

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2016

or

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

For the transition period from _____ to _____

Commission File Number 1-87

EASTMAN KODAK COMPANY

(Exact name of registrant as specified in its charter)

NEW JERSEY
(State of incorporation)

16-0417150
(IRS Employer Identification No.)

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

14650
(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Title of each Class	Number of Shares Outstanding at April 25, 2016
Common Stock, \$0.01 par value	42,220,176

EASTMAN KODAK COMPANY
Form 10-Q

March 31, 2016

Table of Contents

	Page
Part I.—Financial Information	
Item 1. Financial Statements	2
Consolidated Statement of Operations (Unaudited)	2
Consolidated Statement of Comprehensive (Loss) Income (Unaudited)	3
Consolidated Statement of Financial Position (Unaudited)	4
Consolidated Statement of Cash Flows (Unaudited)	5
Notes to Financial Statements (Unaudited)	6
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	19
Liquidity and Capital Resources	29
Item 3. Quantitative and Qualitative Disclosures About Market Risk	31
Item 4. Controls and Procedures	31
Part II.—Other Information	
Item 1. Legal Proceedings	32
Item 2. Unregistered Sales of Securities and Use of Proceeds	32
Item 5. Other Information	33
Item 6. Exhibits	33
Signature	34
Index to Exhibits	35

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

**EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)**

(in millions, except per share data)

	Three Months Ended March 31,	
	2016	2015
Revenues		
Sales	\$ 288	\$ 326
Services	74	85
Total revenues	362	411
Cost of revenues		
Sales	228	268
Services	48	60
Total cost of revenues	276	328
Gross profit	86	83
Selling, general and administrative expenses	40	52
Research and development costs	9	13
Restructuring costs and other	4	17
Other operating expense, net	14	3
Income (loss) from continuing operations before interest expense, other charges, net, reorganization items, net and income taxes	19	(2)
Interest expense	16	15
Other charges, net	1	10
Reorganization items, net	-	5
Income (loss) from continuing operations before income taxes	2	(32)
Provision for income taxes	6	5
Loss from continuing operations	(4)	(37)
Loss from discontinued operations, net of income taxes	(11)	(17)
Net loss	(15)	(54)
Less: Net income attributable to noncontrolling interests	3	4
NET LOSS ATTRIBUTABLE TO EASTMAN KODAK COMPANY	\$ (18)	\$ (58)
Basic and diluted net (loss) earnings per share attributable to Eastman Kodak Company common shareholders:		
Continuing operations	\$ (0.17)	\$ (0.97)
Discontinued operations	(0.26)	(0.41)
Total	\$ (0.43)	\$ (1.38)
Number of common shares used in basic and diluted net (loss) earnings per share	42.1	41.9

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME (Unaudited)

(in millions)

	Three Months Ended	
	March 31,	
	2016	2015
NET LOSS	\$ (15)	\$ (54)
Less: net income attributable to noncontrolling interests	3	4
Net loss attributable to Eastman Kodak Company	(18)	(58)
Other comprehensive (loss) income, net:		
Currency translation adjustments	8	(7)
Unrealized gains on available-for-sale securities, net	-	1
Pension and other postretirement benefit plan obligation activity, net	(146)	7
Other comprehensive loss, net attributable to Eastman Kodak Company	(138)	1
COMPREHENSIVE LOSS, NET ATTRIBUTABLE TO EASTMAN KODAK COMPANY	\$ (156)	\$ (57)

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

(in millions)

	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 513	\$ 546
Receivables, net	319	346
Inventories, net	286	263
Deferred income taxes	22	22
Other current assets	23	28
Current assets held for sale	141	73
Total current assets	<u>1,304</u>	<u>1,278</u>
Property, plant and equipment, net of accumulated depreciation of \$336 and \$314, respectively	372	394
Goodwill	88	88
Intangible assets	101	119
Restricted cash	53	43
Deferred income taxes	23	23
Other long-term assets	125	122
Long-term assets held for sale	-	71
TOTAL ASSETS	<u>\$ 2,066</u>	<u>\$ 2,138</u>
LIABILITIES AND EQUITY (DEFICIT)		
Accounts payable, trade	\$ 177	\$ 186
Current portion of long-term debt	4	4
Other current liabilities	230	247
Current liabilities held for sale	32	22
Total current liabilities	<u>443</u>	<u>459</u>
Long-term debt, net of current portion	672	673
Pension and other postretirement liabilities	735	619
Other long-term liabilities	264	277
Long-term liabilities held for sale	-	7
Total Liabilities	<u>2,114</u>	<u>2,035</u>
Commitments and Contingencies (Note 5)		
Equity (Deficit)		
Common stock, \$0.01 par value	-	-
Additional paid in capital	635	633
Treasury stock, at cost	(5)	(5)
Accumulated deficit	(301)	(283)
Accumulated other comprehensive loss	(405)	(267)
Total Eastman Kodak Company shareholders' equity (deficit)	<u>(76)</u>	<u>78</u>
Noncontrolling interests	28	25
Total equity (deficit)	<u>(48)</u>	<u>103</u>
TOTAL LIABILITIES AND EQUITY (DEFICIT)	<u>\$ 2,066</u>	<u>\$ 2,138</u>

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

(in millions)

	Three Months Ended	
	March 31,	
	2016	2015
Cash flows from operating activities:		
Net loss	\$ (15)	\$ (54)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	30	38
Pension and other postretirement income	(37)	(25)
Net gain on sales of businesses/assets	-	(3)
Non-cash restructuring costs, asset impairments and other charges	25	6
Stock based compensation	2	7
Non-cash reorganization items, net	-	2
Payment of claims	-	(9)
Provision for deferred income taxes	3	-
Decrease in receivables	38	33
Increase in inventories	(20)	(35)
Decrease in liabilities excluding borrowings	(46)	(55)
Other items, net	(1)	6
Total adjustments	(6)	(35)
Net cash used in operating activities	(21)	(89)
Cash flows from investing activities:		
Additions to properties	(5)	(7)
Proceeds from sales of businesses/assets, net	-	2
Funding of restricted cash	(10)	(1)
Net cash used in investing activities	(15)	(6)
Cash flows from financing activities:		
Repayment of emergence credit facilities	(1)	(1)
Proceeds from VIE credit facility	-	1
Treasury stock purchases	-	(1)
Net cash used in financing activities	(1)	(1)
Effect of exchange rate changes on cash	3	(7)
Net decrease in cash and cash equivalents	(34)	(103)
Cash and cash equivalents, beginning of period ⁽¹⁾	547	712
Cash and cash equivalents, end of period ⁽¹⁾	\$ 513	\$ 609

⁽¹⁾ Cash and cash equivalents, beginning of period includes \$546 million of cash reported in the Statement of Financial Position and \$1 million of cash reported in Current assets held for sale. There is no cash reported in Current assets held for sale at the end of the period.

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1: BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS

BASIS OF PRESENTATION

The consolidated interim financial statements are unaudited, and certain information and footnote disclosures related thereto normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) have been omitted in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. In the opinion of management, the accompanying unaudited consolidated interim financial statements reflect all adjustments (consisting of normal recurring adjustments) necessary to present fairly the results of operations, financial position and cash flows of Eastman Kodak Company (“EKC” or the “Company”) and all companies directly or indirectly controlled, either through majority ownership or otherwise (collectively, “Kodak”). The results of operations for the interim periods are not necessarily indicative of the results for the entire fiscal year. These consolidated interim financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

Kodak is the primary beneficiary of a utilities variable interest entity, RED – Rochester, LLC (“RED”). Therefore, Kodak consolidates RED’s assets, liabilities and results of operations. Consolidated assets and liabilities of RED are \$71 million and \$14 million, respectively, as of March 31, 2016 and \$69 million and \$13 million, respectively, as of December 31, 2015. RED’s equity in those net assets as of March 31, 2016 and December 31, 2015 is \$26 million and \$25 million, respectively. RED’s results of operations are reflected in net income attributable to noncontrolling interest in the accompanying Consolidated Statement of Operations.

Reclassifications

Certain amounts for prior periods have been reclassified to conform to the current period classification due to the presentation of discontinued operations, assets held for sale and for a change in the segment measure of profitability. Refer to Note 16, “Segment Information” and Note 17, “Discontinued Operations” for additional information.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In April 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-03, Imputation of Interest (Sub-Topic 835.30): Simplifying the Presentation of Debt Issuance Costs. ASU 2015-03 requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB issued ASU 2015-15 clarifying the application of this guidance to line of credit arrangements. The amendments in the ASUs are effective retrospectively for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015 (January 1, 2016 for Kodak). The adoption of this guidance did not have a material impact on Kodak’s Consolidated Financial Statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In March 2016, the FASB issued ASU 2016-09, Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The new standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016 (January 1, 2017 for Kodak). Early adoption is permitted. Kodak is currently evaluating the impact of this ASU.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and eliminates certain real estate-specific provisions. The new leasing standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018 (January 1, 2019 for Kodak). Early adoption is permitted. Kodak is currently evaluating the impact of this ASU.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 primarily affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. Under the ASU all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) will generally be measured at fair value through earnings. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The classification and measurement guidance will be effective for Kodak beginning January 1, 2018, including interim periods within those fiscal years. Kodak is currently evaluating the impact of this ASU.

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740) Balance Sheet Classification of Deferred Taxes. ASU 2015-17 amends the accounting for income taxes and requires all deferred tax assets and liabilities to be classified as non-current on the consolidated balance sheet. ASU 2015-17 is effective for fiscal years and interim reporting periods within those years beginning after December 15, 2016 (January 1, 2017 for Kodak), with early adoption permitted in any annual or interim period. ASU 2015-17 may be adopted either prospectively or retrospectively. Kodak is currently evaluating the method of adoption and expects ASU 2015-17 will have an impact on the consolidated balance sheet. The current deferred tax assets in excess of valuation allowance were \$22 million as of March 31, 2016.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 supersedes the revenue recognition requirements in Topic 605, “Revenue Recognition” and most industry-specific guidance. The core principle of ASU 2014-09 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In July 2015, the FASB deferred the effective date of ASU 2014-09. In 2016 the FASB issued ASU 2016-08 and ASU 2016-10 clarifying the guidance regarding principle vs agent considerations, identification of performance obligations and analysis of licensing transactions. The new revenue standards are collectively effective for fiscal years, and interim periods within those years, beginning after December 15, 2017 (January 1, 2018 for Kodak) and allow either a full retrospective adoption to all periods presented or a modified retrospective adoption approach with the cumulative effect of initial application recognized at the date of initial application. Kodak is currently evaluating the adoption alternatives and impact of these ASUs.

NOTE 2: RECEIVABLES, NET

(in millions)	March 31, 2016	December 31, 2015
Trade receivables	\$ 268	\$ 300
Miscellaneous receivables	51	46
Total (net of allowances of \$11 and \$10 as of March 31, 2016 and December 31, 2015, respectively)	<u>\$ 319</u>	<u>\$ 346</u>

Approximately \$21 million and \$28 million of the total trade receivable amounts as of March 31, 2016 and December 31, 2015, respectively, will potentially be settled through customer deductions in lieu of cash payments. Such deductions represent rebates owed to customers and are included in Other current liabilities in the accompanying Consolidated Statement of Financial Position.

NOTE 3: INVENTORIES, NET

(in millions)	March 31, 2016	December 31, 2015
Finished goods	\$ 157	\$ 141
Work in process	66	61
Raw materials	63	61
Total	<u>\$ 286</u>	<u>\$ 263</u>

NOTE 4: INTANGIBLE ASSETS

The gross carrying amount and accumulated amortization by major intangible asset category as of March 31, 2016 and December 31, 2015 were as follows:

(in millions)	March 31, 2016			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Amortization Period
Technology-based	\$ 77	\$ 38	\$ 39	3 years
Kodak trade name	40	-	40	Indefinite life
Customer-related	30	10	20	7 years
Other	2	-	2	21 years
Total	<u>\$ 149</u>	<u>\$ 48</u>	<u>\$ 101</u>	

(in millions)	December 31, 2015			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Amortization Period
Technology-based	\$ 83	\$ 38	\$ 45	3 years
Kodak trade name	46	-	46	Indefinite life
Customer-related	37	11	26	7 years
Other	2	-	2	21 years
Total	<u>\$ 168</u>	<u>\$ 49</u>	<u>\$ 119</u>	

During the first quarter of 2016, Kodak updated its impairment analysis of the Kodak trade name to increase the probability of selling its Prosper business. Based on the results of Kodak's March 31, 2016 analysis, the carrying value of the Kodak trade name exceeded its fair value. The pre-tax trade name impairment charge of \$5 million is included in Other operating expense, net in the Consolidated Statement of Operations.

Due to the exit of its position in silver metal mesh touch screen development in the first quarter of 2016, Kodak concluded that the carrying value of intangible assets associated with those operations exceeded their fair value and recorded a pre-tax impairment charge of \$8 million, which is included in Other operating expense, net in the Consolidated Statement of Operations.

Amortization expense related to intangible assets was \$5 million for both the three months ended March 31, 2016 and 2015.

Estimated future amortization expense related to intangible assets that are currently being amortized as of March 31, 2016 was as follows:

Q2 - Q4 2016	\$ 14
2017	17
2018	13
2019	6
2020	4
2021 and thereafter	7
Total	<u>\$ 61</u>

NOTE 5: COMMITMENTS AND CONTINGENCIES

As of March 31, 2016, the Company had outstanding letters of credit of \$118 million issued under the Asset Based Revolving Credit Agreement (the "ABL Credit Agreement"), as well as bank guarantees and letters of credit of \$4 million, surety bonds in the amount of \$17 million, and restricted cash and deposits of \$68 million, primarily to support compliance with the Excess Availability threshold under the ABL Credit Agreement, to ensure the payment of possible casualty and workers' compensation claims, environmental liabilities, legal contingencies, rental payments and to support various customs, tax and trade activities. The restricted cash and deposits are reflected in Restricted cash, Other current assets and Other long-term assets in the Consolidated Statement of Financial Position.

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. Kodak is disputing these matters and intends to vigorously defend its position. Kodak routinely assesses all 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 March 31, 2016, the unreserved portion of these contingencies, inclusive of any related interest and penalties, for which there was at least a reasonable possibility that a loss may be incurred, amounted to approximately \$52 million.

In connection with assessments in Brazil, local regulations may require Kodak to post security for a portion of the amounts in dispute. As of March 31, 2016, Kodak has posted security composed of \$6 million of pledged cash reported within Restricted cash in the Consolidated Statement of Financial Position and liens on certain Brazilian assets with a net book value of approximately \$66 million. Generally, any encumbrances on 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, remediation and proceedings, including 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 Kodak's products. These matters are in various stages of investigation and litigation, and are being vigorously defended. Based on information currently available, Kodak does not believe that it is probable that the outcomes in any of these matters, individually or collectively, will have a material adverse effect on its financial position 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. Kodak routinely assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability, and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable.

NOTE 6: GUARANTEES

EKC guarantees obligations to third parties for some of its consolidated subsidiaries. The maximum amount guaranteed is \$17 million and the outstanding amount for those guarantees is \$6 million.

In connection with the settlement of certain of the Company's historical environmental liabilities at Eastman Business Park, in the event the historical liabilities exceed \$99 million, the Company will become liable for 50% of the portion above \$99 million with no limitation to the maximum potential future payments. There is no liability recorded for this guarantee.

Warranty Costs

Kodak offers its customers extended warranty arrangements that are generally one year, but may range from three months to five years after the original warranty period. Kodak provides repair services and routine maintenance under these arrangements. Kodak has not separated the extended warranty revenues and costs from the routine maintenance service revenues and costs, as it is not practicable to do so. Therefore, these revenues and costs have been aggregated in the discussion that follows. The change in Kodak's deferred revenue balance in relation to these extended warranty and maintenance arrangements from December 31, 2015 to March 31, 2016, which is reflected in Other current liabilities in the accompanying Consolidated Statement of Financial Position, was as follows:

(in millions)

Deferred revenue on extended warranties as of December 31, 2015	\$	26
New extended warranty and maintenance arrangements in 2016		41
Recognition of extended warranty and maintenance arrangement revenue in 2016		(43)
Deferred revenue on extended warranties as of March 31, 2016	\$	24

NOTE 7: OTHER OPERATING EXPENSE, NET

(in millions)

	Three Months Ended	
	March 31,	
	2016	2015
Expense (income):		
Silver metal mesh touch screen long-lived asset impairments ⁽¹⁾⁽²⁾	\$ 19	\$ -
Litigation proceeds ⁽³⁾	(10)	-
Goodwill and indefinite-lived intangible asset impairments ⁽⁴⁾⁽⁵⁾	5	6
Gain on sale of assets	-	(3)
Total	\$ 14	\$ 3

(1) In the first quarter of 2016, due to the exit of its position in silver metal mesh touch screen development, Kodak concluded that the carrying value of property, plant and equipment associated with those operations exceeded their fair value and recorded a pre-tax impairment charge of \$11 million.

(2) In the first quarter of 2016, Kodak recorded an impairment charge of \$8 million related to silver metal mesh touch screen intangible assets. Refer to Note 4, "Intangible Assets."

(3) In the first quarter of 2016, Kodak received \$10 million representing net litigation proceeds from DuPont.

(4) In the first quarter of 2016, Kodak recorded an impairment charge of \$5 million related to the Kodak trade name. Refer to Note 4, "Intangible Assets."

(5) In the first quarter of 2015, due to the change in Kodak's reporting units and the delay in commercializing new technologies in the Micro 3D Printing reporting unit, Kodak concluded the carrying value of the Micro 3D Printing reporting unit exceeded its implied fair value and recorded a goodwill impairment charge of \$6 million representing the entire amount of goodwill for this reporting unit.

NOTE 8: OTHER CHARGES, NET

(in millions)

	Three Months Ended	
	March 31,	
	2016	2015
Loss on foreign exchange transactions	(1)	(10)

NOTE 9: INCOME TAXES

Kodak's income tax provision and effective tax rate were as follows:

(in millions)	Three Months Ended	
	March 31,	
	2016	2015
Earnings (loss) from continuing operations before income taxes	\$ 2	\$ (32)
Effective tax rate	300.0%	-15.6%
Provision for income taxes	6	5
Provision (benefit) for income taxes @ 35%	1	(11)
Difference between tax at effective vs. statutory rate	\$ 5	\$ 16

For the three months ended March 31, 2016, the difference between the Company's recorded provision and the provision that would result from applying the U.S. statutory rate of 35.0% is primarily attributable to: (1) losses generated within the U.S. for which no benefit was recognized, offset by income in certain jurisdictions outside the U.S. for which no provision was recognized due to management's conclusion that it was more likely than not that the tax benefits would not be realized, (2) the results from operations in jurisdictions outside the U.S., and (3) changes in audit reserves.

For the three months ended March 31, 2015, the difference between the Company's recorded provision and the benefit that would result from applying the U.S. statutory rate of 35.0% is primarily attributable to: (1) losses generated within the U.S. and certain jurisdictions outside the U.S. for which no benefit was recognized due to management's conclusion that it was more likely than not that the tax benefits would not be realized and (2) changes in audit reserves.

NOTE 10: RESTRUCTURING LIABILITIES

Charges for restructuring activities are recorded in the period in which Kodak commits to a formalized restructuring plan, or executes the specific actions contemplated by the plan, and all criteria for liability recognition under the applicable accounting guidance have been met. Restructuring actions taken in the first three months of 2016 were initiated to reduce Kodak's cost structure as part of its commitment to drive sustainable profitability and included actions associated with the exit of Kodak's silver metal mesh touch screen development, continued progress toward the Leeds plate manufacturing facility exit, as well as various targeted reductions in manufacturing, service, sales, research and development and other administrative functions.

Leeds Plate Manufacturing Facility Exit

On March 3, 2014, Kodak announced a plan to exit its prepress plate manufacturing facility located in Leeds, England. This decision was pursuant to Kodak's initiative to consolidate manufacturing operations globally, and is expected to result in a more efficient delivery of its products and solutions. Kodak began the exit of the facility in the second quarter of 2014, phased out production at the site in the third quarter of 2015 and expects to complete the exit of the facility by the end of the second quarter of 2016.

As a result of the decision, Kodak currently expects to incur total charges of \$25 to \$30 million, including \$10 million of charges related to separation benefits, \$13 to \$15 million of non-cash related charges for accelerated depreciation and asset write-offs and \$2 to \$5 million in other cash related charges associated with this action.

Kodak incurred other exit costs of \$1 million in the first three months of 2016 under this program.

Under this program, on a life-to-date basis as of March 31, 2016, Kodak has recorded severance charges of \$10 million, long-lived asset impairment charges of \$3 million, accelerated depreciation charges of \$10 million, and other exit costs of \$2 million.

Restructuring Reserve Activity

The activity in the accrued balances and the non-cash charges and credits incurred in relation to restructuring activities for the three months ended March 31, 2016 were as follows:

(in millions)	Severance Reserve ⁽¹⁾	Exit Costs Reserve ⁽¹⁾	Long-lived Asset Impairments and Inventory Write-downs ⁽¹⁾	Accelerated Depreciation ⁽¹⁾	Total
Balance as of December 31, 2015	\$ 7	\$ 4	\$ -	\$ -	\$ 11
Q1 2016 charges	4	-	1	-	5
Q1 utilization/cash payments	(5)	(1)	(1)	-	(7)
Q1 2016 other adjustments & reclasses ⁽²⁾	(1)	-	-	-	(1)
Balance as of March 31, 2016	\$ 5	\$ 3	\$ -	\$ -	\$ 8

⁽¹⁾ The severance and exit costs reserves require the outlay of cash, while long-lived asset impairments, accelerated depreciation and inventory write-downs represent non-cash items.

⁽²⁾ The \$(1) million represents severance related charges for pension plan special termination benefits, which are reflected in Pension and other postretirement liabilities in the Consolidated Statement of Financial Position.

For the three months ended March 31, 2016, the \$5 million of charges includes \$1 million of charges for inventory write-downs which were reported in Cost of revenues in the accompanying Consolidated Statement of Operations. The remaining \$4 million was reported as Restructuring costs and other.

The severance costs related to the elimination of approximately 50 positions, including approximately 25 manufacturing/ service positions and 25 administrative positions. The geographic composition of these positions includes approximately 25 in the United States and Canada, and 25 throughout the rest of the world.

As a result of these initiatives, the majority of the severance will be paid during periods through the first half of 2016. However, in some instances, the employees whose positions were eliminated can elect or are required to receive their payments over an extended period of time. In addition, certain exit costs, such as long-term lease payments, will be paid over periods throughout 2016 and beyond.

NOTE 11: RETIREMENT PLANS AND OTHER POSTRETIREMENT BENEFITS

Components of the net periodic benefit cost for all major U.S. and Non-U.S. defined benefit plans are as follows:

(in millions)	Three Months Ended March 31,			
	2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Major defined benefit plans:				
Service cost	\$ 3	\$ 1	\$ 4	\$ 1
Interest cost	30	3	37	4
Expected return on plan assets	(65)	(7)	(68)	(8)
Amortization of:				
Prior service credit	(2)	-	(2)	-
Net pension income before special termination benefits	(34)	(3)	(29)	(3)
Special termination benefits	1	-	4	-
Net pension income	(33)	(3)	(25)	(3)
Other plans including unfunded plans	-	(1)	-	2
Total net pension income	\$ (33)	\$ (4)	\$ (25)	\$ (1)

The total net pension income reported for the three months ended March 31, 2016 and 2015 includes less than \$1 million of costs reported as discontinued operations in each respective period.

For the three months ended March 31, 2016 and 2015, the special termination benefits charges of \$1 million and \$4 million, respectively, were incurred as a result of Kodak's restructuring actions.

Kodak made contributions (funded plans) or paid benefits (unfunded plans) totaling approximately \$4 million relating to its defined benefit pension and postretirement plans for the three months ended March 31, 2016.

Certain of Kodak's retirement plans were remeasured during the first quarter of 2016. The remeasurement of the funded status of those plans during the first quarter increased Kodak's recognized defined benefit plan obligation by \$142 million.

NOTE 12: EARNINGS PER SHARE

Basic earnings per share computations are based on the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share include any dilutive effect of potential common shares. In periods with a net loss from continuing operations, diluted earnings per share are calculated using weighted-average basic shares for that period, as utilizing diluted shares would be anti-dilutive to loss per share.

Weighted-average basic and diluted shares outstanding were 42.1 million and 41.9 million for the three months ended March 31, 2016 and 2015, respectively.

As a result of the net loss from continuing operations presented for the three months ended March 31, 2016 and 2015, Kodak calculated diluted earnings per share using weighted-average basic shares outstanding for that period, as utilizing diluted shares would be anti-dilutive to loss per share. If Kodak had reported earnings from continuing operations for the three months ended March 31, 2016 and 2015, unvested restricted stock units of 0.1 million for both periods and warrants to purchase 0.7 million of common shares at March 31, 2015 would have been dilutive in the computation of diluted earnings per share:

The following securities were not included in the computation of diluted earnings per share as they would have been anti-dilutive:

(in millions of shares)	Three Months Ended March 31,	
	2016	2015
Restricted stock units	0.4	-
Stock options	1.7	0.9
	<u>2.1</u>	<u>0.9</u>

The computation of diluted earnings per share for March 31, 2016 also excluded the impact of the assumed conversion of net share settled warrants to purchase (a) 1.8 million shares of common shares at an exercise price of \$14.93 and (b) 1.8 million shares of common shares at an exercise price of \$16.12 because they would have been anti-dilutive.

NOTE 13: SHAREHOLDERS' EQUITY

Kodak has 560 million shares of authorized stock, consisting of: (i) 500 million shares of common stock, par value \$0.01 per share and (ii) 60 million shares of preferred stock, no par value, issuable in one or more series. As of both March 31, 2016 and December 31, 2015, there were 42.1 million and 42.0 million shares of common stock and no shares of preferred stock outstanding. Treasury stock consisted of approximately 0.3 million shares at both March 31, 2016 and December 31, 2015.

NOTE 14: OTHER COMPREHENSIVE (LOSS) INCOME

The changes in Other comprehensive (loss) income, by component, were as follows:

(in millions)	Three Months Ended March 31,	
	2016	2015
Currency translation adjustments	\$ 8	\$ (7)
Unrealized gains on available-for-sale securities, before tax	-	1
Tax provision	-	-
Unrealized gains on available-for-sale securities, net of tax	-	1
Pension and other postretirement benefit plan changes		
Newly established prior service credit	-	4
Newly established net actuarial (loss) gain	(142)	5
Tax provision	-	-
Newly established prior service credit and net actuarial (loss) gain, net of tax	(142)	9
Reclassification adjustments:		
Amortization of prior-service credit	(a) (2)	(2)
Amortization of actuarial gains	(a) (1)	-
Recognition of gains due to settlements	(a) (1)	-
Total reclassification adjustments	(4)	(2)
Tax provision	-	-
Reclassification adjustments, net of tax	(4)	(2)
Pension and other postretirement benefit plan changes, net of tax	(146)	7
Other comprehensive (loss) income	\$ (138)	\$ 1

(a) Reclassified to Total Net Periodic Benefit Cost – refer to Note 11, “Retirement Plans and Other Postretirement Benefits”.

NOTE 15: ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss is composed of the following:

(in millions)	March 31,	December 31,
	2016	2015
Currency translation adjustments	\$ (59)	\$ (67)
Available for sale securities	2	2
Pension and other postretirement benefit plan changes	(348)	(202)
Ending balance	\$ (405)	\$ (267)

NOTE 16: SEGMENT INFORMATION

Kodak has seven reportable segments: Print Systems, Enterprise Inkjet Systems, Micro 3D Printing and Packaging, Software and Solutions, Consumer and Film, Intellectual Property Solutions and Eastman Business Park.

The balance of Kodak's continuing operations, which do not meet the criteria of a reportable segment, are reported in All Other. A description of the reportable segments follows.

Print Systems: The Print Systems segment is comprised of two lines of business: Prepress Solutions and Electrophotographic Printing Solutions.

Micro 3D Printing and Packaging: The Micro 3D Printing and Packaging segment is comprised of two lines of business: Packaging and Functional Printing.

Software and Solutions: The Software and Solutions segment is comprised of two lines of business: Kodak Technology Solutions and Unified Workflow Solutions.

Consumer and Film: The Consumer and Film segment is comprised of three lines of business: Consumer Inkjet Solutions; Motion Picture, Industrial Chemicals and Films; and Consumer Products.

Enterprise Inkjet Systems: The Enterprise Inkjet Systems segment is comprised of the KODAK VERSAMARK business.

Intellectual Property Solutions: The Intellectual Property Solutions segment includes licensing and research and development activities not directly related to the other segments.

Eastman Business Park: The Eastman Business Park segment includes the operations of the Eastman Business Park, a 1,200 acre technology center and industrial complex.

All Other: All Other is composed of the RED utilities variable interest entity.

Segment financial information is shown below:

Net Revenues from Continuing Operations by Reportable Segment

(in millions)	Three Months Ended	
	March 31,	
	2016	2015
Print Systems	\$ 231	\$ 254
Micro 3D Printing and Packaging	29	31
Software and Solutions	22	28
Consumer and Film	56	72
Enterprise Inkjet Systems	20	23
Intellectual Property Solutions	-	-
Eastman Business Park	4	3
Consolidated total	<u>\$ 362</u>	<u>\$ 411</u>

Segment Operational EBITDA and Consolidated Earnings (Loss) from Continuing Operations Before Income Taxes

(in millions)	Three Months Ended March 31,	
	2016	2015
Print Systems	\$ 18	\$ 13
Micro 3D Printing and Packaging	1	-
Software and Solutions	2	2
Consumer and Film	7	18
Enterprise Inkjet Systems	5	7
Intellectual Property Solutions	(4)	(8)
Eastman Business Park	-	(1)
Total of reportable segments	29	31
All Other	3	4
Corporate components of pension and OPEB income ⁽¹⁾	41	33
Depreciation and amortization	(27)	(36)
Restructuring costs and other	(5)	(17)
Overhead supporting, but not directly absorbed by discontinued operations ⁽²⁾	(4)	(5)
Stock-based compensation	(2)	(6)
Consulting and other costs ⁽³⁾	(1)	(2)
Idle costs ⁽⁴⁾	(1)	(1)
Other operating expense, net ⁽⁵⁾	(14)	(3)
Interest expense ⁽⁵⁾	(16)	(15)
Other charges, net ⁽⁵⁾	(1)	(10)
Reorganization items, net ⁽⁵⁾	-	(5)
Consolidated earnings (loss) from continuing operations before income taxes	<u>\$ 2</u>	<u>\$ (32)</u>

(1) 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.

(2) Primarily consists of costs for shared resources allocated to the Prosper Enterprise Inkjet business discontinued operation in the prior year period which are now included in the results of continuing operations and an estimate of costs for shared resources which would have been allocated to the Prosper Enterprise Inkjet business discontinued operation in the current year period had the business remained in continuing operations.

(3) Consulting and other costs are primarily related to professional services provided for corporate strategic initiatives.

(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) As reported in the Consolidated Statement of Operations.

Segment Measure of Profit and Loss

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA"). As demonstrated in the above table, Operational EBITDA represents the income (loss) from continuing operations excluding the provision (benefit) for income taxes; corporate components of pension and OPEB income; depreciation and amortization expense; restructuring costs; overhead costs no longer absorbed by discontinued operations; stock-based compensation expense; consulting and other costs; idle costs; other operating expense, net (unless otherwise indicated); interest expense; other charges, net and reorganization items, net.

Kodak's segments are measured using Operational EBITDA both before and after allocation of corporate selling, general and administrative expenses ("SG&A"). The segment earnings measure reported is after allocation of corporate SG&A as this most closely aligns with U.S. GAAP. Research and development activities not directly related to the other segments are reported within the Intellectual Property Solutions segment.

Change in Segment Measure of Profit and Loss

During the first quarter of 2016, Kodak changed its segment measure of profit and loss. The segment measure excludes overhead costs no longer absorbed by discontinued operations (see description above). In addition, manufacturing costs originally planned to be absorbed by silver halide touch screen production are now excluded from the segment measure of profit and loss. There were no manufacturing costs originally planned to be absorbed by silver halide touch screen production in the three months ended March 31, 2016 or 2015.

NOTE 17: DISCONTINUED OPERATIONS

KODAK PROSPER Enterprise Inkjet Business

In March 2016 Kodak announced that it is in talks with prospective buyers about offers to purchase its KODAK PROSPER Enterprise Inkjet business (the "Business"). The results of operations of the Business are classified as discontinued operations in the Consolidated Statement of Operations for all periods presented. Additionally, the related assets and liabilities associated with the Business are classified as held for sale in the Consolidated Statement of Financial Position as of March 31, 2016 and December 31, 2015. Kodak anticipates the sale may take up to a year to complete.

The results of operations of the Business are presented in the following table:

(in millions)	Three Months Ended March 31,	
	2016	2015
Revenues	\$ 14	\$ 16
Cost of sales	12	23
Selling, general and administrative expenses	5	6
Research and development expenses	6	5
Loss from discontinued operations, before income taxes	(9)	(18)
Provision (benefit) for income taxes	1	(1)
Loss from discontinued operations, net of income taxes	\$ (10)	\$ (17)

Loss from discontinued operations for the three months ended March 31, 2016 in the Consolidated Statement of Operations also included \$1 million associated with discontinued operations of the Personalized Imaging and Document Imaging Business.

The following table presents the aggregate carrying amount of major assets and liabilities of the Business:

(in millions)	March 31, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	\$ -	\$ 1
Receivables, net	13	19
Inventories, net	52	51
Property, plant and equipment, net	36	32
Intangible assets, net	38	39
Assets of business held for sale	\$ 139	\$ 142
LIABILITIES		
Accounts payable, trade	\$ 6	\$ 9
Current portion of long-term debt	-	1
Other current liabilities	20	12
Long-term debt, net of current portion	2	2
Other long-term liabilities	4	5
Liabilities of business held for sale	\$ 32	\$ 29

Intercompany liabilities between a dedicated entity of the Business and Kodak of approximately \$5 million as of March 31, 2016 that are part of the proposed transaction are not reflected in the table above as these amounts have been eliminated in deriving the consolidated financial statements. There were no intercompany amounts that are part of the proposed transaction as of December 31, 2015.

Current assets held for sale as of March 31, 2016 and December 31, 2015 in the Consolidated Statement of Financial Position also included \$2 million from assets under contract for sale not associated with the Business.

The following table presents cash flow information associated with the Business:

(in millions)	Three Months Ended March 31,	
	2016	2015
Depreciation	2	1
Amortization	1	1
Capital expenditures	1	-

Depreciation and amortization of long-lived assets of the Business included in discontinued operations ceased on April 1, 2016.

Direct operating expenses of the discontinued operations are included in the results of discontinued operations. Indirect expenses that were historically allocated to the discontinued operations have been included in the results of continuing operations. Prior period results have been reclassified to conform to the current period presentation.

NOTE 18: FINANCIAL INSTRUMENTS

Kodak, as a result of its global operating and financing activities, is exposed to changes in foreign currency exchange rates and interest rates, which may adversely affect its results of operations and financial position. Kodak manages such exposures, in part, with derivative financial instruments. Foreign currency forward contracts are used to mitigate currency risk related to foreign currency denominated assets and liabilities. Kodak's exposure to changes in interest rates results from its investing and borrowing activities used to meet its liquidity needs. Kodak does not utilize financial instruments for trading or other speculative purposes.

Kodak's foreign currency forward contracts are not designated as hedges and are marked to market through net (loss) earnings at the same time that the exposed assets and liabilities are re-measured through net (loss) earnings (both in Other charges, net in the Consolidated Statement of Operations). The notional amount of such contracts open at March 31, 2016 and December 31, 2015 was approximately \$398 million and \$384 million, respectively. The majority of the contracts of this type held by Kodak are denominated in Euros, British pounds, and Chinese renminbi.

The net effect of foreign currency forward contracts in the results of operations is shown in the following table:

(in millions)	Three Months Ended March 31,	
	2015	2016
Net gain from derivatives not designated as hedging instruments	\$ 2	\$ 18

Kodak had no derivatives designated as hedging instruments for the three months ended March 31, 2016 and 2015.

In the event of a default under the Company's Term Credit Agreements, the ABL Credit Agreement, or a default under any derivative contract or similar obligation of Kodak, subject to certain minimum thresholds, the derivative counterparties would have the right, although not the obligation, to require immediate settlement of some or all open derivative contracts at their then-current fair value, but with liability positions netted against asset positions with the same counterparty.

Fair Value

Fair values of marketable securities are determined using quoted prices in active markets for identical assets (Level 1 fair value measurements). Fair values of Kodak's foreign currency forward contracts are determined using observable inputs (Level 2 fair value measurements) and are based on the present value of expected future cash flows (an income approach valuation technique) considering the risks involved and using discount rates appropriate for the duration of the contracts. Neither the fair value of marketable securities nor the gross fair value of the foreign currency forward contracts were material as of March 31, 2016 and December 31, 2015.

Transfers between levels of the fair value hierarchy are recognized based on the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels of the fair value hierarchy during the quarter ended March 31, 2016.

The fair value of long-term borrowings is measured on a nonrecurring basis. Fair values of long-term borrowings (Level 2 fair value measurements) are determined by reference to quoted market prices, if available, or by pricing models based on the value of related cash flows discounted at current market interest rates. The fair values of long-term borrowings were \$638 million and \$586 million at March 31, 2016 and December 31, 2015, respectively.

The carrying values of cash and cash equivalents, restricted cash, and short-term borrowings and current portion of long-term debt approximate their fair values.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

This report on Form 10-Q, 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, 2015 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 this report on Form 10-Q, and in other filings the Company makes with the U.S. Securities and Exchange Commission from time to time, as well as the following:

- Kodak's ability to comply with the covenants in the Credit Agreements;
- Kodak's ability to improve and sustain its operating structure, cash flow, profitability and other financial results;
- 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 fund continued investments, capital needs and restructuring payments and service its debt;
- Kodak's ability to discontinue, sell or spin-off certain non-core businesses or operations, or otherwise monetize assets;
- changes in foreign currency exchange rates, commodity prices and interest rates;
- Kodak's ability to effectively anticipate technology trends and develop and market new products, solutions and technologies, including its micro 3D printing of touch sensors;
- Kodak's ability to effectively compete with large, well-financed industry participants;
- continued sufficient availability of borrowings and letters of credit under the ABL Credit Agreement, Kodak's ability to obtain additional financing if and as needed and Kodak's ability provide or facilitate financing for its customers;
- Kodak's ability to attract and retain key executives, managers and employees;
- the performance by third parties of their obligations to supply products, components or services to Kodak; and
- the impact of the global economic environment of Kodak.

There may be other factors that may cause Kodak's actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to Kodak or persons acting on its behalf apply only as of the date of this report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included in this document. Kodak 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.

OVERVIEW

Kodak is a global commercial printing and imaging company with proprietary technologies in materials science, digital imaging science and software, and deposition processes (methods whereby one or more layers of various materials in gaseous, liquid or small particle form are deposited on a substrate in precise quantities and positions). 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.

Revenue declined \$49 million (11.9%) compared to the prior year quarter. Operating cost reductions more than offset the resulting impact of the revenue decline on earnings.

Kodak's strategy is to:

- Use Kodak's divisional structure to drive accountability, transparency, and speed of decision making;
- Focus product investment in growth engines - Sonora, Packaging, Micro 3D Printing and Software and Services;
- Maintain stable market leadership position and cash flows associated with Print Systems;
- Manage the expected decline in and maximize cash generated by mature businesses;
- Continue to streamline processes to drive cost reductions and improve operating leverage; and
- Continue to explore opportunities to monetize the asset base.

A discussion of opportunities and challenges related to Kodak's strategy follows:

- Print Systems' digital plate products include traditional digital plates and KODAK SONORA Process Free Plates. SONORA process free plates allow Kodak customers to skip the plate processing step prior to mounting plates on a printing press. This improvement in the printing process saves time and costs for customers. Also, SONORA process free plates reduce the environmental impact of the printing process because they eliminate the use of chemicals (including solvents), water and power that is otherwise required to process a traditional plate. While traditional digital plate offerings are experiencing pricing pressure, innovations in Kodak product lines which command premium prices, such as SONORA Process Free Plates, are expected to offset some of the long-term price erosion in the market. Print Systems' revenues declined \$23 million compared with the prior year quarter with close to half of the decline due to lower pricing on plates.
- In Micro 3D Printing and Packaging, the earnings contribution from Packaging offsets the cost of developing the Micro 3D Printing business. Kodak expects that growth in Packaging, as well as the transition from investment to commercialization of product in Micro 3D Printing, will result in revenue and earnings growth in this segment.
- The Software and Solutions segment is comprised of Kodak Technology Solutions, which includes Enterprise Services and Solutions, and Unified Workflow Solutions. Unified Workflow Solutions is an established product line, whereas Kodak Technology Solutions includes growing product lines that leverage existing technologies and intellectual property in new applications. These business initiatives generally do not require substantial additional investment, and Kodak expects that they will grow in contribution to earnings.
- The Consumer and Film segment's revenues are expected to continue to decline. Consumer and Film's revenue declined \$16 million compared with the prior year quarter.
- In Enterprise Inkjet Systems, the legacy Versamark business is expected to continue to decline.
- Selling, general and administrative expenses ("SG&A") and research and development ("R&D") expenses declined a combined \$16 million from the first quarter of 2015 to the first quarter of 2016, as the result of a number of actions including headcount reductions, reduced overhead costs, savings from global benefit changes, facilities consolidations and renegotiations of vendor contracts and the focusing of R&D spending on materials science.
- Kodak plans to continue to pursue monetization of its asset base, including selling and licensing intellectual property, selling and leasing excess capacity in its properties, and pursuing rights to an earn-out from a previous divestiture.

CURRENT KODAK OPERATING MODEL AND REPORTING STRUCTURE

Kodak has seven reportable 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

The Print Systems segment is comprised of Prepress Solutions, which includes Kodak's digital offset plate offerings and computer-to-plate imaging solutions, and Electrophotographic Printing Solutions, which offers high-quality digital printing solutions using electrically charged toner based technology. The Print Systems 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 and packaging. While the businesses in this segment are experiencing pricing pressure, continued innovations in Kodak product lines that can command premium prices offset some of the long term market price erosion.

Prepress Solutions capitalizes on a contract-based, stable and recurring cash flow-generative business model. The average duration of customer contracts is two to three years. These contracts offer stability and generate recurring revenue. The core of the business is the manufacturing of aluminum digital printing plates of varying sizes. These plates can be as small as 23cm x 27cm and as large as 126cm x 287cm. Unexposed plates are sold to commercial printing companies for use in the offset printing process. Kodak also manufactures equipment, known as Computer to Plate ("CTP") equipment, which images the plates with a laser. The plates are used in the offset printing process, which transfers ink from the plate onto a rubber blanket and then onto the substrate to be printed. Due to the nature of the imaging and printing process, a new plate must be used for each printing run. As a result, there is a recurring revenue stream from the sale of these plates.

The Print Systems products and services are sold globally to customers through both a direct sales team as well as indirectly through dealers.

- *Prepress Solutions:*
 - Digital offset plates, which includes KODAK SONORA Process Free Plates. KODAK SONORA Process Free Plates are prepared directly with a CTP thermal output device and do not require subsequent processing chemistry, processing equipment or chemical disposal. As a result, the plates deliver cost savings and efficiency for customers and promote environmental sustainability practices.
 - CTP output devices that are used by customers to transfer images onto aluminum offset printing plates and provide consistent and high quality imaging for offset press applications. CTP products provide high resolution, consistency and stability in thermal imaging. Kodak also offers a lower cost CTP system using TH5 imaging technology, which provides a highly efficient and cost-effective imaging solution at a lower price point.
- *Electrophotographic Printing Solutions:*
 - NEXPRESS printers produce high-quality, differentiated printing of short-run, personalized print applications, such as direct mail, books, marketing collateral and photo products.
 - DIGIMASTER printers use monochrome electrophotographic printing technology for transactional printing, short-run books, corporate documentation, manuals and direct mail.

The Print Systems segment also provides service and support related to these products.

Micro 3D Printing and Packaging

The Micro 3D Printing and Packaging segment includes flexographic printing equipment and plates and related consumables and services, as well as printed functional materials and components. Micro 3D Printing is a new line of business that seeks to provide innovative printing techniques to customers for both premium marketing applications and manufacturing applications. Because Micro 3D Printing is a new line of business, the Micro 3D Printing and Packaging segment currently requires a higher degree of investment and has a lower contribution to earnings than other segments. Micro 3D Printing and Packaging products are sold directly by Kodak and indirectly through dealers.

- *Micro 3D Printing*

- The Micro 3D Printing products offer many advantages over traditionally manufactured products, including lower cost points and reduced adverse environmental impact. Traditionally manufactured products require higher material costs,
- additional manufacturing steps, and, for the most widely used technology, the mining of a rare metal. Kodak is working with lead customers in large format and industrial markets to achieve market introduction in 2016.

- *Packaging*

- The Packaging business consists of flexographic printing equipment and related consumables and services, which enable graphic customization of a wide variety of packaging materials. The flagship FLEXCEL NX system provides imaging devices to deliver high productivity and consistency, as well as a full tonal range for flexographic printing. The new FLEXCEL Direct System is a next generation platform that significantly reduces the steps needed to produce flexographic plates.

Software and Solutions

The Software and Solutions segment is comprised of Kodak Technology Solutions, which includes Enterprise Services and Solutions, and Unified Workflow Solutions. Unified Workflow Solutions is an established product line whereas Kodak Technology Solutions includes growing product lines that leverage existing Kodak technologies and intellectual property in new applications. These business initiatives generally do not require substantial additional investment and it is expected that they will grow in contribution to earnings.

The Software and Solutions segment offers a leading suite of solutions for print production workflow, including the PRINERGY workflow production software, by providing customer value through automation, web integration and integration with other Kodak systems and third-party offerings. Kodak believes it is a leader in production workflow solutions for the commercial print and packaging industries with over 13,000 systems installed in some of the largest printing and packaging establishments around the world. Production workflow software is used by customers to manage digital and conventional print content from file creation to output. Production workflow software manages content and color, reduces manual errors and helps customers manage the collaborative creative process.

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

Consumer and Film

The Consumer and Film segment is comprised of three lines of business: Motion Picture, Industrial Chemicals and Films; Consumer Inkjet Solutions; and Consumer Products.

- *Motion Picture, Industrial Chemicals and Films:*

- Includes the motion picture film business serving the entertainment and advertising industries. Motion picture products are sold directly to studios, laboratories and independent filmmakers.
- Offers industrial films, including films used by the electronics industry to produce printed circuit boards.
- The business also includes related component businesses: Polyester Film; Solvent Recovery; and Specialty Chemicals, Inks and Dispersions.

- *Consumer Inkjet Solutions:*

- Involves the sale of ink to an existing installed base of consumer inkjet printers

- *Consumer Products:*

- Includes licensing of Kodak brands to third parties and consumer products. 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 licenses in order to generate both ongoing royalty streams and upfront payments.

Enterprise Inkjet Systems

The Enterprise Inkjet Systems segment contains a large base of customers which use KODAK VERSAMARK printing systems, comprising inkjet printing heads, inks, head refurbishment services as well as on-site maintenance service from Kodak.

Intellectual Property Solutions

The Intellectual Property Solutions segment contains the research laboratories and includes licensing as well as new business development activities related to Kodak's patents and proprietary technology. Through this segment Kodak conducts research and files patent applications with fundamental inventions from the Kodak Research Laboratories. Additionally, Kodak continues to file significant numbers of new patent applications in areas aligned with its core businesses. Via these core business patent applications along with the research inventions, Kodak maintains a large worldwide portfolio of pending applications and issued patents. Kodak actively seeks opportunities to leverage its patents and associated technology in licensing and/or cross-licensing deals to support both revenue growth and its ongoing businesses. While revenues from these licensing activities tend to be unpredictable in nature, this segment still carries potential for material revenue generation. The Intellectual Property Solutions segment also actively pursues additional revenues via new business development through commercialization partnerships and grants or external investment in commercialization of new technologies and products.

Eastman Business Park

The Eastman Business Park segment includes the operations of the Eastman Business Park, a more than 1,200 acre technology center and industrial complex in Rochester, New York and the leasing activities related to that space. A large portion of this facility is used in Kodak's own manufacturing and other operations, while the remaining portion is occupied by external tenants or available for rent to external tenants.

Revenues from Continuing Operations by Reportable Segment

(in millions)	Three Months Ended March 31,	
	2016	2015
Revenues from continuing operations:		
Print Systems	\$ 231	\$ 254
Enterprise Inkjet Systems	20	23
Micro 3D Printing and Packaging	29	31
Software and Solutions	22	28
Consumer and Film	56	72
Intellectual Property Solutions	-	-
Eastman Business Park	4	3
Consolidated total	<u>\$ 362</u>	<u>\$ 411</u>

Segment Operational EBITDA and Consolidated Earnings (Loss) from Continuing Operations Before Income Taxes

(in millions)	Three Months Ended March 31,	
	2016	2015
Print Systems	\$ 18	\$ 13
Micro 3D Printing and Packaging	1	-
Software and Solutions	2	2
Consumer and Film	7	18
Enterprise Inkjet Systems	5	7
Intellectual Property Solutions	(4)	(8)
Eastman Business Park	-	(1)
Total of reportable segments	29	31
All Other	3	4
Corporate components of pension and OPEB income ⁽¹⁾	41	33
Depreciation and amortization	(27)	(36)
Restructuring costs and other	(5)	(17)
Overhead supporting, but not directly absorbed by discontinued operations ⁽²⁾	(4)	(5)
Stock-based compensation	(2)	(6)
Consulting and other costs ⁽³⁾	(1)	(2)
Idle costs ⁽⁴⁾	(1)	(1)
Other operating expense, net ⁽⁵⁾	(14)	(3)
Interest expense ⁽⁵⁾	(16)	(15)
Other charges, net ⁽⁵⁾	(1)	(10)
Reorganization items, net ⁽⁵⁾	-	(5)
Consolidated earnings (loss) from continuing operations before income taxes	<u>\$ 2</u>	<u>\$ (32)</u>

(1) 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.

(2) Primarily consists of costs for shared resources allocated to the Prosper Enterprise Inkjet business discontinued operation in the prior year period which are now included in the results of continuing operations and an estimate of costs for shared resources which would have been allocated to the Prosper Enterprise Inkjet business discontinued operation in the current year period had the business remained in continuing operations.

(3) Consulting and other costs are primarily related to professional services provided for corporate strategic initiatives.

(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) As reported in the Consolidated Statement of Operations.

Segment Measure of Profit and Loss

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA"). As demonstrated in the above table, Operational EBITDA represents the income (loss) from continuing operations excluding the provision (benefit) for income taxes; corporate components of pension and OPEB income; depreciation and amortization expense; restructuring costs; overhead costs no longer absorbed by discontinued operations; stock-based compensation expense; consulting and other costs; idle costs; other operating expense, net (unless otherwise indicated); interest expense; other charges, net and reorganization items, net.

Kodak's segments are measured using Operational EBITDA both before and after allocation of corporate selling, general and administrative expenses ("SG&A"). The segment earnings measure reported is after allocation of corporate SG&A as this most closely aligns with U.S. GAAP. Research and development activities not directly related to the other segments are reported within the Intellectual Property Solutions segment.

Change in Segment Measure of Profit and Loss

During the first quarter of 2016, Kodak changed its segment measure of profit and loss. The segment measure excludes overhead costs no longer absorbed by discontinued operations (see description above). In addition, manufacturing costs originally planned to be absorbed by silver halide touch screen production are now excluded from the segment measure of profit and loss. There were no manufacturing costs originally planned to be absorbed by silver halide touch screen production in the three months ended March 31, 2016 or 2015.

**FIRST QUARTER 2016 COMPARED WITH FIRST QUARTER 2015
RESULTS OF OPERATIONS**

(in millions)

	Three Months Ended March 31,				\$ Change
	2016	% of Sales	2015	% of Sales	
Revenues	\$ 362		\$ 411		\$ (49)
Cost of revenues	276		328		(52)
Gross profit	86	24%	83	20%	3
Selling, general and administrative expenses	40	11%	52	13%	(12)
Research and development costs	9	2%	13	3%	(4)
Restructuring costs and other	4	1%	17	4%	(13)
Other operating expense, net	14		3		11
Income (loss) from continuing operations before interest expense, other charges, net, reorganization items, net and income taxes	19	5%	(2)	0%	21
Interest expense	16		15		1
Other charges, net	1		10		(9)
Reorganization items, net	-		5		(5)
Income (loss) from continuing operations before income taxes	2	1%	(32)	-8%	34
Provision for income taxes	6	2%	5	1%	1
Loss from continuing operations	(4)	-1%	(37)	-9%	33
Loss from discontinued operations, net of income taxes	(11)		(17)		6
Net loss	(15)	-4%	(54)	-13%	39
Less: Net earnings attributable to noncontrolling interests	3		4		(1)
NET LOSS ATTRIBUTABLE TO EASTMAN KODAK COMPANY	\$ (18)	-5%	\$ (58)	-14%	\$ 40

Revenues

For the three months ended March 31, 2016, revenues decreased approximately \$49 million compared with the same period in 2015. The decline in revenue was primarily driven by volume declines within Consumer and Film (\$19 million), Print Systems (\$8 million) and Software and Solutions (\$5 million). Also contributing to the decrease were pricing declines within Print Systems (\$11 million) and unfavorable foreign currency (\$7 million). See segment discussions for additional details.

Gross Profit

Gross profit for the three months ended March 31, 2016 increased by approximately \$3 million compared with the same period in 2015 as cost improvements within Print Systems (\$14 million) more than offset pricing declines within Print Systems (\$11 million). Net unfavorable impacts within Consumer and Film (\$5 million) and unfavorable foreign currency (\$3 million) were offset by favorable impacts from pension income (\$4 million), lower stock-based compensation (\$2 million) and less restructuring (\$2 million). See segment discussions for additional details.

Selling, General and Administrative Expenses

Consolidated SG&A decreased \$12 million for the three months ended March 31, 2016 as compared with the prior year period primarily due to cost reduction actions and favorable impacts from pension income (\$4 million).

Research and Development Costs

Consolidated R&D expenses decreased \$4 million for the three months ended March 31, 2016 as compared with the prior year period as the company focused investment in material science projects and eliminated programs that no longer aligned with this strategy.

PRINT SYSTEMS SEGMENT

	Three Months Ended March 31,		
	2016	2015	\$ Change
Revenues	\$ 231	\$ 254	\$ (23)
Operational EBITDA before allocation of corporate SG&A costs	30	25	5
Allocation of corporate SG&A costs	12	12	-
Operational EBITDA	18	13	5
Operational EBITDA as a % of revenues	8%	5%	

Revenues

The decrease in Print Systems revenues of approximately \$23 million primarily reflected lower pricing (\$11 million) as a result of competitive pressures in the industry, and unfavorable currency impacts (\$4 million) in Prepress Solutions. Also contributing to the decline was lower volume in Electrophotographic Printing Solutions (\$5 million), primarily driven by declines in consumables and service, and in Prepress Solutions (\$3 million) primarily driven by fewer equipment placements.

Operational EBITDA

The increase in Print Systems Operational EBITDA of approximately \$5 million reflected manufacturing costs improvements in Prepress due to lower aluminum costs (\$8 million) and improved manufacturing efficiency (\$4 million), and SG&A cost reductions (\$5 million). Partially offsetting these improvements were consumables pricing declines in Prepress Solutions (\$11 million) as a result of competitive pricing pressure in the industry, and unfavorable currency impacts (\$1 million).

MICRO 3D PRINTING AND PACKAGING SEGMENT

	Three Months Ended March 31,		
	2016	2015	\$ Change
Revenues	\$ 29	\$ 31	\$ (2)
Operational EBITDA before allocation of corporate SG&A costs	3	2	1
Allocation of corporate SG&A costs	2	2	-
Operational EBITDA	1	-	1
Operational EBITDA as a % of revenues	3%	0%	

Revenues

The decrease in Micro 3D Printing and Packaging revenues of approximately \$2 million reflected unfavorable currency impacts (\$2 million) and unfavorable equipment mix in Packaging (\$1 million), which more than offset volume improvements in Packaging (\$2 million) primarily due to a larger installed base of Flexcel NX systems driving growth in revenues from Flexcel NX consumables.

Operational EBITDA

The increase in Micro 3D Printing and Packaging Operational EBITDA of approximately \$1 million reflected higher volume in Packaging due to increased sales of Flexcel NX consumables (\$1 million) and cost improvements across the segment (\$1 million), offset by unfavorable currency impacts (\$2 million).

SOFTWARE AND SOLUTIONS SEGMENT

	Three Months Ended March 31,		
	2016	2015	\$ Change
Revenues	\$ 22	\$ 28	\$ (6)
Operational EBITDA before allocation of corporate SG&A costs	3	4	(1)
Allocation of corporate SG&A costs	1	2	(1)
Operational EBITDA	2	2	-
Operational EBITDA as a % of revenues	9%	7%	

Revenues

The decrease in Software and Solutions revenues of approximately \$6 million primarily reflected volume declines in Kodak Technology Solutions (\$6 million) due to timing of revenues from government contracts.

Operational EBITDA

Software and Solutions Operational EBITDA was flat year over year as the impact from government contract revenues mentioned above (\$1 million) was offset by cost improvements (\$1 million) primarily in Unified Workflow Solutions driven by increased efficiency and cost reductions in the service area.

CONSUMER AND FILM SEGMENT

	Three Months Ended March 31,		
	2016	2015	\$ Change
Revenues	\$ 56	\$ 72	\$ (16)
Operational EBITDA before allocation of corporate SG&A costs	10	21	(11)
Allocation of corporate SG&A costs	3	3	-
Operational EBITDA	7	18	(11)
Operational EBITDA as a % of revenues	13%	25%	

Revenues

The decrease in Consumer and Film revenues of approximately \$16 million reflected volume declines in Motion Picture, Industrial Chemicals and Films (\$10 million) due to declining demand for film products, and in Consumer Inkjet Systems (\$9 million) driven by lower sales of ink to the existing installed base of printers.

Included in the current year was \$3 million related to the fulfillment of motion picture film volume commitments.

Operational EBITDA

The decrease in Consumer and Film Operational EBITDA of approximately \$11 million was driven by the impact from lower sales of ink as mentioned above (\$8 million), as well as unfavorable cost impacts in Motion Picture, Industrial Chemicals and Films (\$6 million) primarily due to lower production volumes.

Current year Operational EBITDA also reflected a \$3 million impact from the volume commitments mentioned above.

ENTERPRISE INKJET SYSTEMS SEGMENT

	Three Months Ended March 31,		
	2016	2015	\$ Change
Revenues	\$ 20	\$ 23	\$ (3)
Operational EBITDA before allocation of corporate SG&A costs	6	8	(2)
Allocation of corporate SG&A costs	1	1	-
Operational EBITDA	5	7	(2)
Operational EBITDA as a % of revenues	25%	30%	

Revenues

The decrease in Enterprise Inkjet Systems revenues of approximately \$3 million reflected lower volumes of service and consumables (\$2 million) due to expected declines in the installed base of systems and components, and fewer equipment placements (\$1 million).

Operational EBITDA

The decrease in Enterprise Inkjet Systems Operational EBITDA of approximately \$2 million was primarily driven by lower volumes of service and consumables.

INTELLECTUAL PROPERTY SOLUTIONS SEGMENT

Intellectual Property Solutions Operational EBITDA improved approximately \$4 million due to lower R&D cost as the company focused investment in material science projects and eliminated programs that no longer aligned with this strategy. R&D not directly related to other segments is included in the Intellectual Property Solutions segment.

EASTMAN BUSINESS PARK SEGMENT

The improvement in Eastman Business Park Operational EBITDA of approximately \$1 million was driven by cost improvements.

RESTRUCTURING COSTS AND OTHER

Kodak recorded \$5 million of charges for the three months ended March 31, 2016, of which \$4 million were reported as Restructuring costs and other in the accompanying Consolidated Statement of Operations and \$1 million as Cost of revenues.

Kodak made cash payments related to restructuring of approximately \$6 million during the quarter.

The restructuring actions implemented in the first three months of 2016 are expected to generate future annual cash savings of approximately \$5 million. These savings are expected to reduce future annual Cost of revenues, SG&A and R&D expenses by \$1 million, \$3 million, and \$1 million, respectively. Kodak began realizing a portion of these savings in the first quarter, and expects the majority of the annual savings to be in effect by the second half of 2016 as actions are completed.

LIQUIDITY AND CAPITAL RESOURCES

(in millions)	March 31,	December 31,
	2016	2015
Cash and cash equivalents	<u>\$ 513</u>	<u>\$ 546</u>

Cash Flow Activity

(in millions)	Three Months Ended		
	March 31,		
	2016	2015	Change
Cash flows from operating activities:			
Net cash used in operating activities	<u>\$ (21)</u>	<u>\$ (89)</u>	<u>\$ 68</u>
Cash flows from investing activities:			
Net cash used in investing activities	<u>(15)</u>	<u>(6)</u>	<u>(9)</u>
Cash flows from financing activities:			
Net cash used in financing activities	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Effect of exchange rate changes on cash	<u>3</u>	<u>(7)</u>	<u>10</u>
Net decrease in cash and cash equivalents ⁽¹⁾	<u>\$ (34)</u>	<u>\$ (103)</u>	<u>\$ 69</u>

⁽¹⁾ The beginning cash and cash equivalents balance for the three month period ended March 31, 2016 in the cash flow activity above included \$546 million of cash reported in the Statement of Financial Position and \$1 million of cash reported in Current assets held for sale. There was no cash reported in Current assets held for sale at the end of that period or in the three month period ended March 31, 2015.

Operating Activities

Net cash used in operating activities improved \$68 million for the three months ended March 31, 2016 as compared with the corresponding period in 2015 primarily due to the lower net loss, which includes the \$10 million in net litigation proceeds from DuPont and more cash provided by changes in working capital during the current year quarter.

Investing Activities

Net cash used in investing activities increased \$9 million for the three months ended March 31, 2016 as compared with the corresponding period in 2015, primarily due to the funding of restricted cash to support the Company's borrowing base in the current year quarter.

Financing Activities

Net cash used in financing activities was unchanged for the first quarter of 2016 as compared with the corresponding period in 2015.

Sources of Liquidity

Available liquidity includes cash balances and the unused portion of the Asset Based Revolving Credit Agreement (the “ABL Credit Agreement”). The ABL Credit Agreement had \$24 million of net availability as of March 31, 2016. The amount of available liquidity is subject to fluctuations and includes cash balances held by various entities worldwide. At March 31, 2016 and December 31, 2015, approximately \$278 million and \$302 million, respectively, of cash and cash equivalents were held within the U.S. and approximately \$235 million and \$245 million, respectively, of cash and cash equivalents were held outside the U.S. Cash balances held outside of the U.S. are generally required to support local country operations, may have high tax costs, or other limitations that delay the ability to repatriate, and therefore may not be readily available for transfer to other jurisdictions. Additionally, in China, where approximately \$141 million of cash and cash equivalents was held as of March 31, 2016, there are limitations related to net asset balances that may impact the ability to make cash available to other jurisdictions in the world. Under the terms of the Senior Secured First Lien Term Credit Agreement, Senior Secured Second Lien Term Credit Agreement (collectively the “Term Credit Agreements” and together with the ABL Credit Agreement, the “Credit Agreements”), and the ABL Credit Agreement, the Company is permitted to invest up to \$100 million in subsidiaries and joint ventures that are not party to these loan agreements.

Under the ABL Credit Agreement, Kodak is required to maintain a minimum Fixed Charge Coverage Ratio of 1.00 to 1.00 when Excess Availability is less than 15% of lender commitments (springing covenant). As of March 31, 2016 15% of lender commitments and Excess Availability were \$30 million and \$39 million, respectively. Excess Availability is equal to the sum of (i) 85% of the amount of the Eligible Receivables less a Dilution Reserve, (ii) the lesser of 85% of Net Orderly Liquidation Value or 75% of the Eligible Inventory (iii) Eligible Equipment (iv) Eligible Cash and (v) Qualified Cash (not to exceed \$15 million) less (i) Rent and Charges Reserves, (ii) Principal Outstanding, (iii) Letters of Credit and (iv) an Availability Block (each item as defined in the ABL Credit Agreement).

As of March 31, 2016 and December 31, 2015 Kodak had funded \$40 million and \$30 million, respectively, to the Eligible Cash account held with the ABL Credit Agreement Administrative Agent, which is classified as Restricted cash in the Consolidated Statement of Financial Position, and an additional \$15 million as of March 31, 2016 and December 31, 2015 of Qualified Cash in an unrestricted cash account, supporting the Excess Availability amount. If Excess Availability falls below 15% of lender commitments (currently \$30 million), Kodak may, in addition to the requirement to be in compliance with the minimum Fixed Charge Coverage Ratio, become subject to cash dominion control. Kodak intends to maintain Excess Availability above the minimum threshold which may require additional funding of Eligible Cash. Since Excess Availability was greater than 15% of lenders commitments Kodak is not required to have a minimum Fixed Charges Coverage Ratio of 1.0 to 1.0. As of March 31, 2016, Kodak is in compliance with all covenants under the ABL Credit Agreement and had Kodak been required to have a Fixed Charge Coverage Ratio of 1.0 to 1.0 EBITDA, as defined in the ABL Credit agreement, exceeded Fixed Charges by approximately \$56 million.

Under the terms of the Term Credit Agreement, Kodak is required to maintain a Secured Leverage Ratio not to exceed specified levels. The secured leverage ratio is tested at the end of each quarter based on the prior four quarters and is generally determined by dividing secured debt, net of U.S. cash and cash equivalents, by consolidated EBITDA, as calculated under the credit agreements. The maximum secured leverage ratio permitted under the Senior Secured First Lien Term Credit Agreement (which is more restrictive than the corresponding ratio permitted under the Senior Secured Second Lien Term Credit Agreement) is 2.75 to 1. As of March 31, 2016, Kodak’s EBITDA, as calculated under the Term Credit Agreements, exceeded the EBITDA necessary to satisfy the covenant ratios by approximately \$52 million.

The combination of the stricter covenant requirements, Kodak’s ongoing investment in growth businesses, and softening and volatility of global economic conditions and foreign currency exchange rates could make it difficult for Kodak to satisfy the leverage covenants on an on-going basis. Kodak intends to conduct its operations in a manner that will result in continued compliance with the secured leverage ratio covenants; however, compliance for future quarters may depend on Kodak undertaking one or more non-operational transactions, such as a monetization of assets, a debt refinancing, the raising of equity capital, or a similar transaction. If Kodak is unable to remain in compliance and does not make alternate arrangements with its term lenders, an event of default would occur under Kodak’s credit agreements which, among other remedies, would entitle the lenders or their agents to declare the outstanding obligations under the Term Credit Agreements to be immediately due and payable.

For the balance of 2016, the forecasted contribution (funded plans) and benefit payment (unfunded plans) requirements for its pension and the postretirement plans are approximately \$14 million.

Cash flow from investing activities included \$5 million of capital expenditures for three months ended March 31, 2016. Kodak expects approximately \$20 to \$25 million of total capital expenditures for 2016. Additionally, Kodak intends to utilize a variety of methods to finance customer equipment purchases in the future, including expansion of existing third party finance programs and internal financing through both leasing and installment loans.

Kodak believes that its liquidity position is adequate to fund its operating and investing needs and to provide the flexibility to respond to further changes in the business environment.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Kodak, as a result of its global operating and financing activities, is exposed to changes in foreign currency exchange rates, commodity prices, and interest rates, which may adversely affect its results of operations and financial position. In seeking to minimize the risks associated with such activities, Kodak may enter into derivative contracts. Kodak does not utilize financial instruments for trading or other speculative purposes. Foreign currency forward contracts are used to hedge existing foreign currency denominated assets and liabilities, especially those of Kodak's International Treasury Center, as well as forecasted foreign currency denominated intercompany sales. Kodak's exposure to changes in interest rates results from its investing and borrowing activities used to meet its liquidity needs. Long-term debt is generally used to finance long-term investments, while short-term debt is used to meet working capital requirements.

Using a sensitivity analysis based on estimated fair value of open foreign currency forward contracts using available forward rates, if the U.S. dollar had been 10% stronger at March 31, 2016 and December 31, 2015, the fair value of open forward contracts would have decreased \$16 million in both periods. Such changes in fair value would be substantially offset by the revaluation or settlement of the underlying positions hedged.

Kodak is exposed to interest rate risk primarily through its borrowing activities. Kodak may utilize borrowings to fund its working capital and investment needs. The majority of short-term and long-term borrowings are in variable rate instruments. There is inherent roll-over risk for borrowings and marketable securities as they mature and are renewed at current market rates. The extent of this risk is not predictable because of the variability of future interest rates and business financing requirements.

Kodak's Senior Secured First Lien Term Credit Agreement, Senior Secured Second Lien Term Credit Agreement and ABL Credit Agreement are in variable-rate instruments with an interest rate floor. At March 31, 2016 and December 31, 2015, the one-month LIBOR rate was approximately 0.44% and 0.43%, respectively. If LIBOR rates were to rise above the 1% and 1.25% floors, interest expense would increase approximately \$7 million for each 1% of LIBOR above the floor.

Kodak's financial instrument counterparties are high-quality investment or commercial banks with significant experience with such instruments. Kodak manages exposure to counterparty credit risk by requiring specific minimum credit standards and diversification of counterparties. Kodak has procedures to monitor the credit exposure amounts. The maximum credit exposure at March 31, 2016 was not significant to Kodak.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Kodak maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in Kodak's reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including Kodak's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Kodak's management, with participation of Kodak's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of Kodak's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Kodak's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, Kodak's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Changes in Internal Control over Financial Reporting

There have been no changes in Kodak's internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, Kodak's internal control over financial reporting.

Part II. Other Information

Item 1. 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 were 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 were seeking 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 and plaintiffs, individually and as class representatives, entered into a settlement agreement which was preliminarily approved by the court on April 27, 2016, and is conditioned on final court approval and entry of a final order. The Company is not a party to the litigation or the settlement agreement, and is not obligated to make any payments under the settlement agreement.

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 March 31, 2016, Kodak maintained accruals of approximately \$12 million for claims aggregating approximately \$189 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 its products. These matters are in various stages of investigation and litigation, and are being vigorously defended. Based on information currently available, Kodak does not believe that it is probable that the outcomes in any of these matters, individually or collectively, will have a material adverse effect on its 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 1A. Risk Factors

Reference is made to the Risk Factors set forth in Part I, Item 1A. of the 2015 Form 10-K. The Risk Factors remain applicable from the 2015 Form 10-K.

Item 2. Unregistered Sales of Securities and Use of Proceeds

(a) Sales of unregistered securities during the quarter ended March 31, 2016

Not Applicable

(b) Issuer purchases of equity securities during the quarter ended March 31, 2016

Repurchases related to Stock Compensation Plans ⁽¹⁾:

	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum That May Be Purchased under the Plans or Programs</u>
February 1 through 29	1,541	8.84	n/a	n/a
March 1 through 31	18,099	10.18	n/a	n/a
Total	<u>19,640</u>			

⁽¹⁾ These repurchases are made pursuant to the terms of the 2013 Omnibus Incentive Plan providing the Company the right to withhold amounts deliverable under the plan in order to satisfy minimum statutory tax withholding requirements.

Items 3 and 4.

Not applicable.

Item 5. Other Information

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Kodak hereby incorporates by reference herein Exhibit 99.1 to this report. Exhibit 99.1 includes disclosure publicly filed by an entity that may be considered an “affiliate” (as such term is defined in Rule 12b-2 of the Exchange Act) of Kodak.

Item 6. Exhibits

(a) Exhibits required as part of this report are listed in the index appearing below.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EASTMAN KODAK COMPANY
(Registrant)

Date: May 5, 2016

/s/ Eric Samuels
Eric Samuels
Chief Accounting Officer and Corporate Controller
(Chief Accounting Officer and Authorized Signatory)

Item 6. Exhibits

(a) Exhibits required as part of this report are listed in the index appearing below.

**Eastman Kodak Company
Index to Exhibits**

Exhibit Number	
*(10.1)	Employment Agreement between Eastman Kodak Sàrl and Philip Cullimore dated December 9, 2010, filed herewith.
*(10.2)	Addendum, effective January 1, 2013, to Employment Agreement between Eastman Kodak Sàrl and Philip Cullimore, filed herewith.
*(10.3)	Amendment No. 1, dated September 9, 2013, to Employment Agreement between Eastman Kodak Sàrl and Philip Cullimore, filed herewith.
*(10.4)	Employment Agreement between Eastman Kodak Company and Eric Mahe, effective April 28, 2014, filed herewith.
*(10.5)	Letter Agreement between Eastman Kodak Company and Jeffrey J. Clarke, effective February 1, 2016, filed herewith.
*(10.6)	Letter Agreement between Eastman Kodak Company and John N. McMullen, effective February 1, 2016, filed herewith.
*(10.7)	Letter Agreement between Eastman Kodak Company and John N. McMullen, dated July 17, 2014, filed herewith.
(31.1)	Certification signed by Jeffrey J. Clarke, filed herewith.
(31.2)	Certification signed by John N. McMullen, filed herewith.
(32.1)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Jeffrey J. Clarke, filed herewith.
(32.2)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by John N. McMullen, filed herewith.
(99.1)	Section 13(r) Disclosure, filed herewith.
(101.CAL)	XBRL Taxonomy Extension Calculation Linkbase.
(101.INS)	XBRL Instance Document.
(101.LAB)	XBRL Taxonomy Extension Label Linkbase.
(101.PRE)	XBRL Taxonomy Extension Presentation Linkbase.
(101.SCH)	XBRL Taxonomy Extension Schema Linkbase.
(101.DEF)	XBRL Taxonomy Extension Definition Linkbase
* Management contract or compensatory plan or arrangement.	

-
Geneva, December 9th 2010

Dear Philip,

With reference to our recent discussions, we are pleased to offer you a Swiss local contract at Eastman Kodak Sàrl (the Company) under the following conditions.

This contract is the result of a transfer from the UK to Switzerland. All compensation and benefits relating to your UK employment will cease on December 31st 2010.

Starting date

January 1st 2011

Job title

Regional Managing Director EAMER - (Executive level)

Annual Base Salary

You will be entitled to an annual gross base salary of CHF 540'000 (five hundred and forty thousand Swiss francs), payable by the Company in 13 equal installments at the end of each calendar month. The 13th month will be paid in December. In case of employment/ departure during the year, the 13th month will be paid pro-rated.

Variable pay

In addition to the base salary you participate to the Executive Compensation for Excellence and Leadership (EXCEL) program. Your target leverage is fixed at 45%.

Seniority

Seniority is considered as of your first day within Kodak, July 1st, 2000.

Leadership Stock program

You are also eligible to participate in our Leadership Stock Program. Eligibility and all awards are subject to all terms and conditions of the Leadership Stock Program. It offers performance incentives that, when earned, become full-value shares of Kodak stock. The target allocation will depend on your new wage grade. The actual value earned over the performance cycle will depend on the Company's performance against the Leadership Stock metric as well as the performance of the Company stock. Please note that an executive who is promoted during the current performance cycle will become a participant only at the beginning of the next performance cycle.

Company car

You will be entitled to a company car in reference to the current rules applicable within the Company.

Relocation

As part of the transfer, you will benefit from house hunting by our preferred relocation agent. You will also benefit from one year of tax advice by our supplier KPMG.

Pension Plan

Upon joining Eastman Kodak Sàrl, you will be enrolled in our Pension Fund scheme. Your affiliation will be confirmed in writing. You will receive at least once per year a personal certificate. Details and regulations of the fund can be found in the ad hoc brochure.

Social Security Deductions

The Company shall insure all its employees and deduct all compulsory social security contributions (AVS/AI/APG), pension fund contributions (2nd pillar) from the monthly gross compensation.

Sickness and Accident

You shall inform the Company immediately about any sick leave or accident. You will send a medical certificate justifying the absence of work after three days of sickness or accident leave. In case of prolongation of sickness or accident leave, you will send the new certificate.

Payment of salary in case of sickness or accident will be made in accordance with the mandatory provisions of Swiss law as well as with illness/accident insurance coverage taken out by the company. Monthly premiums will be borne by the Company.

Health Insurance

It is compulsory for all Swiss residents/co-workers to personally enroll in a Swiss Health Insurer of your choice. You will be able to join the global agreement in place following the current process and practice.

Working Hours

You will be employed full time and work 40 hours a week from Monday till Friday. Due to the nature of the Company business, the activity requires flexibility. You are not eligible for overtime compensation.

Place of work

You will be based in the Geneva office.

Holiday Entitlement

Your annual entitlement will be 27 working days per year. This will be calculated on a prorata basis for those entering during the course of the year. Please note that the Company closes its office during the year end break during 5 days which will be automatically deducted from your annual entitlement. You will be entitled to one additional vacation day per five years of service up to a maximum of 30 days. Public holidays applicable are of the Canton of Geneva.

Termination of Employment

Termination of employment, whether by you or by the Company, will be subject to the conditions stipulated in the Swiss Code of Obligations. Both parties can terminate the employment to the end of the month with a six month notice period.

Work permit

This contract is only effective with a valid work permit.

Business Conduct Guide

Upon signature of this employment contract, you will be required to read the attached Business Conduct Guide. Kindly sign the “Business Conduct Compliance Statement” and return it to the Human Resources Department.

Data Protection Agreement

By signing this contract of employment, you hereby authorize the Company to transmit contents of your personnel file and employment records to any other Kodak entities.

However, any information transmitted will be treated with the utmost confidentiality and will remain within the Kodak group of companies.

Confidentiality

During and after your employment with Eastman Kodak Sàrl, you will be bound to the strictest confidentiality by article 321a of the Swiss Code of Obligations.

Applicable law and jurisdiction

This Agreement shall be governed by Swiss law. Disputes arising under this Agreement shall be subject to the competent courts of the canton of Geneva.

Non-compete

You undertake to work exclusively for the Company and not to have any other activity, which might be in competition with the Company's activities during the term of this Agreement.

Post-termination Restrictions:

The following restrictions will apply on termination of the contract for whatever reason:

- o “**Business**” means the business of the Company at the time of the termination of the Executive's employment with which the Executive was involved to a material extent during the period of 12 months ending on the date of the termination of his employment;
 - o “**Company**” means Eastman Kodak Sàrl or any subsidiary associated or holding company in the Kodak group of companies and where not less than 25 per cent of such company is owned directly or indirectly by Kodak Limited or its holding company;
 - o “**Customer**” means any firm, company or other person who, during the period of 12 months ending on the date of the termination of the Executive's employment, was a customer of or in the habit of dealing with the Company and with whom the Executive had contact or about whom he became aware or informed in the course of his employment; and
 - o “**Employee**” means any person who, at the date of the termination of the employment was an employee of the Company and who could materially damage the interests of the Company if he became employed in any business concern in competition with the Business.
- a) The Employee will not without the prior written consent of the Company for a period of 12 months after the termination of his employment, solicit or endeavor to entice away from the Company the business or custom of a Customer with a view to providing goods or services to that Customer in competition with the Business.
- b) The Employee will not without the prior written consent of the Company for a period of 12 months after the termination of his employment, provide goods or services to or otherwise have any business dealings with any Customer in the course of any business concern which is in competition with the Business.
- c) The Employee will not without the prior written consent of the Company for a period of 12 months after the termination of his employment in the course of any business concern which is in competition with the Business offer employment to or otherwise endeavor to entice away from the Company any Kodak co-worker.
- d) The Employee will not without the prior written consent of the Company for a period of 12 months after the termination of his employment, be engaged in or concerned in any capacity in any business concern which is in competition with the Business. This clause shall not restrain the Employee from being engaged or concerned in any business concern in so far as the Employee's duties or work shall relate solely to:
- o Geographical areas where the business concern is not in competition with the Restricted Business; or
 - o Services or activities of a kind with which the Executive was not concerned to a material extent during the period of 12 months ending on the date of the termination of his employment.

The obligations imposed on the Employee by this Clause extend to him acting not only on his own account but also on behalf of any other firm, company or other person and shall apply whether he acts directly or indirectly.

Staff Handbook

In order to understand the nature of the obligations existing between the Company and the employee, you will get a copy of the staff handbook early 2011.

Please sign and return, for agreement, one copy of this letter of employment.

We look forward to you accepting this offer of employment with Eastman Kodak Sàrl and wish you success and satisfaction.

Yours sincerely,

EASTMAN KODAK Sàrl

/s/ Cendrine Saugy
Cendrine Saugy
Human Resources Manager

Read and approved: /s/ Philip Cullimore
(Philip Cullimore)

Date: 9/12/10

Addendum to the existing contract of employment

Between

Eastman Kodak Sàrl, Rte de Pre-Bois 29, 1215 Geneva, Switzerland (Hereafter “The Employer”)

and

Philip Cullimore (Hereafter “The Employee”)

This addendum to the original employment contract only modifies the specific terms described below. All unchanged terms and conditions from the original contract remain in full force and effect.

The following has been mutually agreed between parties:

Change of registered office and place of work

As of 1st January 2013, The Employer changes its registered office to Route des Avouillons 30, 1196 Gland, Switzerland and closes its office at Route de Pre-Bois 29, 1215 Geneva, Switzerland. Consequently the Employer’s new office is located at Route des Avouillons 30, 1196 Gland, Switzerland. This implies the following amendments to the employment contract as of 1st January 2013:

- **Place of work**: the Employee’s place of work will be at the registered office in Gland (Route des Avouillons 30, 1196 Gland, Switzerland).
- **Public holidays**: public holidays applicable are of the Canton of Vaud.
- **Social Security**: compulsory social security contributions (AVS/AI/AF/APG) applicable are of the Canton of Vaud; the Employer will no compensate for any loss of social security benefits and/or deductions.
- **Tax at source**: compulsory application of the tax at source rules between France and the Canton of Vaud will be implemented.
- **Parking places for employees**: the Employer can no longer guarantee a parking place for all employees; however a plan to minimize impacts is in place (see Mobility plan).
- **Work permit**: the Employee’s work permit will be updated to comply with the local law of the Canton of Vaud when appropriate.

In addition, the Employer makes the following amendment to the employment contract:

Payment of salary

As of 1st January 2013, the Employee’s annual base salary will be paid in 12 installments (instead of 13) at the end of each calendar month.

Any other element mentioned in the initial contract will remain unchanged.

Changes are effective 1st January 2013.

Done in 2 copies; Geneva, 17th December 2012

For the Employer:

/s/ Cendrine Saugy
HR Manager

The Employee:

/s/ Philip Cullimore
Philip Cullimore

Amendment no. 1 to the employment contract of December 9, 2010

between

Eastman Kodak Sàrl (the “Company”) and Philip Cullimore

Unless otherwise explicitly stated in this amendment no. 1, the terms and conditions of the employment contract of December 9, 2010 (the “Employment Contract”), shall remain in full force and not be amended or modified. That being said, the Employment Contract is hereby amended and restated as follows, effective on, and subject to your continued employment through, the occurrence of the “Effective Date” as defined under the Joint Plan of Reorganization under chapter 11 of the Bankruptcy Code (the “Plan of Reorganization”) filed by Eastman Kodak Company:

Modified terms of the Employment Contract:

Job title/Position/Authority. Responsibilities and Reporting

Managing Director EAMER -(Executive level).

Your authority, responsibilities and reporting relationships will correspond to your position and will include any particular authority, responsibilities and reporting relationships that the Company’s Board of Directors (the “Board”) or any officer of the Company to whom you report may assign to you from time to time.

You are expected to devote your best efforts and all of your business time to the affairs of the Company. You may, however, engage in any charitable, civic and community activities, provided, however, such activities do not materially interfere with your duties and responsibilities.

Termination of Employment/Scheduled Term

The Employment Contract shall be a fixed term contract and shall automatically end on its 3rd anniversary as from the Effective Date; however, you or the Company may terminate your employment early at any time for any reason, or for no reason, provided that you or the Company provides a Termination Notice to the other at least one month prior to any termination other than a termination due to disability or death (or as otherwise required by law). Following receipt of such notice, the Company may, at its sole discretion and in accordance with applicable law, choose to place you on paid leave, at your then-current salary for any or all of the notice period. At the end of the term of the Employment Contract, the parties may determine to enter into a new employment contract.

A “Termination Notice” is a written notice that states the specific provision of the Employment Contract on which termination is based, including, if applicable, the specific clause of the definition of Cause or Good Reason (each as defined below) and a reasonably detailed description of the facts that permit termination under that clause; provided, that the failure to include any fact in a Termination Notice that contributes to a showing of Cause or Good Reason does not preclude either party from asserting that fact in enforcing its rights under the Employment Contract.

Variable Pay/Annual Incentive

In addition to the base salary, you will be eligible to participate in the Executive Compensation for Excellence and Leadership (EXCEL) program (your “Annual Incentive”). Any actual award in a given annual performance period will depend upon performance against corporate goals selected by management and approved by the appropriate committee of the Board and will be paid in the discretion of such committee and management. The terms of the EXCEL plan itself govern and control all interpretations of the plan. The target level for your Annual Incentive will be at least 50% of your base salary.

Additional terms of the Employment Contract:

Emergence Award

On or shortly after the Effective Date, you will be granted an emergence award with a grant date fair value equal to \$208,600 in restricted stock units that vest in three equal, annual installments beginning on the first anniversary of the Effective Date and which will be subject to the terms and conditions set forth in the Eastman Kodak Company 2013 Omnibus Incentive Plan (the "Omnibus Plan") and the applicable award agreement.

Long-Term Equity Award

You will be eligible to participate in the Company's Long-Term Incentive (LTI) program under the Omnibus Plan. The target level for your Long-Term Equity Award will be at least \$200,000 and the form of the award to be granted to you will be determined by the Company in accordance with the terms of the Omnibus Plan. The specific terms, conditions and restrictions on any Long-Term Equity Award will be contained in the Administrative Guide and award notice delivered to you within twenty (20) business days of the grant date.

Severance Payments/Multiplier

If, during the scheduled term of the Employment Contract, the Company terminates the Employment Contract without Cause (see definition below) or you terminate your Employment Contract with Good Reason (see definition below):

The Company will pay you severance ("Severance Payments") in an amount equal to (A) the sum of your salary and your target Annual Incentive for the fiscal year in which the termination notice is given (or if such target Annual Incentive has not yet been established for such fiscal year, the target Annual Incentive for the fiscal year prior to the year in which the termination notice is given) multiplied by (B) 1 (one). In addition, your Emergence Award and Long-Term Equity Awards will continue to vest and remain exercisable according to the terms of the applicable award, in each case without any regard to any continued employment condition (your "Continued Vesting" benefits).

"Cause" means any of the following: (A) your continued failure, for a period of at least 30 calendar days following a written warning, to perform your duties in a manner deemed satisfactory by your supervisor, in the exercise of his or her sole discretion; (B) your failure to follow a lawful written directive of the Chief Executive Officer, your supervisor or the Board; (C) your willful violation of any material rule, regulation, or policy that may be established from time to time for the conduct of the Company's business; (D) your unlawful possession, use or sale of narcotics or other controlled substances, or performing job duties while illegally used controlled substances are present in your system; (E) any act or omission or commission by you in the scope of your employment (a) which results in the assessment of a civil or criminal penalty against you or the Company, or (b) which in the reasonable judgment of your supervisor could result in a material violation of any applicable Swiss federal, state or local law or regulation having the force of law; (F) your conviction of or plea of guilty or no contest to any crime involving moral turpitude; (G) any misrepresentation of a material fact to, or concealment of a material fact from, your supervisor or any other person in the Company to whom you have a reporting relationship in any capacity; or (H) your breach of the Company's Business Conduct Guide or your Employment Contract.

"Good Reason" means any of the following: (A) a material diminution in your total target cash compensation, comprised of your salary and target Annual Incentive; (B) a material diminution in your authority or responsibilities as provided in your Employment Contract; (C) the transfer of your primary work site to a new primary work site that increases your one-way commute to work by more than 35 miles (ca. 60Km); (D) any material breach of this Employment Contract by the Company; or (E) any purported termination by the Company of your employment other than as expressly permitted by this Employment Contract.

The Severance Payments will be made consistently with the Company's normal payroll cycles and begin as soon as administratively practicable after your separation from service subject to any applicable legal requirements. Notwithstanding the foregoing, any Severance Payments and any Continued Vesting will only be provided if, at the time of your termination, you provide a release of any and all claims you may have with respect to the Company (other than the rights under the Employment Contract that continue following your employment) in a form provided by the Company such that you have taken all action necessary for such release to become effective and irrevocable no later than 65 days following your date of termination.

In the event you breach any of the terms of the Employment Contract or the release described above, in addition to and not in lieu of any other remedies that the Company may pursue against you, no further severance payments will be made to you pursuant to the Employment Contract and you agree to immediately repay to the Company all severance payments and/or continued vesting benefits previously paid to you pursuant to this Employment Contract.

Done in Eysins, 9th September 2013

EASTMAN KODAK Sàrl

/s/ Cendrine Saugy

Cedrine Saugy

Human Resources Manager

Read and approved:

/s/ Philip Cullimore
(Philip Cullimore)

Date: 9/9/13

Documents to be provided on or shortly following the Effective Date:

- Plan of Reorganization
- Omnibus Incentive Plan
- Administrative Guide

TERMS SCHEDULE

Name and address for Philip Cullimore notices	Address currently on file with the Company.
Position	You will serve as Managing Director -EAMER.
Scheduled Term	Your Scheduled Term begins on the Effective Date and is initially scheduled to end on the 3rd anniversary of the Effective Date.
Starting Salary	\$573,982 (CHF 540,000)
Annual Incentive	The target level for your Annual Incentive will be at least 50% of your Salary.
Emergence Award	Restricted stock units with a grant date fair value equal to \$208,600 that vest in three equal , annual installments beginning on the first anniversary of the Effective Date.
Long-Term Equity Award	The target level for your Long-Term Equity Award will be at least \$200,000.
Severance Multiplier	1
Additional Benefits	N/A

KODAK

April 23, 2014

Re: Employment Agreement

Dear Eric:

This mutually agreeable form of employment agreement (this "*Agreement*"), will be your employment agreement with Eastman Kodak Company and will be effective on April 28, 2014 ("the Effective Date"). For purposes of this Agreement, the term "*Company*" shall refer to Eastman Kodak Company.

1. Terms Schedule

Some of the terms of your employment are in the attached schedule (your "*Schedule*"), which is part of this Agreement.

2. Commencement of Employment

Your employment will begin on the Effective Date.

3. Your Position, Performance and Other Activities

- a) *Position.* You will be employed in the position stated in your Schedule. Your position will be based in Singapore.
- b) *Authority, Responsibilities, and Reporting.* Your authority, responsibilities and reporting relationships will correspond to your position and will include any particular authority, responsibilities and reporting relationships that any manager or officer of the Company to whom you report may assign to you from time to time.
- c) *Performance.* You will devote substantially all of your business time and attention to the Company and will use good faith efforts to discharge your responsibilities under this Agreement to the best of your ability.
- d) *Other Activities.* During your employment and subject to the terms of the Schedule, you may (1) serve on corporate, civic or charitable boards or committees, (2) manage personal investments, or (3) engage in any other permitted activity stated in your Schedule, *so long as* these activities, whether individually or in the aggregate, do not materially interfere with your performance of your responsibilities under this Agreement.
- e) *Incorporation of Employee's Agreement.* The terms of Eastman Kodak Company Employee's Agreement, attached hereto as Exhibit 1, are incorporated by reference and you agree to abide by all such terms.

4. Your Compensation

- a) *Salary.* You will receive an annual base salary (your “*Salary*”). Commencing on the Effective Date, the starting amount of your Salary will be the amount set forth in your Schedule. Your Salary will be paid in accordance with the Company’s normal practices for similarly situated executives.
- b) *Annual Incentive.* You will be eligible to participate in the Company’s short-term variable pay plan for its management level employees, known as Executive Compensation for Excellence and Leadership (“EXCEL”) (your “*Annual Incentive*”). Your annual target award under EXCEL will be determined in accordance with your Schedule. Any actual award in a given annual performance period will depend upon performance against corporate goals selected by management and approved by the appropriate committee of the Board and will be paid in the discretion of such committee. The terms of the EXCEL plan itself govern and control all interpretations of the plan.
- c) *Sign-On Award.* On or shortly after the Effective Date, you will be granted the sign-on award stated in your Schedule, which will be subject to the terms and conditions set forth in the applicable award notice. This award is stated on your Schedule in terms of US dollar (\$) value. The actual number of restricted stock units you will be granted is calculated by dividing the dollar value of your award by the closing price of the Company’s stock on the New York Stock Exchange on the date of grant.
- d) *Long-Term Incentive Awards.* You will be eligible to participate in the Company’s Long-Term Incentive (LTI) program under the Eastman Kodak Company 2013 Omnibus Incentive Plan (the “*Omnibus Plan*”). The amount and form of any award (the “*Long-Term Equity Award*”) to be granted to you will be determined by the Company in accordance with the terms of the Omnibus Plan and your Schedule. The specific terms, conditions and restrictions on any Long-Term Equity Award will be contained in the Administrative Guide and Award Notice delivered to you within twenty (20) business days of the grant date.

5. Your Benefits

- a) *Employee Benefit Plans.* During the Scheduled Term, you will be entitled to participate in each of the Company’s Singapore employee benefit plans available to employees of the Company or its subsidiaries who are based in Singapore, on a basis that is at least as favorable as that provided to similarly situated executives of the Company or its subsidiaries in Singapore.
- b) *Vacation.* You will be entitled to paid annual vacation in accordance with your Schedule.
- c) *Business Expenses.* You will be reimbursed for all reasonable business expenses incurred by you in performing your responsibilities under this Agreement, subject to the terms of applicable Company reimbursement policies as in effect from time to time.
- d) *Additional Benefits.* During your employment, you will be provided any additional benefits stated in your Schedule.

6. Employment Preconditions

This Agreement is subject to all employment preconditions that are required for employees of the Company or any of its subsidiaries who are based in Singapore. This Agreement may be revoked by the Company due to your inability to satisfy any one or more of these conditions.

7. Termination of Your Employment

a) *No Reason Required.* Neither you nor the Company is under any obligation to continue your employment. In addition, you or the Company may terminate your employment at any time for any reason, or for no reason, subject to compliance with Section 7(c).

b) *Related Definitions.*

1. *"Cause"* means any of the following: (A) your continued failure, for a period of at least 30 calendar days following a written warning, to perform your duties in a manner deemed satisfactory by your supervisor, in the exercise of his or her sole discretion; (B) your failure to follow a lawful written directive of the Chief Executive Officer, your supervisor or the Board of Directors of the Company; (C) your willful violation of any material rule, regulation, or policy that may be established from time to time for the conduct of the Company's business; (D) your unlawful possession, use or sale of narcotics or other controlled substances, or performing job duties while illegally used controlled substances are present in your system; (E) any act or omission or commission by you in the scope of your employment (a) which results in the assessment of a civil or criminal penalty against you or the Company, or (b) which in the reasonable judgment of your supervisor could result in a material violation of any foreign or U.S. federal, state or local law or regulation having the force of law; (F) your conviction or of plea of guilt or no contest to any crime involving moral turpitude; (G) any misrepresentation of a material fact to, or concealment of a material fact from, your supervisor or any other person in the Company to whom you have a reporting relationship in any capacity; or (H) your breach of the Company's Business Conduct Guide or the Eastman Kodak Company Employee's Agreement.
2. *"Good Reason"* means any of the following: (A) a material diminution in your total target cash compensation, comprised of your Salary and target Annual Incentive; (B) a material diminution in your authority or responsibilities as provided in Section 3(b); (C) any material breach of this Agreement by the Company; or (D) any purported termination by the Company of your employment other than as expressly permitted by this Agreement; or (E) a Change of Control (as defined below) event followed by your involuntary termination (as determined by the Board or the appropriate committee of the Board) within two years of the Change of Control event.
3. *"Disability"* means meeting the definition of disability under the terms of the Kodak Long-Term Disability Plan and receiving benefits under such plan, where such a plan exists.
4. *"Willful"* means any act done or omitted to be done not in good faith and without reasonable belief that such action or omission was in the best interest of the Company.
5. *"Change of Control"* means the occurrence of any of the following events:
 - a) any "person" (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934 ("*Exchange Act*") and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of the Company's securities representing 50% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board ("*Company Voting Securities*"); provided, however, that the event described in this paragraph (a) shall not be deemed to be a Change of Control by virtue of an acquisition of Company Voting Securities: (i) by the Company or any Subsidiary, (ii) by any beneficial owner of the Company's securities as of the Effective Date, (iii) by any employee benefit plan (or related trust) sponsored or maintained by Company or any Subsidiary, (iv) by any underwriter temporarily holding securities pursuant to an offering of such securities or (v) pursuant to a Non-Qualifying Transaction (as defined in paragraph (b) of this definition);
 - b) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in the transaction (a "*Business Combination*"), unless immediately following such Business Combination: (i) more than 50% of the total voting power of (x) the entity resulting from such Business Combination (the "*Surviving Entity*"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 95% of the voting power, is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Entity or the parent), is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the parent (or, if there is no parent, the Surviving Entity) and (iii) at least a majority of the members of the board of directors of the parent (or, if there is no parent, the Surviving Entity) following the consummation of the Business Combination were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (i), (ii) and (iii) of this paragraph (b) shall be deemed to be a "*Non-Qualifying Transaction*");

- c) the consummation of a sale of all or substantially all of the Company's assets (other than to an Affiliate); or
- d) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 50% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company which reduces the number of Company Voting Securities outstanding; provided that if after such acquisition by the Company such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person (and in all cases results in beneficial ownership of more than 50% of the Company Voting Securities), a Change of Control shall then occur.

c) Advance Notice Generally Required.

1. To terminate your employment, either you or the Company must provide a Termination Notice to the other. A "Termination Notice" is a written notice that states the specific provision of this Agreement on which termination is based, including, if applicable, the specific clause of the definition of Cause or Good Reason and a reasonably detailed description of the facts that permit termination under that clause; *provided*, that the failure to include any fact in a Termination Notice that contributes to a showing of Cause or Good Reason does not preclude either party from asserting that fact in enforcing its rights under this Agreement. If you do not give a Termination Notice within 90 days after you have knowledge that an event constituting Good Reason has occurred, the event will no longer constitute Good Reason. In addition, you must give the Company 30 days to cure the first event constituting Good Reason.
2. You and the Company agree to provide 30 days' advance Termination Notice of any termination, *unless* your employment is terminated by the Company for Cause or because of your Disability or death. If you die or become Disabled after you provide a valid Termination Notice with Good Reason or the Company provides Termination Notice without Cause, your termination will be treated as a termination with Good Reason or without Cause, effective as of the date of your Disability or death.

Following receipt of such notice, the Company may, at its sole discretion, choose to either (1) waive that notice period (thereby immediately terminating your employment) or (2) place you on paid leave, at your then-current salary for any or all of the notice period.

d) With Good Reason or Without Cause. If, during your employment, the Company terminates your employment without Cause or you terminate your employment for Good Reason:

1. The Company will pay you the following at the end of your employment: (A) your accrued but unpaid Salary through the last day of your employment, (B) your Salary for any accrued but unused vacation, and (C) any accrued expense reimbursements and other cash entitlements (including for accrued expense reimbursement for which supporting documentation is submitted within 30 days after termination of your employment) (together, your "*Accrued Compensation*"). In addition, the Company will timely pay you any amounts and provide you any benefits that are required, or to which you are entitled, under any plan, contract or arrangement of the Company as of the end of your employment (together, the "*Other Benefits*")

2. The Company will pay you severance (“*Severance Payments*”) in an amount equal to your Salary, multiplied by the severance multiplier on your Schedule (“*Severance Multiplier*”).
 3. Your Annual Incentive will be governed by the terms of the EXCEL plan and any applicable Administrative Guide or Award notice.
 4. Your Long-Term Equity Awards will be governed by the terms of the Omnibus Plan and any applicable Administrative Guide and/or Award Notice.
- e) *For Cause or without Good Reason.* If the Company terminates your employment for Cause or you terminate your employment without Good Reason, the Company will pay your Accrued Compensation and your Other Benefits. Effective upon the date of termination for Cause or without Good Reason, all of the unvested portion of your remaining equity would be immediately forfeited.
- f) *For Your Disability or Death.* If your employment terminates as a result of your Disability or death, the Company will pay your Accrued Compensation, Earned Annual Incentive and will provide Continued Vesting of your Long Term Incentive Awards in accordance with the terms of the applicable awards, without regard to any continued employment condition, and your Other Benefits.
- g) *Benefits Bearing.* In no event shall any of the severance payments or benefits provided under this Section 7 be “benefits bearing.”
- h) *Clawback.* In the event you breach any of the terms in the Eastman Kodak Company Employee’s Agreement, this Agreement or the release described in Section 7(i) below, in addition to and not in lieu of any other remedies that the Company may pursue against you, no further Severance Payments will be made to you pursuant to this Section 7 and you agree to immediately repay to the Company all moneys previously paid to you pursuant to this Section 7.
- i) *Timing.* The benefits provided in this Section 7 will begin at the end of your employment, and any cash payments owed to you under this Section 7 will be paid in one lump sum 65 days following your date of termination, except for Severance Payments, which will be made consistently with the Company’s normal payroll cycles and begin as soon as administratively practicable after your separation from service. Notwithstanding the foregoing, any Severance Payments owed to you and any Continued Vesting of your Long Term Incentive Awards will only be provided if, at the time of your termination, you provide a release of any and all claims you may have against the Company (other than the rights and benefits provided in Section 5 and the other rights under this Agreement that continue following your employment) in a form reasonably provided by the Company such that you have taken all action necessary for such release to become effective and irrevocable no later than 65 days following your date of termination. You agree that if you become eligible for Severance Payments under this Agreement you will not be entitled to any local severance provisions offered to other Singapore-based employees. Should a court nonetheless award you severance benefits in such circumstances, you agree that the amount of severance payments will be reduced by such award and be immediately repaid to the Company.

8. Confidential Information

You acknowledge and agree that confidential information, including, without limitation, Company intellectual property, customer lists and other proprietary business information, obtained by you while employed by the Company or any of its subsidiaries concerning the business affairs of the Company or any subsidiary of the Company are the property of the Company or such subsidiary (hereinafter, “*Confidential Information*”). Consequently, you agree that, except to the extent required by applicable law, statute, ordinance, rule, regulation or orders of courts or regulatory authorities, you shall not at any time (whether during or after your employment) disclose to any unauthorized person or use for your own account any Confidential Information without the prior written consent of the Company, unless and to the extent that the aforementioned matters are or become generally known to and available for use by the public other than as a result of your acts or omissions to act or as required by law. You shall deliver to the Company at the termination of your employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or constituting Confidential Information which you may then possess or have under your control. In the event of any inconsistency between the terms of this Section 8 and your Eastman Kodak Company Employee’s Agreement, the terms of this Section 8 shall apply.

9. On-going Restrictions on Your Activities

a) *Related Definitions.*

1. “*Competitive Enterprise*” means any business enterprise that derives more than 20% of its revenue from any activity that competes anywhere with any activity that the Company is then engaged in and which activity generates more than 10% of the Company’s revenue.
2. “*Client*” means any client or prospective client of the Company to whom you provided services, or for whom you transacted business, or whose identity became known to you in connection with your relationship with or employment by the Company.
3. “*Solicit*” means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.
4. For purposes of this Section 9, “*Company*” means Eastman Kodak Company and its subsidiaries.

b) *Your Importance to the Company and the Effect of this Section 9.* You acknowledge that:

1. In the course of your involvement in the Company’s activities, you will have access to Confidential Information and the Company’s client base and will profit from the goodwill associated with the Company. On the other hand, in view of your access to Confidential Information and your importance to the Company, if you compete with the Company for some time after your employment, the Company will likely suffer significant harm. In return for the benefits you will receive from the Company and to induce the Company to enter into this Agreement, and in light of the potential harm you could cause the Company, you agree to the provisions of this Section 9. The Company would not have entered into this Agreement if you did not agree to this Section 9.
2. This Section 9 may limit your ability to earn a livelihood in a Competitive Enterprise and your relationship with Clients. You acknowledge, however, that complying with this Section 9 will not result in severe economic hardship for you or your family.

c) *Transition Assistance.* During the 90 days after a Termination Notice has been given, you will take all actions the Company may reasonably request to maintain for the Company the business, goodwill and business relationships with any Clients.

d) *Non-Competition.* During your employment and for a period of eighteen (18) months following the end of your employment you agree that you will not directly or indirectly engage in (whether as an employee, consultant, agent, proprietor, principal, partner, stockholder, corporate officer, director or otherwise), nor have any material ownership interest in or participate in the financing, operation, management or control of a Competitive Enterprise.

e) *Non-Solicitation of Clients.* Until the end of the 18 month period following the end of your employment, you will not attempt to Solicit any Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company or interfere with or damage any relationship between the Company and a Client.

f) *Non-Solicitation of Company Employees.* Until the end of the 18 month period following the end of your employment, you will not attempt to Solicit anyone who is then an employee or consultant of the Company (or who was an employee or consultant of the Company within the prior six months) to resign from or cease to provide services to the Company or to apply for or accept employment with any Competitive Enterprise.

g) *Notice to New Employers.* Before you accept employment with any other person or entity while this Section 9 is in effect, you will provide the prospective employer with written notice of the provisions of this Section 9 and will deliver a copy of the notice to the Company.

h) *Terms of this Section Control.* In the event of any inconsistency between the terms of this Section 9 and your Eastman Kodak Company Employee’s Agreement, the terms of this Section 9 shall control.

10. Effect on Other Agreements

- ### a) *Effect on Other Agreements; Entire Agreement.* This Agreement is the entire agreement between you and the Company with respect to the relationship contemplated by this Agreement and supersedes any earlier agreement, written or oral, with respect to the subject matter of this Agreement. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise or understanding that is not in this Agreement.

11. Successors

- a) *Assignment by You.* You may not assign this Agreement without the Company's consent. Also, except as required by law, your right to receive payments or benefits under this Agreement may not be subject to execution, attachment, levy or similar process. Any attempt to effect any of the preceding in violation of this Section 11, whether voluntary or involuntary, will be void.
- b) *Assumption by any Surviving Company.* Before the effectiveness of any merger, consolidation, statutory share exchange or similar transaction (including an exchange offer combined with a merger or consolidation) involving the Company (a "Reorganization") or any sale, lease or other disposition (including by way of a series of transactions or by way of merger, consolidation, stock sale or similar transaction involving one or more subsidiaries) of all or substantially all of the Company's consolidated assets (a "Sale"), the Company will cause (1) the Surviving Company to unconditionally assume this Agreement in writing and (2) a copy of the assumption to be provided to you. After the Reorganization or Sale, the Surviving Company will be treated for all purposes as the Company under this Agreement. The "Surviving Company" means (A) in a Reorganization, the entity resulting from the Reorganization or (B) in a Sale, the entity that has acquired all or substantially all of the assets of the Company.

12. General Provisions

- a) *Administrator.* All compensation and benefits provided under this Agreement will be administered by the Chief Human Resources Officer for the Company (the "Administrator"). The Administrator will have total and exclusive responsibility to control, operate, manage and administer such compensation and benefits in accordance with their terms and all the authority that may be necessary or helpful to enable him to discharge his responsibilities with respect to them. Without limiting the generality of the preceding sentence, the Administrator will have the exclusive right to: interpret this Agreement, decide all questions concerning eligibility for and the amount of compensation and benefits payable, construe any ambiguous provision, correct any default, supply any omission, reconcile any inconsistency, and decide all questions arising in the administration, interpretation and application of this Agreement. The Administrator will have full discretionary authority in all matters related to the discharge of his responsibilities and the exercise of his authority, including, without limitation, his construction of the terms of this Agreement and his determination of eligibility for compensation and benefits. It is the intent of the parties hereto, that the decisions of the Administrator and his actions with respect to this Agreement will be final and binding upon all persons having or claiming to have any right or interest in or under this Agreement and that no such decision or actions shall be modified upon judicial review unless such decision or action is proven to be arbitrary or capricious.
- b) *Withholding.* You and the Company will treat all payments to you under this Agreement as compensation for services. Accordingly, the Company may withhold from any payment any taxes that are required to be withheld under any law, rule or regulation
- c) *Confidentiality.* You agree to keep the existence and terms of this Agreement confidential except that you may review it with your financial advisor, attorney, or spouse/partner and with the Administrator.
- d) *Severability.* If any provision of this Agreement is found by any court of competent jurisdiction (or legally empowered agency) to be illegal, invalid or unenforceable for any reason, then (1) the provision will be amended automatically to the minimum extent necessary to cure the illegality or invalidity and permit enforcement and (2) the remainder of this Agreement will not be affected. In particular, if any provision of Section 8 is so found to violate law or be unenforceable because it applies for longer than a maximum permitted period or to greater than a maximum permitted area, it will be automatically amended to apply for the maximum permitted period and maximum permitted area.

e) *No Set-off or Mitigation.* Your and the Company's respective obligations under this Agreement will not be affected by any set-off, counterclaim, recoupment or other right you or any member of the Company may have against each other or anyone else (except as this Agreement specifically states). You do not need to seek other employment or take any other action to mitigate any amounts owed to you under this Agreement, and those amounts will not be reduced if you do obtain other employment.

f) *Notices.* All notices, requests, demands and other communications under this Agreement must be in writing and will be deemed given (1) on the business day sent, when delivered by hand or facsimile transmission (with confirmation) during normal business hours, (2) on the business day after the business day sent, if delivered by a nationally recognized overnight courier or (3) on the third business day after the business day sent if delivered by registered or certified mail, return receipt requested, in each case to the following address or number (or to such other addresses or numbers as may be specified by notice that conforms to this Section 12(f)):

If to you, to the address stated on the first page of this Agreement.

If to the Company or any other member of the Company, to:
Eastman Kodak Company
343 State Street
Rochester, New York 14650
Attention: General Counsel

g) *Amendments and Waivers.* Any provision of this Agreement may be amended or waived but only if the amendment or waiver is in writing and signed, in the case of an amendment, by you and the Company or, in the case of a waiver, by the party that would have benefited from the provision waived. Except as this Agreement otherwise provides, no failure or delay by you or the Company to exercise any right or remedy under this Agreement will operate as a waiver, and no partial exercise of any right or remedy will preclude any further exercise.

h) *Jurisdiction; Choice of Forum; Costs.* You and the Company irrevocably submit to the exclusive jurisdiction of any state or federal court located in the County of New York over any controversy or claim arising out of or relating to or concerning this Agreement or any aspect of your employment with the Company (together, an "*Employment Matter*"). Both you and the Company (1) acknowledge that the forum stated in this Section 11(h) has a reasonable relation to this Agreement and to the relationship between you and the Company and that the submission to the forum will apply even if the forum chooses to apply non-forum law, (2) waive, to the extent permitted by law, any objection to personal jurisdiction or to the laying of venue of any action or proceeding covered by this Section 12(h) in the forum stated in this Section, (3) agree not to commence any such action or proceeding in any forum other than the forum stated in this Section 12(h) and (4) agree that, to the extent permitted by law, a final and non-appealable judgment in any such action or proceeding in any such court will be conclusive and binding on you and the Company. However, nothing in this Agreement precludes you or the Company from bringing any action or proceeding in any court for the purpose of enforcing the provisions of this Section 12(h). To the extent permitted by law, the Company will pay or reimburse any reasonable expenses, including reasonable attorney's fees, you incur as a result of any Employment Matter.

i) Governing Law. This Agreement will be governed by and construed in accordance with the law of the State of New York.

j) Counterparts. This Agreement may be executed in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

EASTMAN KODAK COMPANY

By: /s/ Jeffrey J. Clarke
Name: Jeffrey J. Clarke
Title: Chief Executive Officer

EXECUTIVE

/s/ Eric Mahe
Eric Mahe

**EASTMAN KODAK COMPANY
EMPLOYEE'S AGREEMENT**

PREAMBLE

Eastman Kodak Company and its affiliates and subsidiaries (hereinafter collectively called "Kodak") operate in very competitive environments around the world. As part of your employment, you may from time to time have access to confidential and proprietary company information. This Employee's Agreement governs certain understandings between Kodak and you regarding your work for Kodak, its confidential and proprietary information, and your responsibilities to Kodak including, but not limited to, nondisclosure of Kodak's confidential and proprietary information (as defined in paragraph 1 below), assignment of rights, improper competition (as applicable), and nonsolicitation.

BACKGROUND

I understand that Kodak is engaged in the research, development, manufacture, use, marketing and sale of and services related to equipment, materials (including, but not limited to, photographic and other imaging media), software, firmware, components, web applications, multimedia data including, but not limited to, audio information, hardcopy information, digital information (including but not limited to metadata), chemicals, and systems including any of the foregoing (collectively, "Kodak Business"). I also understand that, in connection with the Kodak Business, I will be exposed to and may generate information including, but not limited to, technical, marketing, accounting, cost, sales, medical, personnel data, customer lists, vendor lists, production procedures, administrative and service information (hereinafter collectively "Kodak Proprietary Information"). I further understand that Kodak requires its employees to assign to it all right, title and interest in and to all worldwide inventions, discoveries, improvements, patents, trade secrets, trademarks, mask works, any and all other copyrightable subject matter, and any application for any of the foregoing (hereinafter separately and collectively called "Rights") within or arising out of any field of employment in which they work during their employment by Kodak and for a period of time after termination of employment from Kodak as described more fully below, and that this Agreement is essential for the full protection of the Kodak Business.

Therefore, in consideration of my employment by Kodak and of certain other benefits to be received by me in connection with such employment, it is understood and agreed as follows:

1. Nondisclosure

During my employment by Kodak, and thereafter, I will not disclose to any person or entity or make use of any Kodak Proprietary Information, trade secret, or other information of a confidential nature regarding the Kodak Business or the commercial, financial, technical or business affairs of Kodak, including such trade secret, proprietary or confidential information of any customer or other entity to which Kodak owes an obligation not to disclose such information, which I acquire during my employment by Kodak, including but not limited to records kept in the ordinary course of business (hereinafter collectively called "Kodak Confidential Information"), except as such disclosure or use may be required in connection with my work as an employee of Kodak. I understand that this restriction prohibits disclosure to Kodak affiliates and subsidiaries in which Kodak owns less than 80% of the stock, unless I receive written authorization for specific disclosures from my management.

2. Assignment of Rights

- 2.1 I hereby sell, assign and transfer to Kodak all of my right, title and interest in and to all Rights that, during my employment by Kodak and within two (2) years following termination of my employment from Kodak, are made or conceived by me, alone or with others, that (i) are within or arise out of any general field of the Kodak Business in which I have been employed or have worked during my employment by Kodak; or (ii) arise out of any work I perform or information I received regarding the Kodak Business which I received while employed by Kodak; or (iii) arise from work that Kodak authorizes me to perform for or on behalf of any person or entity affiliated with Kodak.
- 2.2 While employed in California, no employee will be required to make an assignment of any invention to the extent prohibited by California Labor Code §2870(a) (a copy of which will be made available to any employee upon request).
- 2.3 I will fully disclose to Kodak as promptly as available all information known or possessed by me concerning the Rights referred to in the preceding section 2.1, and upon request by Kodak and without any further remuneration in any form to me by Kodak, but at the expense of Kodak, execute all applications for patents and for copyright registrations, assignments thereof and other instruments and do all things which Kodak deems necessary to vest and maintain in it the entire right, title and interest in and to all such Rights.

3. Improper Competition

- 3.1 The restrictions contained in this section 3 will apply during my employment by Kodak and continue after the termination of my employment for any reason (whether voluntary or involuntary or with or without cause) for a period equal to the total number of months I was employed by Kodak, whether continuously or not, but not for fewer than six (6) months nor more than eighteen (18) months after such termination (the "Post Employment Period").
- 3.2 During the period described in section 3.1 following termination of my employment by Kodak, I will, prior to accepting employment with a Competing Business (as defined in section 3.3), inform that Competing Business of the existence of this Agreement and provide a copy to that Competing Business.
- 3.3 While employed by Kodak and during the Post-Employment Period, I will not work, be employed by, consult, advise, assist or engage in any business or activity that: (a) competes with any area of the Kodak Business in or with which I worked at Kodak (a "Competing Business") during the two (2) years immediately preceding termination of my Kodak employment; and (b) involves subject matter(s) about which I gained Kodak Confidential Information during the two (2) years immediately preceding termination of my Kodak employment. Prior to accepting employment, working, consulting, advising or assisting in or with any Competing Business, I agree to: (a) provide such Competing Business with a copy of this Agreement; (b) advise my Kodak supervisor or an appropriate Kodak Human Resources representative of my intent to accept such position; and (c) at Kodak's request, to provide information and/or facilitate Kodak's communication with such Competing Business concerning the nature, scope and responsibilities of such position.

- 3.4 During the Post-Employment Period, the restrictions of section 3.3 will apply only to my work or activities within the relevant geographic area(s) or with the accounts, as defined in this section.
- 3.4.1 If I was employed by Kodak in a sales or service job immediately prior to the termination of my employment, and if my responsibilities were confined to specific territories, accounts, or regions, then the restrictions will apply to: (a) any and all sales or service territories, or regions in which I worked within the two (2) years prior to termination of my employment and, (b) the then existing accounts and prospective accounts of Kodak with which I worked within the two (2) years immediately preceding termination of my employment with Kodak.
- 3.4.2 If, immediately prior to the termination of my Kodak employment: (a) I was employed by Kodak in a sales or service job and my responsibilities were not confined to specific territories, accounts or regions, or (b) if I was employed by Kodak in any other capacity, then the relevant geographic area(s) will consist of the United States and any other country to which my responsibilities extended, unless a narrower geographic area would be sufficient to protect from disclosure the Kodak Confidential Information of which I have knowledge.
- 3.4.3 I understand and agree that the foregoing geographic restrictions are necessary in light of the international scope of the Kodak Business and the business of Kodak's competitors, and that the disclosure or use anywhere of Kodak Confidential Information to or for the benefit of a Competing Business would irreparably harm Kodak.
- 3.4.4 If during the Post-Employment Period, this Agreement prohibits me from accepting an offer of full-time employment consistent with my skills, abilities, and education solely because of the provisions of this section 3, and if I provide to Kodak proof of such offer and rejection, the provisions of this section 3 shall thereafter continue to bind me only as long as Kodak pays me, for each month in which I am unable to secure a position consistent with my skills, abilities, and education, an amount equal to 1/12th of my annual total target compensation at the time of termination (exclusive of employee benefits, non-recurring bonuses, vacation pay and/or other special compensation), less any severance, separation or termination benefits or the like that I am entitled to receive from Kodak for the same pay period, and less any compensation I receive during the same period in the form of unemployment insurance or in exchange for any employment, consulting or other work I have undertaken. Any such payments will also be less all amounts that Kodak is required by law to withhold. Notwithstanding anything in this Agreement to the contrary, I understand that if Kodak declines or ceases to make one or more payments to me due to my failure to comply with the restrictions and obligations I have agreed to under the terms of this Agreement, or for any of the reasons enumerated in Section 3.4.6 below, I will not be excused from, and will continue to be subject to, all of the restrictions and obligations set forth in this section 3.
- 3.4.5 In return for any payments made by Kodak under section 3.4.4, I agree to make conscientious, aggressive and continuing efforts to find other employment or income consistent with my skills, abilities and education but not prohibited by this section 3. Within seven (7) days of Kodak's request, I will provide documentation satisfactory to Kodak of my efforts to obtain employment or income, all employment, contracting, or consulting offers I have received during the Post-Employment Period, the amount of any income received from employment (including self-employment), contracting, consulting, or any other work performed by me, and the identity of the employer offering employment, or other entity requesting contracting or consulting services or other work, and any other information or documents reasonably necessary for Kodak to verify my income and employment status.
- 3.4.6 Kodak, at its option and sole discretion, may decline to make post-employment compensation payments:
- (1) for any month during which I, in the reasonable determination of Kodak, have not conscientiously sought employment, or
 - (2) for any month during which I have failed to provide documentation requested by Kodak, as provided for above, or
 - (3) if I breach this Agreement or any other post-employment obligations I may owe Kodak; or
 - (4) if I reject an offer of employment that Kodak does not deem to be in violation of section 3.3 above; or
 - (5) by giving me written permission to accept available employment or by giving me a written release from some or all of the obligations of section 3 of this Agreement (in which case, the terms of such release shall govern my obligations for the remainder of the Post-Employment Period); or
 - (6) if I am terminated from Kodak or any subsequent employment, contracting, or consulting engagement "for cause," which as defined herein includes, but is not limited to, the following:
 - neglect of duties, failure to follow policies or supervisor's directives, or insubordination;
 - dishonesty, deception, fraud, or breach of trust or loyalty in connection with the affairs of an employer;
 - conviction of any felony, gross misdemeanor, or misdemeanor, other than a minor traffic offense;
 - any act or omission in the scope of employment that places an employer in violation of any applicable law or regulation; or
 - breach of any of the material terms or conditions contained in this Agreement.
- 3.5 I understand that this section 3 will not be effective at any time during which I am employed by Kodak in the State of California.

4. Nonsolicitation

During my Kodak employment and for a period of one (1) year after termination of my employment for any reason (whether voluntarily or involuntarily or with or without cause), I will not, directly or indirectly, either for myself or for the benefit of any other person or entity: (i) induce or attempt to induce any employee of Kodak to leave the employ of Kodak, (ii) in any way interfere with the relationships between Kodak and any employee of Kodak, (iii) employ or otherwise engage as an employee, independent contractor or otherwise, any person who has been an employee of Kodak during the six months immediately preceding such employment or (iv) solicit, entice, call upon or in any way for the purpose of diverting or taking away or attempting to divert or take away any of Kodak's customers and suppliers to do business with a Competing Business.

5. Return of Property

I agree that, upon termination of my employment for any reason (whether voluntary or involuntary or with or without cause), I will immediately return to Kodak, (i) all Kodak Confidential Information in any form (including without limitation printed, handwritten, and electronically-stored materials or information), together with all copies, thereof, within my possession, custody or control and; (ii) all other Kodak property in my possession, custody or control, including, but not limited to, office keys, identification badges or passes, Kodak credit cards, automobiles, computer equipment and software ("Kodak Property"). Under no circumstances will I deliver or give such Kodak Confidential Information or Kodak Property to any person or entity without Kodak management's advance written permission and, upon Kodak's request, I will verify that I have not done so.

6. At-Will Employment

I understand that, regardless of any statement made to me or contained in any handbook, policy statement, or other document, my employment will be "at-will". That is, I will be free to terminate my employment at any time, for any reason, and Kodak is free to do the same. No other agreement relating to this issue will be effective unless it is contained in a written agreement which: (1) mentions me by name; (2) references this Agreement by name and date; (3) specifically acknowledges that it is intended to amend this Agreement; and (4) is signed by a Kodak corporate officer and me.

7. Business Conduct

I understand that Kodak is an ethical company and that I am required to adhere to Kodak's policies and procedures regarding ethical business practices, including but not limited to, Kodak's conflict of interest policy and policies concerning the protection of Kodak Confidential Information. I understand that my failure to do so constitutes a breach of this Agreement.

8. Miscellaneous

8.1 I agree that Kodak has provided me with valuable consideration for accepting the terms and conditions set forth in this Agreement, including those set forth in section 3. Among other things, that consideration includes my employment and/or continued employment and certain benefits to be received by me in connection with such employment, some of which may be conditioned upon a validly executed Employee's Agreement.

8.2 This Agreement replaces any and all previous agreements relating to the same or similar matters that I may have entered into with Kodak with respect to my present or any future period of employment by Kodak. Further, the terms of this Agreement shall inure to the benefit of the successors and assigns of Kodak and shall be binding upon my heirs, assigns, administrators and representatives. No oral agreement, statement or representation shall be effective to alter the terms of this Agreement.

8.3 I understand and agree that a breach of the provisions of this Agreement will cause Kodak irreparable injury that may not be compensable by receipt of money damages. I, therefore, expressly agree that Kodak shall be entitled, in addition to any other remedies legally available, to injunctive and/or other equitable relief, including but not limited to temporary, preliminary and/or permanent injunctive relief, to prevent or remedy a breach of this Agreement, or any part hereof, and to payment of reasonable attorneys fees it incurs in enforcing this Agreement.

8.4 If any one or more of the provisions of this Agreement shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If any one or more of the provisions of this Agreement is for any reason held unacceptably broad, it shall be construed or rewritten (blue-lined) so as to be enforceable to the extent of the greatest protection to Kodak under existing law.

8.5 All titles or headings in this agreement are for convenience only and shall not affect the meaning of any provision herein.

8.6 THIS AGREEMENT IS ENTERED INTO IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO PRINCIPALS OF CONFLICT OF LAWS. I UNDERSTAND AND AGREE THAT ANY ACTION OR PROCEEDING UNDER, IN CONNECTION WITH OR RELATING TO, THIS AGREEMENT SHALL BE BROUGHT IN AND ADJUDICATED BY THE UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF NEW YORK IN ROCHESTER, NEW YORK, UNLESS THERE IS NO BASIS FOR FEDERAL JURISDICTION, IN WHICH CASE SUCH ACTION OR PROCEEDING SHALL BE BROUGHT IN AND ADJUDICATED BY THE STATE OF NEW YORK, SUPREME COURT, COUNTY OF MONROE.

Dated _____, 201__

Signature of Employee

Global I.D.

Employee Name (Print or Type)

Eric Mahe
Employment Agreement Terms Schedule

<i>Position</i>	Director, Global Sales Strategy, and Senior Vice President, Eastman Kodak Company ¹
<i>Base Salary</i>	SGD 600,000
<i>Annual Cash Performance Incentive under Company's Executive Compensation for Excellence and Leadership (EXCEL) Plan²</i>	The target level for your Annual Incentive will be 50% of your Base Salary. The maximum payout under the EXCEL Plan is 200%. Total Target Cash Compensation is SGD 900,000.
<i>Initial Sign-on Grant</i>	\$450,000 in Restricted stock Units (RSUs), granted on the Effective Date of your agreement with vesting over a three-year period (33.3% vests each year) (SGD 562,500).
<i>Long-Term Incentive Compensation</i>	Target award for annual equity grant: \$250,000 ³ (SGD 312,500) Total Direct Compensation is SGD 1,212,500 (Total Target Cash plus Annual Equity Awards).
<i>Housing Allowance and Travel Expenses</i>	Local Singapore Practice
<i>Severance Multiplier</i>	1X Base Salary
<i>Change of Control</i>	In the case of a Change of Control event followed by an involuntary termination ⁴ within two years following the Change of Control, severance would be paid after the 409(a) waiting period.
<i>Additional Benefits</i>	Up to four weeks vacation.
<i>Standard Benefits</i>	Local Singapore Practice

¹Senior Vice President, Eastman Kodak Company, title pending approval by Board of Directors

²EXCEL Plan performance metrics are determined annually by the Executive Compensation Committee

³Equity vesting is over a three-year period with the form of equity to be determined by the Executive Compensation Committee (may be in time-based Restricted Stock units, performance-based Restricted Stock units or Stock Options)

⁴Leaving Reasons and associated eligibility are reviewed and approved by the Executive Compensation Committee

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KODAK

March 14, 2016

Re: Amendment to Employment Agreement

Dear Jeff:

With Kodak's implementation of the Exempt Employee Flexible Time-Off Plan, a copy of which is attached hereto (the "Plan"), an amendment to your employment agreement dated March 10, 2014 (your "Agreement") is necessary. Pursuant to this letter agreement, Section 5(b) of your Agreement is hereby amended, effective February 1, 2016, to provide that you are eligible for vacation benefits in accordance with the terms of the Plan. The treatment of your accrued vacation as of March 31, 2016, is addressed by the terms of the Plan. All other terms of your Agreement remain in full force and effect.

Please indicate your acceptance of the amendment to your Agreement by signing the acknowledgement below and returning this letter to me.

Thank you.

EASTMAN KODAK COMPANY

By: /s/Karen M Kelly

Name Karen M Kelly

Title Director, Total Rewards and Operational
Excellence and VP, Human Resources

EXECUTIVE

/s/ Jeffrey J. Clarke

Jeffrey J. Clarke

Attachment: Exempt Employee Flexible Time-Off Plan

Exempt Employee Flexible Time-Off Plan

Effective on February 1, 2016, Exempt and Executive Employees do not accrue or track vacation time. Exempt and Executive Employees will not receive a payment for unused vacation time upon termination from the Company.

Exempt and Executive Employees will be expected to take vacation at their discretion. Scheduling of vacation by Exempt and Executive Employees is subject to departmental operating requirements and advance supervisory approval, unless it is substituted for unpaid leave protected under the Family and Medical Leave Act of 1993 (see the Kodak Family and Medical Leave Plan for more information regarding this option).

For Exempt and Executive Employees in California, Colorado or Illinois, with remaining accrued vacation on March 31, 2016, such vacation will be retained. Vacation usage for such employees will continue to be tracked, and upon exhaustion of the remaining accrued vacation, such employees will become subject to the terms of this policy.

For employees who are reclassified as exempt or non-exempt during the middle of a calendar year, the provisions of section 4.05 of the Non-Exempt Employee Vacation Plan will apply. At the beginning of the next calendar year, newly-classified Exempt and Executive Employees will start with a clean slate and there will no longer be carryover or accrued vacation.

KODAK

March 14, 2016

Re: Amendment to Employment Agreement

Dear John:

With Kodak's implementation of the Exempt Employee Flexible Time-Off Plan, a copy of which is attached hereto (the "Plan"), an amendment to your employment agreement dated May 16, 2014, as amended by the letter agreement dated July 15, 2014 (your "Agreement"), is necessary. Pursuant to this letter agreement, Section 5(b) of your Agreement is hereby amended, effective February 1, 2016, to provide that you are eligible for vacation benefits in accordance with the terms of the Plan. The treatment of your accrued vacation as of March 31, 2016, is addressed by the terms of the Plan. All other terms of your Agreement remain in full force and effect.

Please indicate your acceptance of the amendment to your Agreement by signing the acknowledgement below and returning this letter to me.

Thank you.

EASTMAN KODAK COMPANY

By: Karen M Kelly

Name Karen M Kelly

Title Director, Total Rewards and Operational
Excellence and VP, Human Resources

EXECUTIVE

/s/John N. McMullen

John N. McMullen

Attachment: Exempt Employee Flexible Time-Off Plan

Exempt Employee Flexible Time-Off Plan

Effective on February 1, 2016, Exempt and Executive Employees do not accrue or track vacation time. Exempt and Executive Employees will not receive a payment for unused vacation time upon termination from the Company.

Exempt and Executive Employees will be expected to take vacation at their discretion. Scheduling of vacation by Exempt and Executive Employees is subject to departmental operating requirements and advance supervisory approval, unless it is substituted for unpaid leave protected under the Family and Medical Leave Act of 1993 (see the Kodak Family and Medical Leave Plan for more information regarding this option).

For Exempt and Executive Employees in California, Colorado or Illinois, with remaining accrued vacation on March 31, 2016, such vacation will be retained. Vacation usage for such employees will continue to be tracked, and upon exhaustion of the remaining accrued vacation, such employees will become subject to the terms of this policy.

For employees who are reclassified as exempt or non-exempt during the middle of a calendar year, the provisions of section 4.05 of the Non-Exempt Employee Vacation Plan will apply. At the beginning of the next calendar year, newly-classified Exempt and Executive Employees will start with a clean slate and there will no longer be carryover or accrued vacation.

KODAK

July 15, 2014

Re: Amendment to Employment Agreement

Dear John:

This letter is to confirm that your first date of employment with Eastman Kodak Company was June 16, 2014. The clarification of the date is necessary, in order to amend your employment agreement, which identified May 27, 2014 as your first date of employment. All other terms of your employment agreement dated May 16, 2014 remain in full force and effect.

Please indicate your acceptance of the amendment to your employment agreement by signing the acknowledgement below and returning this letter to me.

Thank you.

EASTMAN KODAK COMPANY

By: /s/ Jeffrey J. Clarke

Name Jeffrey J. Clarke

Title Chief Executive Officer

EXECUTIVE

/s/ John N. McMullen

John N. McMullen

CERTIFICATION

I, Jeffrey J. Clarke, certify that:

- 1) I have reviewed this Form 10-Q;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/Jeffrey J. Clarke
Jeffrey J. Clarke
Chief Executive Officer

Date: May 5, 2016

CERTIFICATION

I, John N. McMullen, certify that:

- 1) I have reviewed this Form 10-Q;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/John N. McMullen
John N. McMullen
Chief Financial Officer

Date: May 5, 2016

**CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Eastman Kodak Company (the "Company") on Form 10-Q for the period ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey J. Clarke, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Jeffrey J. Clarke
Jeffrey J. Clarke
Chief Executive Officer

Date: May 5, 2016

**CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Eastman Kodak Company (the "Company") on Form 10-Q for the period ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John N. McMullen, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/John N. McMullen
John N. McMullen
Chief Financial Officer

Date: May 5, 2016

SECTION 13(r) DISCLOSURE

The Blackstone Group L.P. may be deemed to beneficially own approximately 21% of the outstanding common stock of Kodak and has a representative on Kodak's Board of Directors. Accordingly, The Blackstone Group L.P. may be considered an "affiliate" (as such term is defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended) of Kodak.

The Blackstone Group L.P. has indicated in its public filings that it may also be considered an affiliate of Travelport Worldwide Limited ("Travelport"). We have been advised that Travelport will include the disclosure reproduced below in its Form 10-Q for the quarter ended March 31, 2016. Kodak has neither independently verified nor has it participated in the preparation of the disclosure reproduced below:

"As part of our global business in the travel industry, we provide certain passenger travel related Travel Commerce Platform and Technology Services to Iran Air. We also provide certain Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals."

Travelport has not provided gross revenues and net profits attributable to the activities described above.

The Blackstone Group L.P. has indicated in its public filings that it may also be considered an affiliate of NCR Corporation ("NCR"). NCR included the disclosure reproduced below in its Form 10-Q for the fiscal quarter ended March 31, 2016. Kodak has neither independently verified nor has it participated in the preparation of the disclosure reproduced below:

"Pursuant to Section 13(r)(1)(D)(iii) of the Securities Exchange Act of 1934, as amended, we note that, during the period from January 1, 2016 through March 31, 2016, we maintained a bank account and guarantees at the Commercial Bank of Syria ("CBS"), which was designated as a Specially Designated National pursuant to Executive Order 13382 ("EO 13382") on August 10, 2011. This bank account and the guarantees at CBS were maintained in the normal course of business prior to the listing of CBS pursuant to EO 13382. We note that the last known account balance as of March 31, 2016, was approximately \$3,468. The bank account did not generate interest from January 1, 2016 through March 31, 2016, and the guarantees did not generate any revenue or profits for the Company. Pursuant to a license granted to the Company by OFAC on January 3, 2013, and subsequent licenses granted on April 29, 2013, July 12, 2013, February 28, 2014, November 12, 2014, and October 24, 2015, the Company has been winding down its past operations in Syria. The Company's current license expires on April 30, 2016. The Company has also received licenses from OFAC to close the CBS account and terminate any guarantees. The Company's application to renew the license to transact business with CBS, which was submitted to OFAC on May 18, 2015, remains pending. Following the termination of guarantees and the closure of the account, the Company does not intend to engage in any further business activities with CBS."

