Third Quarter 2015 Earnings Call

October 22, 2015

# CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995.

Forward-looking statements include statements concerning Kodak'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," "strategy," "continues," "goals," "targets" or future or conditional verbs, such as "will," "should," "could," or "may," and variations of such words or similar expressions, as well as statements that do not relate strictly to historical or current facts, 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 Kodak'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, 2014, under the headings "Business," "Risk Factors," "Legal Proceedings" and/or "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources", in the corresponding sections of the report on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015, and September 30, 2015, and in other filings the Company makes with the SEC from time to time, as well as the following:

Kodak's ability to improve and sustain its operating structure, financial results and profitability; the ability of Kodak to achieve cash forecasts, financial projections, and projected growth; Kodak's ability to achieve the financial and operational results contained in its business plans; Kodak's ability to discontinue, sell or spin-off certain non-core businesses or operations, or otherwise monetize assets; Kodak's ability to comply with the covenants in its credit facilities; Kodak's ability to obtain additional financing if and as needed; the potential adverse effects of the concluded Chapter 11 proceedings on Kodak's brand or business prospects; Kodak's ability to fund continued investments, capital needs and restructuring payments and service its debt; changes in foreign currency exchange rates, commodity prices and interest rates; the resolution of claims against Kodak; Kodak's ability to attract and retain key executives, managers and employees; Kodak's ability to maintain product reliability and quality and growth in relevant markets; Kodak's ability to effectively anticipate technology trends and develop and market new products, solutions and technologies; and the impact of the global economic environment on Kodak.





# AGENDA

- **Introduction**  
**David Bullwinkle, Director, Global Financial Planning & Analysis and Investor Relations**
- **CEO Perspective on 3<sup>RD</sup> Quarter 2015 and FY Outlook**  
**Jeff Clarke, Chief Executive Officer**
- **Financial Review**  
**John McMullen, Chief Financial Officer**
- **Concluding Remarks and Q&A**  
**Jeff Clarke, John McMullen**

- Welcome
- Quarter Performance
- Operational Results on a Comparable Basis compared to Full Year Expectations
- 2015 Third Quarter Divisional Results



## **CEO PERSPECTIVE**

# 2015 Third Quarter Results

(\$ millions)

## Total Company Q3 2015

	Q3 2014	Q3 2015
<b>Revenue</b>	<b>\$568</b>	<b>\$446</b>
<b>Operational EBITDA <sup>1</sup></b>	<b>\$90</b>	<b>\$39</b>
Year over Year Change - B/(W)		
<b>Revenue (\$)</b>		<b>(\$122)</b>
<b>Operational EBITDA (\$)</b>		<b>(\$51)</b>
<b>Revenue (%)</b>		<b>-21%</b>
<b>Operational EBITDA (%)</b>		<b>-57%</b>
<b>Comparable Basis (excluding non-recurring IP and FX impact)</b>	Q3 2014	Q3 2015
<b>Revenue</b>	<b>\$516</b>	<b>\$487</b>
<b>Year over Year Change - B/(W)</b>		<b>(\$29)</b>

- When adjusted for foreign exchange, non-recurring IP revenues and legacy consumer inkjet sales, revenues are down 4% year over year.

This document should be read in conjunction with Eastman Kodak Company's Form 10-Q filing for the quarter ended September 30, 2015.

<sup>1</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 14. Segment Information of Kodak's Form 10-Q filed October 22, 2015.



# Operational Improvement

## Operational EBITDA Improvement

(\$ in millions)		Q3	Q3 YTD	Full Year Guidance
	2015	\$ 39	\$ 74	\$100 - \$120
	2014	\$ 90	\$ 121	\$158
	Year over year change (\$)	\$ (51)	\$ (47)	\$(58) to \$(38)
	Foreign Exchange Impact	\$ 8	\$ 20	\$21
	2014 Non Recurring IP	\$ 52	\$ 70	\$70
	Year over year improvement on a comparable basis (\$)	\$ 9	\$ 43	\$33 to \$53
	Year over year improvement on a comparable basis (%)			50% to 80%

Note: Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 14. Segment Information of Kodak's Form 10-Q filed October 22, 2015.



# 2015 Guidance

(\$ in millions)

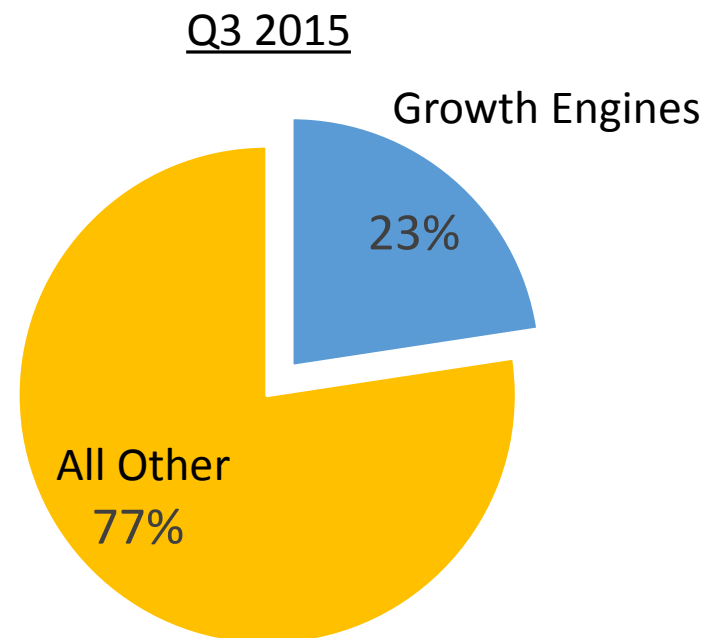
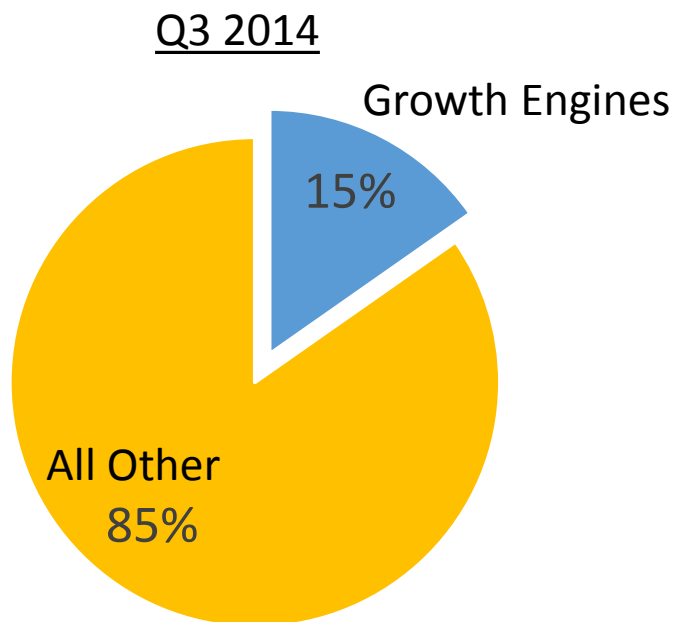
	2014 Actual	2015 Guidance
Revenue	\$ 2,116	\$1,800 to \$2,000
Operational EBITDA	\$ 158	\$100 to \$120

<b>Full Year 2014 EBITDA</b>	<b>\$ 158</b>
Impact of Fx Exchange 2015 vs 2014	(21)
Non Recurring Intellectual Property Licensing	(70)
Baseline 2014 EBITDA	67
<b>2015 Projected EBITDA</b>	<b>\$100 to \$120</b>
<b>2015 Projected EBITDA Improvement from Baseline 2014</b>	<b>50% to 80%</b>

Note: Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 14. Segment Information of Kodak's Form 10-Q filed October 22, 2015.



# Growth Engines – Q3 Performance



## Growth Engines Include:

- Sustainable (Sonora) Plates – Revenues growth of 20%, or 36% in constant currency
- Software & Solutions Division – Revenues growth of 11%, or 22% in constant currency
- Prosper – Revenues growth of 27%, or 36% in constant currency
- Flexcel NX – Revenues growth of 11%, or 29% in constant currency
- M3D Printing – Currently in investment mode





# 2015 3<sup>RD</sup> Quarter Results by Division

(\$millions)

Q3 2015 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 278	\$ 39	\$ 32	\$ 30	\$ 64	\$ -	\$ 3	\$ 446
Operational EBITDA b/f corp costs	40	(2)	6	4	14	(4)	1	59
<u>Corporate SGA</u>	<u>12</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>20</u>
Operational EBITDA	28	(4)	5	2	12	(4)	-	39

Q3 2014 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 319	\$ 43	\$ 32	\$ 27	\$ 92	\$ 52	\$ 3	\$ 568
Operational EBITDA b/f corp costs	45	(9)	3	2	28	45	1	115
<u>Corporate SGA</u>	<u>14</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>25</u>
Operational EBITDA	31	(12)	1	1	24	45	-	90

Q3 2015 Actuals vs. Q3 2014 Actuals - B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (41)	\$ (4)	\$ -	\$ 3	\$ (28)	\$ (52)	\$ -	\$ (122)
Operational EBITDA b/f corp costs	(5)	7	3	2	(14)	(49)	-	(56)
<u>Corporate SGA</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>(1)</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>5</u>
Operational EBITDA	(3)	8	4	1	(12)	(49)	-	(51)

Q3 2015 Actuals on constant currency vs. Q3 2014 - B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (12)	\$ -	\$ 4	\$ 6	\$ (27)	\$ (52)	\$ -	\$ (81)
Operational EBITDA	\$ 1	\$ 9	\$ 5	\$ 2	\$ (11)	\$ (49)	\$ -	\$ (43)

PSD: Print Systems Division

EISD: Enterprise Inkjet Solutions Division

MPPD: Micro 3D Printing & Packaging

SSD: Software & Solutions Division

CFD: Consumer & Film Division

IPSD: IP Solutions

EBPD: Eastman Business Park Division

Note: Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 14. Segment Information of Kodak's Form 10-Q filed October 22, 2015.



# 2016 Financial Targets

(\$ millions)

## 2016 Operational EBITDA

(\$ in millions)		Full Year Targets
Preliminary 2016 Goal		\$175
Micro 3D Printing Reset		(\$25)
Foreign Exchange Impact		(\$12)
2016		\$130 to \$150

## 2015 and 2016 Financial Targets

(dollars in millions)	FYE December 31, 2015	FYE December 31, 2016
Revenue	\$1,800 - \$2,000	\$1,800 - \$2,000
Operational EBITDA	\$100 - \$120	\$130 - \$150
Y/Y Change in Operational EBITDA	64%	27%





# **FINANCIAL OVERVIEW**

- 2015 Third Quarter Results
- Cost Reduction Update
- 2015 Third Quarter Cash Flow

# Cost Reduction Update

## Year over Year Operating Expense Reductions

<i>(dollars in millions)</i>	Quarter Ended September 30, 2014	Quarter Ended September 30, 2015	Year over Year Change (%)	2015 YTD Actuals plus Third Quarter 2015 Run Rate Annual Reduction
Headcount	7,453	6,539	-12%	
Operating Expense:				
- SG&A	74	64	-14%	(73)
- R&D	24	19	-21%	(28)
<b>Total</b>	<b>98</b>	<b>83</b>	<b>-15%</b>	<b>(101)</b>

**Drivers of Change:** Reduction in Headcount year over year by approximately 12%  
Reduction in Benefits expense effective January 1, 2015 of approximately \$20M  
Streamlining and simplification of processes



# 2015 Q3 Cash flow

- Strong Liquidity
  - Cash at September 30, 2015 of \$521 million
- Primary drivers of the \$55 million of cash used in the quarter include (approximately, dollars in millions):

• Interest and debt payments	\$ 17
• Capital expenditures & commercial capital	\$ 16
• Reorganization and legacy payments	\$ 14
• Cash used for working capital	\$ 12
• Restructuring employee severance payments	\$ 8
• International pension payments	\$ 8
• Exchange impacts on cash	\$ 5





# CONCLUDING REMARKS



**Q&A**



# **APPENDIX**



# 2015 3<sup>RD</sup> Quarter YTD Results by Division

(\$millions)

Q3 YTD 2015 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 814	\$ 123	\$ 97	\$ 85	\$ 202	\$ -	\$ 10	\$ 1,331
Operational EBITDA b/f corp costs	99	(14)	14	11	46	(18)	2	140
<u>Corporate SGA</u>	<u>38</u>	<u>8</u>	<u>5</u>	<u>6</u>	<u>8</u>	<u>-</u>	<u>1</u>	<u>66</u>
Operational EBITDA	61	(22)	9	5	38	(18)	1	74

Q3 YTD 2014 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 928	\$ 138	\$ 94	\$ 78	\$ 265	\$ 70	\$ 11	\$ 1,584
Operational EBITDA b/f corp costs	116	(25)	5	6	64	46	1	213
<u>Corporate SGA</u>	<u>53</u>	<u>11</u>	<u>6</u>	<u>6</u>	<u>15</u>	<u>-</u>	<u>1</u>	<u>92</u>
Operational EBITDA	63	(36)	(1)	-	49	46	-	121

Q3 2015 YTD Actuals vs. Q3 YTD 2014 Actuals B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (114)	\$ (15)	\$ 3	\$ 7	\$ (63)	\$ (70)	\$ (1)	\$ (253)
Operational EBITDA b/f corp costs	(17)	11	9	5	(18)	(64)	1	(73)
<u>Corporate SGA</u>	<u>15</u>	<u>3</u>	<u>1</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>26</u>
Operational EBITDA	(2)	14	10	5	(11)	(64)	1	(47)

Q3 2015 YTD Actuals on constant currency vs. Q3 YTD 2014 Actuals B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (29)	\$ (3)	\$ 14	\$ 14	\$ (58)	\$ (70)	\$ (1)	\$ (133)
Operational EBITDA	5	18	13	7	(7)	(64)	1	(27)

PSD: Print Systems Division

EISD: Enterprise Inkjet Solutions Division

MPPD: Micro 3D Printing & Packaging

SSD: Software & Solutions Division

CFD: Consumer & Film Division

IPSD: IP Solutions

EBPD: Eastman Business Park Division

Note: Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 14. Segment Information of Kodak's Form 10-Q filed October 22, 2015.



## Non-GAAP Measures

Reference is made to certain non-GAAP financial measures of the reduction in revenue excluding non-recurring intellectual property revenue, decrease in legacy Consumer Inkjet printer cartridge sales and the impact of foreign exchange, decrease in revenue excluding non-recurring intellectual property revenue and the impact of foreign exchange, Operational EBITDA, improvement in Operational EBITDA excluding non-recurring intellectual property revenue and the impact of foreign exchange, improvement in 2014 Operational EBITDA on a comparable basis, revenue growth on a constant currency basis, change in revenues on a constant currency basis, change in Operational EBITDA on a constant currency basis, Operational Selling, General and Administrative (“SG&A”) and Operational Research and Development (“R&D”) expenses, and improvement in Operational SG&A and Operational R&D expense savings for 2015 on an annual run rate basis.

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.



# Non-GAAP Measures

The following table reconciles the reduction in revenue excluding non-recurring intellectual property revenue, decrease in legacy Consumer Inkjet printer cartridge sales and the impact of foreign exchange, and the change in revenue on a constant currency basis to the most directly comparable GAAP measure of Total Revenues for the three months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 2015	Q3 2014	\$ - Improvement (Decline)	% - Improvement (Decline)
<b>Revenues excluding non-recurring intellectual property revenue, decrease in legacy Consumer Inkjet printer cartridge sales and impact of foreign exchange</b>	<b>\$ 497</b>	<b>\$ 516</b>	<b>\$ (19)</b>	<b>-4%</b>
Decrease in legacy Consumer Inkjet printer cartridge sales	(10)	-	(10)	
<b>Revenues excluding non-recurring intellectual property revenue and impact of foreign exchange</b>	<b>487</b>	<b>516</b>	<b>(29)</b>	<b>-6%</b>
Non-recurring intellectual property revenue	-	52	(52)	
<b>Revenues on a constant currency basis</b>	<b>487</b>	<b>568</b>	<b>(81)</b>	<b>-14%</b>
Impact of foreign exchange (1)	(41)	-	(41)	
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 446</b>	<b>\$ 568</b>	<b>\$ (122)</b>	<b>-21%</b>

- (1) The impact of foreign exchange represents the impact to 2015 Revenues using average foreign exchange rates for the three months ended September 30, 2014 rather than the actual exchange rates in effect for the three months ended September 30, 2015.



# Non-GAAP Measures

The following table reconciles Operational EBITDA and improvement in Operational EBITDA excluding non-recurring intellectual property revenue and the impact of foreign exchange to the most directly comparable GAAP measure of Net (loss) income attributable to Eastman Kodak Company for the three months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 2015	Q3 2014	\$ - Improvement (Decline)
<b>Operational EBITDA excluding non-recurring intellectual property revenue and foreign exchange impact</b>	<b>\$ 47</b>	<b>\$ 38</b>	<b>\$ 9</b>
Non-recurring intellectual property revenue	-	52	(52)
Foreign exchange impact (1)	(8)	-	(8)
<b>Operational EBITDA</b>	<b>\$ 39</b>	<b>\$ 90</b>	<b>\$ (51)</b>
All other	1	2	(1)
Restructuring costs and other	(6)	(9)	3
Corporate components of pension and OPEB income (2)	34	30	4
Depreciation and amortization	(36)	(49)	13
Stock-based compensation	(6)	(2)	(4)
Consulting and other costs (3)	(4)	(1)	(3)
Idle Costs (4)	-	(1)	1
Other operating expense, net excluding gain related to Unipixel termination (5)	(1)	(2)	1
Interest expense	(16)	(15)	(1)
Other charges, net	(3)	(1)	(2)
Reorganization items, net	-	(1)	1
Consolidated income from continuing operations before income taxes	2	41	(39)
Provision for income taxes	15	10	5
(Loss) income from continuing operations	(13)	31	(44)
Loss from discontinued operations, net of income taxes	(8)	(12)	4
Net (loss) income	(21)	19	(40)
Less: Net income attributable to noncontrolling interests	1	2	(1)
<b>Net (loss) income attributable to Eastman Kodak Company (GAAP basis)</b>	<b>\$ (22)</b>	<b>\$ 17</b>	<b>\$ (39)</b>

- (1) The impact of foreign exchange represents the impact to 2015 Operational EBITDA using average foreign exchange rates for the three months ended September 30, 2014 rather than the actual exchange rates in effect for the three months ended September 30, 2015.
- (2) Composed of interest cost, expected return on plan assets, amortization of actuarial gains and losses and curtailments and settlement components of pension and other postretirement benefit expenses.
- (3) Consulting and other costs are primarily related to professional services provided for corporate strategic initiatives in the current year periods. The prior year periods primarily represent the cost of AlixPartners filling interim executive positions which are not captured within "Reorganization items, net" as well as consulting services provided by former executives during transitional periods.
- (4) Consists of third party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations.
- (5) In the third quarter of 2015 a \$3 million gain was recognized related to assets that were acquired for no monetary consideration as a part of the termination of the relationship with Unipixel. The gain was reported in Other operating income (expense), net in the Consolidated Statement of Operations. Other operating income (expense), net is typically excluded from the segment measure. However, this particular gain was included in the Micro 3D Printing and Packaging segment's earnings for the third quarter of 2015.



# Non-GAAP Measures

The following table reconciles Operational EBITDA and the improvement in Operational EBITDA excluding non-recurring intellectual property revenue and the impact of foreign exchange to the most directly comparable GAAP measure of Net loss attributable to Eastman Kodak Company for the nine months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 YTD 2015	Q3 YTD 2014	\$ - Improvement (Decline)
<b>Operational EBITDA excluding non-recurring intellectual property revenue and foreign exchange impact</b>	<b>\$ 94</b>	<b>\$ 51</b>	<b>\$ 43</b>
Non-recurring intellectual property revenue	-	70	(70)
Foreign exchange impact (1)	(20)	-	(20)
<b>Operational EBITDA</b>	<b>\$ 74</b>	<b>\$ 121</b>	<b>\$ (47)</b>
All other	5	3	2
Restructuring costs and other	(29)	(42)	13
Corporate components of pension and OPEB income (2)	100	90	10
Depreciation and amortization	(113)	(161)	48
Stock-based compensation	(17)	(6)	(11)
Consulting and other costs (3)	(11)	(5)	(6)
Idle Costs (4)	(2)	(3)	1
Impact of costs previously allocated to discontinued operations	-	(4)	4
Other operating expense, net excluding gain related to Unipixel termination (5)	(3)	(2)	(1)
Interest expense	(46)	(47)	1
Other charges, net	(15)	(4)	(11)
Reorganization items, net	(5)	(11)	6
Consolidated loss from continuing operations before income taxes	(62)	(71)	9
Provision for income taxes	28	11	17
Loss from continuing operations	(90)	(82)	(8)
(Loss) earnings from discontinued operations, net of income taxes	(8)	5	(13)
Net loss	(98)	(77)	(21)
Less: Net income attributable to noncontrolling interests	6	4	2
<b>Net loss attributable to Eastman Kodak Company (GAAP basis)</b>	<b>\$ (104)</b>	<b>\$ (81)</b>	<b>\$ (23)</b>

- (1) The impact of foreign exchange represents the impact to 2015 Operational EBITDA using average foreign exchange rates for the nine months ended September 30, 2014 rather than the actual exchange rates in effect for the nine months ended September 30, 2015.
- (2) Composed of interest cost, expected return on plan assets, amortization of actuarial gains and losses and curtailments and settlement components of pension and other postretirement benefit expenses.
- (3) Consulting and other costs are primarily related to professional services provided for corporate strategic initiatives in the current year periods. The prior year periods primarily represent the cost of AlixPartners filling interim executive positions which are not captured within "Reorganization items, net" as well as consulting services provided by former executives during transitional periods.
- (4) Consists of third party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations.
- (5) In the third quarter of 2015 a \$3 million gain was recognized related to assets that were acquired for no monetary consideration as a part of the termination of the relationship with Unipixel. The gain was reported in Other operating income (expense), net in the Consolidated Statement of Operations. Other operating income (expense), net is typically excluded from the segment measure. However, this particular gain was included in the Micro 3D Printing and Packaging segment's earnings for the third quarter of 2015.



# Non-GAAP Measures

The following table reconciles the 2014 Operational EBITDA and the improvement in 2014 Operational EBITDA on a comparable basis to the most directly comparable GAAP measure of Net loss attributable to Eastman Kodak Company for the year ended December 31, 2014:

(in millions)	Year Ended December 31, 2014	2015 Guidance	2015 Projected Operational EBITDA Improvement - \$	2015 Projected Operational EBITDA Improvement - %
<b>Operational EBITDA on a comparable basis</b>	<b>\$ 67</b>	<b>\$100 - \$120</b>	<b>\$33 - \$53</b>	<b>49% - 79%</b>
Impact of foreign exchange (1)	21			
Non-recurring intellectual property revenue	70			
<b>Operational EBITDA</b>	<b>\$ 158</b>			
All other	5			
Restructuring costs and other (including restructuring related expenses reported in cost of sales)	(59)			
Corporate components of pension and OPEB income (2)	110			
Depreciation and amortization	(199)			
Stock-based compensation	(8)			
Consulting and other costs (3)	(6)			
Idle Costs (4)	(4)			
Impact of costs previously allocated to discontinued operations	(4)			
Impact of fresh start adjustments	-			
Other operating expenses, net	(9)			
Legal contingencies, settlements and other	(4)			
Interest expense	(62)			
Other charges, net	(17)			
Reorganization items, net	(13)			
Consolidated loss from continuing operations before income taxes	(112)			
Provision for income taxes	10			
Loss from continuing operations	(122)			
Earnings from discontinued operations, net of income taxes	4			
Net loss	(118)			
Less: Net income attributable to noncontrolling interests	5			
<b>Net loss attributable to Eastman Kodak Company (GAAP basis)</b>	<b>\$ (123)</b>			

- (1) The impact of foreign exchange represents the impact to 2014 Operational EBITDA using average foreign exchange rates for the twelve months ended December 31, 2013 rather than the actual exchange rates in effect for the twelve months ended December 31, 2014.
- (2) Composed of interest cost, expected return on plan assets, amortization of actuarial gains and losses and curtailments and settlement components of pension and other postretirement benefit expenses.
- (3) Primarily represent the cost of AlixPartners filling interim executive positions which are not captured within "Reorganization items, net" as well as consulting services provided by former executives during transitional periods.
- (4) Consists of third party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations.



# Non-GAAP Measures

The following tables reconcile the revenue growth on a constant currency basis to the most directly comparable GAAP measure of Total Revenues for the three months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 2015	Q3 2014	Growth %
<b>Sonora Plates revenues on a constant currency basis</b>	\$ 34	\$ 25	36%
Impact of foreign exchange (1)	(4)	-	
<b>Sonora Plates revenues as reported (GAAP Basis)</b>	<u>\$ 30</u>	<u>\$ 25</u>	<u>20%</u>

	Q3 2015	Q3 2014	Growth %
<b>Prosper equipment, consumables and service revenues on a constant currency basis</b>	\$ 19	\$ 14	36%
Impact of foreign exchange (2)	-	1	
<b>Prosper equipment, consumables and service revenues as reported (GAAP Basis)</b>	<u>\$ 19</u>	<u>\$ 15</u>	<u>27%</u>

	Q3 2015	Q3 2014	Growth %
<b>Flexcel NX equipment and plates revenues on a constant currency basis</b>	\$ 22	\$ 17	29%
Impact of foreign exchange (2)	(1)	2	
<b>Flexcel NX equipment and plates revenues as reported (GAAP Basis)</b>	<u>\$ 21</u>	<u>\$ 19</u>	<u>11%</u>

- (1) The impact of foreign exchange was calculated using the percentage impact that foreign exchange had on total digital plates for the three months ended September 30, 2015 as a proxy for the impact on Sonora Plate revenues.
- (2) The impact of foreign exchange represents the impact to 2015 and 2014 revenues using budgeted rates of exchange rather than the actual exchange rates in effect for the three months ended September 30, 2015 and 2014, respectively.



# Non-GAAP Measures

The following tables reconcile the change in revenues on a constant currency basis to the most directly comparable GAAP measure of Total Segment Revenue for the three months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Print Systems Division revenues on a constant currency basis</b>	\$ 307	\$ 319	\$ (12)	-4%
Impact of foreign exchange (1)	(29)	-	(29)	
<b>Print Systems Division revenues as reported (GAAP Basis)</b>	<b>\$ 278</b>	<b>\$ 319</b>	<b>\$ (41)</b>	<b>-13%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Enterprise Inkjet Systems Division revenues on a constant currency basis</b>	\$ 43	\$ 43	\$ -	0%
Impact of foreign exchange (1)	(4)	-	(4)	
<b>Enterprise Inkjet Systems Division revenues as reported (GAAP Basis)</b>	<b>\$ 39</b>	<b>\$ 43</b>	<b>\$ (4)</b>	<b>-9%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Micro 3D Printing and Packaging Division revenues on a constant currency basis</b>	\$ 36	\$ 32	\$ 4	13%
Impact of foreign exchange (1)	(4)	-	(4)	
<b>Micro 3D Printing and Packaging Division revenues as reported (GAAP Basis)</b>	<b>\$ 32</b>	<b>\$ 32</b>	<b>\$ -</b>	<b>0%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Software and Solutions Division revenues on a constant currency basis</b>	\$ 33	\$ 27	\$ 6	22%
Impact of foreign exchange (1)	(3)	-	(3)	
<b>Software and Solutions Division revenues as reported (GAAP Basis)</b>	<b>\$ 30</b>	<b>\$ 27</b>	<b>\$ 3</b>	<b>11%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Consumer and Film Division revenues on a constant currency basis</b>	\$ 65	\$ 92	\$ (27)	-29%
Impact of foreign exchange (1)	(1)	-	(1)	
<b>Consumer and Film Division revenues as reported (GAAP Basis)</b>	<b>\$ 64</b>	<b>\$ 92</b>	<b>\$ (28)</b>	<b>-30%</b>

- (1) The impact of foreign exchange represents the impact to 2015 Revenues using average foreign exchange rates for the three months ended September 30, 2014 rather than the actual exchange rates in effect for the three months ended September 30, 2015.





# Non-GAAP Measures

The following tables reconcile the change in Operational EBITDA on a constant currency basis to the most directly comparable GAAP measure of Operational EBITDA (Segment Measure) for the three months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Print Systems Division Operational EBITDA on a constant currency basis</b>	<b>32</b>	<b>31</b>	<b>1</b>	<b>3%</b>
Impact of foreign exchange (1)	(4)	-	(4)	
<b>Print Systems Division Operational EBITDA (Segment Measure)</b>	<b>\$ 28</b>	<b>\$ 31</b>	<b>\$ (3)</b>	<b>-10%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Enterprise Inkjet Systems Division Operational EBITDA on a constant currency basis</b>	<b>(3)</b>	<b>(12)</b>	<b>9</b>	<b>-75%</b>
Impact of foreign exchange (1)	(1)	-	(1)	
<b>Enterprise Inkjet Systems Division Operational EBITDA (Segment Measure)</b>	<b>\$ (4)</b>	<b>\$ (12)</b>	<b>\$ 8</b>	<b>-67%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Micro 3-D Operational EBITDA on a constant currency basis</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>500%</b>
Impact of foreign exchange (1)	(1)	-	(1)	
<b>Micro 3D Printing and Packaging Division Operational EBITDA (Segment Measure) (5)</b>	<b>\$ 5</b>	<b>\$ 1</b>	<b>\$ 4</b>	<b>400%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Software and Solutions Division Operational EBITDA on a constant currency basis</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>200%</b>
Impact of foreign exchange (1)	(1)	-	(1)	
<b>Software and Solutions Division Operational EBITDA (Segment Measure)</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>100%</b>
	Q3 2015	Q3 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Consumer and Film Division Operational EBITDA on a constant currency basis</b>	<b>13</b>	<b>24</b>	<b>(11)</b>	<b>-46%</b>
Impact of foreign exchange (1)	(1)	-	(1)	
<b>Consumer and Film Division Operational EBITDA (Segment Measure)</b>	<b>\$ 12</b>	<b>\$ 24</b>	<b>\$ (12)</b>	<b>-50%</b>

- (1) The impact of foreign exchange represents the impact to 2015 Revenues using average foreign exchange rates for the three months ended September 30, 2014 rather than the actual exchange rates in effect for the three months ended September 30, 2015.



## Non-GAAP Measures

The following tables reconcile the reduction in Operational SG&A and Operational R&D expenses and the improvement in Operational SG&A and Operational R&D from the prior year period to the most directly comparable GAAP measure of SG&A and R&D, respectively, for the three months ended September 30, 2015 and 2014, respectively:

	Q3 2015	Q3 2014	% Change
<b>Operational SG&amp;A</b>	<b>\$ 64</b>	<b>\$ 74</b>	<b>-14%</b>
Impact of stock based compensation	3	1	200%
Impact of consulting and other costs (3)	4	1	300%
Corporate components of pension and OPEB income (2)	(12)	(9)	33%
<b>Selling, General and Administrative costs (GAAP basis)</b>	<b>\$ 59</b>	<b>\$ 67</b>	<b>-12%</b>

	Q3 2015	Q3 2014	% Change
<b>Operational R&amp;D</b>	<b>\$ 19</b>	<b>\$ 24</b>	<b>-21%</b>
Impact of stock based compensation	1	-	n/a
Corporate components of pension and OPEB income (2)	(5)	(4)	25%
<b>Research and Development Costs (GAAP basis)</b>	<b>\$ 15</b>	<b>\$ 20</b>	<b>-25%</b>

- (2) Composed of interest cost, expected return on plan assets, amortization of actuarial gains and losses and curtailments and settlement components of pension and other postretirement benefit expenses
- (3) Consulting and other costs are primarily related to professional services provided for corporate strategic initiatives in the current year periods. The prior year periods primarily represent the cost of AlixPartners filling interim executive positions which are not captured within "Reorganization items, net" as well as consulting services provided by former executives during transitional periods.



# Non-GAAP Measures

The following tables reconcile the 2015 annual run rate improvement in Operational SG&A and Operational R&D expenses to the most directly comparable GAAP measures of SG&A and R&D expenses, respectively, for the three months ended September 30, 2015 and the twelve months ended December 31, 2015, respectively:

(in millions)					YTD 2015		YTD 2015
					Annual Run Rate		Annual Run Rate
	Q3 2015	Q3 2015	Q1 2015	Q2 2015	Annual Run Rate	FY 2014	vs FY 2014
		Run Rate					\$ Change
Operational SG&A excluding environmental settlement	\$ 64	\$ 128	\$ 67	\$ 66	\$ 261	\$ 329	\$ (68)
Environmental settlement	-	-	(5)	-	(5)	-	(5)
<b>Operational SG&amp;A</b>	<b>64</b>	<b>128</b>	<b>62</b>	<b>66</b>	<b>256</b>	<b>329</b>	<b>(73)</b>
Impact of costs previously allocated to discontinued operations	-	-	-	-	-	4	(4)
Impact of stock based compensation	3	6	4	3	13	3	10
Impact of consulting and other costs (3)	4	8	2	5	15	5	10
Corporate components of pension and OPEB income (2)	(12)	(24)	(11)	(12)	(47)	(34)	(13)
Idle costs (4)	-	-	1	-	1	2	(1)
All other	-	-	-	-	-	1	(1)
<b>Selling, General and Administrative Costs (GAAP basis)</b>	<b>\$ 59</b>	<b>\$ 118</b>	<b>\$ 58</b>	<b>\$ 62</b>	<b>\$ 238</b>	<b>\$ 310</b>	<b>\$ (72)</b>

					YTD 2015		YTD 2015
					Annual Run Rate		Annual Run Rate
	Q3 2015	Q3 2015	Q1 2015	Q2 2015	Annual Run Rate	FY 2014	vs FY 2014
		Annual Run Rate					\$ Change
<b>Operational R&amp;D</b>	<b>\$ 19</b>	<b>\$ 38</b>	<b>\$ 23</b>	<b>\$ 20</b>	<b>\$ 81</b>	<b>\$ 109</b>	<b>\$ (28)</b>
Impact of stock based compensation	1	2	1	-	3	-	3
Corporate components of pension and OPEB income (2)	(5)	(10)	(5)	(4)	(19)	(15)	(4)
<b>Research and Development Costs (GAAP basis)</b>	<b>\$ 15</b>	<b>\$ 30</b>	<b>\$ 19</b>	<b>\$ 16</b>	<b>\$ 65</b>	<b>\$ 94</b>	<b>\$ (29)</b>

- (2) Composed of interest cost, expected return on plan assets, amortization of actuarial gains and losses and curtailments and settlement components of pension and other postretirement benefit expenses
- (3) Consulting and other costs are primarily related to professional services provided for corporate strategic initiatives in the current year periods. The prior year periods primarily represent the cost of AlixPartners filling interim executive positions which are not captured within "Reorganization items, net" as well as consulting services provided by former executives during transitional periods.
- (4) Consists of third party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations.



# Non-GAAP Measures

The following tables reconcile the change in revenues on a constant currency basis to the most directly comparable GAAP measure of Total Segment Revenue for the nine months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Print Systems Division revenues on a constant currency basis</b>	\$ 899	\$ 928	\$ (29)	-3%
Impact of foreign exchange (1)	(85)	-	(85)	
<b>Print Systems Division revenues as reported (GAAP Basis)</b>	<b>\$ 814</b>	<b>\$ 928</b>	<b>\$ (114)</b>	<b>-12%</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Enterprise Inkjet Systems Division revenues on a constant currency basis</b>	\$ 135	\$ 138	\$ (3)	-2%
Impact of foreign exchange (1)	(12)	-	(12)	
<b>Enterprise Inkjet Systems Division revenues as reported (GAAP Basis)</b>	<b>\$ 123</b>	<b>\$ 138</b>	<b>\$ (15)</b>	<b>-11%</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Micro 3D Printing and Packaging Division revenues on a constant currency basis</b>	\$ 108	\$ 94	\$ 14	15%
Impact of foreign exchange (1)	(11)	-	(11)	
<b>Micro 3D Printing and Packaging Division revenues as reported (GAAP Basis)</b>	<b>\$ 97</b>	<b>\$ 94</b>	<b>\$ 3</b>	<b>3%</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Software and Solutions Division revenues on a constant currency basis</b>	\$ 92	\$ 78	\$ 14	18%
Impact of foreign exchange (1)	(7)	-	(7)	
<b>Software and Solutions Division revenues as reported (GAAP Basis)</b>	<b>\$ 85</b>	<b>\$ 78</b>	<b>\$ 7</b>	<b>9%</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Consumer and Film Division revenues on a constant currency basis</b>	\$ 207	\$ 265	\$ (58)	-22%
Impact of foreign exchange (1)	(5)	-	(5)	
<b>Consumer and Film Division revenues as reported (GAAP Basis)</b>	<b>\$ 202</b>	<b>\$ 265</b>	<b>\$ (63)</b>	<b>-24%</b>

- (1) The impact of foreign exchange represents the impact to 2015 Revenues using average foreign exchange rates for the nine months ended September 30, 2014 rather than the actual exchange rates in effect for the nine months ended September 30, 2015.



# Non-GAAP Measures

The following tables reconcile the change in Operational EBITDA on a constant currency basis to the most directly comparable GAAP measure of Operational EBITDA (Segment Measure) for the nine months ended September 30, 2015 and 2014, respectively:

(in millions)

	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Print Systems Division Operational EBITDA on a constant currency basis</b>	<b>68</b>	<b>63</b>	<b>5</b>	<b>8%</b>
Impact of foreign exchange (1)	(7)	-	(7)	
<b>Print Systems Division Operational EBITDA (Segment Measure)</b>	<b>\$ 61</b>	<b>\$ 63</b>	<b>\$ (2)</b>	<b>-3%</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Enterprise Inkjet Systems Division Operational EBITDA on a constant currency basis</b>	<b>(18)</b>	<b>(36)</b>	<b>18</b>	<b>-50%</b>
Impact of foreign exchange (1)	(4)	-	(4)	
<b>Enterprise Inkjet Systems Division Operational EBITDA (Segment Measure)</b>	<b>\$ (22)</b>	<b>\$ (36)</b>	<b>\$ 14</b>	<b>-39%</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Micro 3-D Operational EBITDA on a constant currency basis</b>	<b>12</b>	<b>(1)</b>	<b>13</b>	<b>-1300%</b>
Impact of foreign exchange (1)	(3)		(3)	
<b>Micro 3D Printing and Packaging Division Operational EBITDA (Segment Measure) (5)</b>	<b>\$ 9</b>	<b>\$ (1)</b>	<b>\$ 10</b>	<b>-1000%</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Software and Solutions Division Operational EBITDA on a constant currency basis</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>n/a</b>
Impact of foreign exchange (1)	(2)	-	(2)	
<b>Software and Solutions Division Operational EBITDA (Segment Measure)</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>n/a</b>
	Q3 YTD 2015	Q3 YTD 2014	Improvement (Decline) - \$	Improvement (Decline) - %
<b>Consumer and Film Division Operational EBITDA on a constant currency basis</b>	<b>42</b>	<b>49</b>	<b>(7)</b>	<b>-14%</b>
Impact of foreign exchange (1)	(4)	-	(4)	
<b>Consumer and Film Division Operational EBITDA (Segment Measure)</b>	<b>\$ 38</b>	<b>\$ 49</b>	<b>\$ (11)</b>	<b>-22%</b>

- (1) The impact of foreign exchange represents the impact to 2015 Operational EBITDA using average foreign exchange rates for the nine months ended September 30, 2014 rather than the actual exchange rates in effect for the nine months ended September 30, 2015.



## Non-GAAP Measures

The following tables reconcile Prosper annuity growth on a constant currency basis to the most directly comparable GAAP measure of Total Revenues for the nine months ended September 30, 2015 and 2014, respectively:

	Q3 YTD 2015	Q3 YTD 2014	Growth %
<b>Prosper annuity revenues on a constant currency basis</b>	<b>\$ 26</b>	<b>\$ 20</b>	<b>30%</b>
Impact of foreign exchange (1)	-	1	
<b>Prosper annuity revenues as reported (GAAP Basis)</b>	<b>\$ 26</b>	<b>\$ 21</b>	<b>24%</b>

(1) The impact of foreign exchange represents the impact to 2015 and 2014 revenues using budgeted rates of exchange rather than the actual exchange rates in effect for the nine months ended September 30, 2015 and 2014, respectively.





*Geo. Eastman*

**Kodak**

