



# Q3 2017 Earnings Call

November 8, 2017

# Cautionary Statement Regarding Forward-looking Statements Pursuant to Safe Harbor Provisions of The Private Securities Litigation Reform Act of 1995

## Cautionary Statement Regarding Forward-Looking Statements

This presentation 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 and business trends and other information that is not historical information. When used in this presentation, 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 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 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 the forward-looking statements. Important factors that could cause actual events or results to differ materially from the forward-looking statements include, among others, the risks and uncertainties described in more detail in Kodak’s Annual Report on Form 10-K for the year ended December 31, 2016 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 Kodak’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017, and in other filings Kodak makes with the U.S. Securities and Exchange Commission from time to time, as well as the following: 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 comply with the covenants in its various credit facilities; Kodak’s ability to fund continued investments, capital needs and restructuring payments and service its debt and Series A Preferred Stock; Kodak’s ability to discontinue, sell or spin-off certain 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; Kodak’s ability to effectively compete with large, well-financed industry participants; continued sufficient availability of borrowings and letters of credit under Kodak’s revolving credit facility, Kodak’s ability to obtain additional financing if and as needed and Kodak’s ability to provide or facilitate financing for its customers; the performance by third parties of their obligations to supply products, components or services to Kodak; and the impact of the global economic environment on 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 presentation and are expressly qualified in their entirety by the cautionary statements included or referenced in this presentation. 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.



# Agenda

- **Introduction**  
**Bill Love, Treasurer and Investor Relations**
- **CEO Perspective on Q3 2017 and FY 2017 Guidance**  
**Jeff Clarke, Chief Executive Officer**
- **2017 Financial Review**  
**David Bullwinkle, Chief Financial Officer**
- **Concluding Remarks and Q&A**  
**Jeff Clarke and David Bullwinkle**



- **Welcome**
- **Strategic Actions Update**
- **2017 Guidance**
- **Division Overview**



## **CEO PERSPECTIVE**

# Strategic Actions Update

- Actively pursuing strategic divestitures and monetization opportunities
  - Multiple processes with strategic and financial buyers to achieve monetization
  - Advanced negotiations to complete technology and IP monetization



# 2017 Q3 Results

## Total Company Q3 2017

	Q3 2017	Q3 2016
Revenue	\$379	\$411
Operational EBITDA <sup>1, 2</sup>	\$15	\$22
<b>Year over Year Change - B/(W)</b>		
Revenue (\$)		(\$32)
Operational EBITDA (\$)		(\$7)
Revenue (%)		-8%
Operational EBITDA (%)		-32%
<b>Comparable Basis (excluding FX impact) <sup>3</sup></b>		
Revenue		(\$35)
Operational EBITDA		(\$8)
Revenue (%)		-9%
Operational EBITDA (%)		-36%

This document should be read in conjunction with Eastman Kodak Company's Quarterly Report on Form 10-Q for the period ended September 30, 2017 (the "2017 Form 10-Q").

<sup>1</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 20. Segment Information to the financial statements included in the 2017 Form 10-Q.

<sup>2</sup> Q3 2017 Operational EBITDA includes a \$6 million payment related to contractual minimum royalties and term extension of a brand licensing arrangement offset by \$4 million of vendor transition costs in CFD.

<sup>3</sup> Refer to page 27, footnote 8 of this presentation for the explanation on the calculation of constant currency.



# Business Factors

- Commercial printing market has experienced marked slowdown impacting our Print Systems Division, Enterprise Inkjet Systems Division, and PRINERGY Software License sales.
- Behind on plans in commercializing our advanced technologies and intellectual property within our AM3D division.
- Longer sales cycle for brand licensing transactions.
- Experiencing two difficult vendor transitions in our film business.



# 2017 Adjusted Guidance and Cash Outlook

(\$ millions)

	Revenue	Operational EBITDA
<b>FY 2017 Guidance</b>	\$1,500 - \$1,600	\$90-\$105
Commercial Print Market Slowdown		(18)
AM3D Commercialization Shortfall		(8)
Longer Sales Cycle for Brand Licensing		(7)
Vendor Transitions		(5)
<b>FY 2017 Adjusted Guidance</b>	\$1,500 - \$1,600	\$60-\$65

(\$ millions)

	Cash (Use) / Generation
<b>FY 2017 Cash Outlook</b>	\$0-\$10
EBITDA Guidance Impact	(35)
Working Capital Impact	(20)
Timing of Advanced Technology Transaction & Other	(15)
<b>FY 2017 Adjusted Cash Outlook</b>	\$(70) - \$(60)

This document should be read in conjunction with Eastman Kodak Company's Quarterly Report on Form 10-Q for the period ended September 30, 2017 (the "2017 Form 10-Q"). Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 20. Segment Information to the financial statements included in the 2017 Form 10-Q.





# Short Term Profitability Improvements

- In our Print Systems Division we announced in September a 4-9% worldwide plate price increase
- Continuing and accelerating cost actions across the company
  - Incremental approximately 425 headcount reduction and approximately \$45M in annual savings
- Making fewer investments in AM3D focusing on areas where we have existing proven commercialization or supply agreements
- Shortening payback requirements and reprioritizing corporate investments
- Appointing a new leader to our Consumer and Film Division



# Q3 Financial Summary by Division

(\$ millions)

Q3 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 232	\$ 33	34	\$ 21	\$ 55	\$ -	\$ 4	\$ 379
Operational EBITDA b/f corp costs	24	3	8	3	1	(6)	1	34
Corporate SGA	<u>11</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>19</u>
Operational EBITDA	13	1	7	1	(2)	(6)	1	15

Q3 2016 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 250	\$ 47	34	\$ 21	\$ 55	\$ -	\$ 4	\$ 411
Operational EBITDA b/f corp costs	39	(5)	9	2	3	(6)	1	43
Corporate SGA	<u>12</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>21</u>
Operational EBITDA	27	(8)	7	-	1	(6)	1	22

Q3 2017 Actuals vs. Q3 2016 Actuals B/(W)	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ (18)	\$ (14)	-	\$ -	\$ -	\$ -	\$ -	\$ (32)
Operational EBITDA b/f corp costs	(15)	8	(1)	1	(2)	-	-	(9)
Corporate SGA	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>2</u>
Operational EBITDA	(14)	9	-	1	(3)	-	-	(7)

Q3 2017 Actuals on constant currency vs. Q3 2016 Actuals B/(W)	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ (21)	\$ (14)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (35)
Operational EBITDA	(14)	9	(1)	1	(3)	-	-	(8)

PSD: Print Systems Division

EISD: Enterprise Inkjet Solutions Division

FPD: Flexographic Packaging Division

SSD: Software and Solutions Division

CFD: Consumer and Film Division

AM3D: Advanced Materials and 3D Printing Technology Division

EBPD: Eastman Business Park Division

This document should be read in conjunction with Eastman Kodak Company's Quarterly Report on Form 10-Q for the period ended September 30, 2017 (the "2017 Form 10-Q").

<sup>1</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 20. Segment Information to the financial statements included in the 2017 Form 10-Q.

<sup>2</sup> Refer to page 27, footnote 8 of this presentation for the explanation on the calculation of constant currency.



# Q3 2017 Summary

- Q3 operational results and full year outlook impacted by:
  - A slowdown in the commercial printing industry
  - Time to commercialize certain AM3D projects
  - Vendor transition and timing of brand licensing
  - Higher cost in our film business
- Decisive actions to address business factors impacting Q3 operational results and full year outlook
- Strong execution in Kodak growth engines:
  - Volume for KODAK SONORA Process Free Plates grew by 24 percent
  - Volume for KODAK FLEXCEL NX Plates grew by 11 percent
  - Annuities revenue for KODAK PROSPER Inkjet grew by 9 percent





# FINANCIAL OVERVIEW

- **Net Earnings**
- **Cost Update**
- **2017 Third Quarter Cash Flow**
- **Year Over Year Cash Bridge (GAAP)**

# 2017 Q3 & YTD Net Earnings

(\$ millions)

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
(Loss) earnings from continuing operations before income taxes	\$ (58)	\$ 15	\$ (37)	\$ 23
(Benefit) Provision for income taxes	(13)	3	(6)	16
Equity in loss of equity method adjustment, net of income taxes	1	-	1	-
(Loss) earnings from continuing operations	(46)	12	(32)	7
Loss from discontinued operations, net of income taxes	-	-	(3)	(2)
Net (loss) earnings	<b>\$ (46)</b>	<b>\$ 12</b>	<b>\$ (35)</b>	<b>\$ 5</b>

The GAAP results include \$58 million, net of tax, of non-cash impairments related to the write off of goodwill in the Print Systems segment and assets for the previously announced exit from copper mesh touch screen products. The YTD results also include a \$42 million gain related to the change in value for the derivative embedded in the Series A Preferred Stock.



# YTD 2017 Financial Summary by Division

(\$ millions)

YTD 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 681	\$ 105	\$ 104	\$ 64	\$ 151	\$ -	\$ 12	\$ 1,117
Operational EBITDA b/f corp costs	78	8	26	5	-	(21)	4	100
Corporate SGA	36	6	5	5	10	-	1	63
Operational EBITDA	42	2	21	-	(10)	(21)	3	37

YTD 2016 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 739	\$ 123	\$ 98	\$ 66	\$ 174	\$ -	\$ 11	\$ 1,211
Operational EBITDA b/f corp costs	103	(10)	22	4	26	(20)	2	127
Corporate SGA	36	8	5	5	8	1	-	63
Operational EBITDA	67	(18)	17	(1)	18	(21)	2	64

YTD 2017 Actuals vs. YTD 2016 Actuals B/(W)	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ (58)	\$ (18)	\$ 6	\$ (2)	\$ (23)	\$ -	\$ 1	\$ (94)
Operational EBITDA b/f corp costs	(25)	18	4	1	(26)	(1)	2	(27)
Corporate SGA	-	2	-	-	(2)	1	(1)	-
Operational EBITDA	(25)	20	4	1	(28)	-	1	(27)

YTD 2017 Actuals on constant currency vs. YTD 2016 Actuals B/(W)	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ (54)	\$ (16)	\$ 7	\$ (1)	\$ (22)	\$ -	\$ 1	\$ (85)
Operational EBITDA	(25)	22	3	1	(27)	-	1	(25)

PSD: Print Systems Division

EISD: Enterprise Inkjet Solutions Division

FPD: Flexographic Packaging Division

SSD: Software and Solutions Division

CFD: Consumer and Film Division

AM3D: Advanced Materials and 3D Printing Technology Division

EBPD: Eastman Business Park Division

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<sup>2</sup> Refer to page 27, footnote 9 of this presentation for the explanation on the calculation of constant currency.



# Cost Update

## Run Rate Cost Progress

	FY 2017 Projection <sup>1</sup>	Year Ended December 31, 2013	% Change
<b>Headcount (actual)<sup>2</sup></b>	<b>6,007</b>	<b>8,797</b>	<b>-32%</b>
<b>Operating Expense</b>	<b>\$263</b>	<b>\$510</b>	<b>-48%</b>
<i>Percent of Revenue<sup>3</sup></i>	<i>17%</i>	<i>22%</i>	
<b>Corporate Costs</b>	<b>\$85</b>	<b>\$153</b>	<b>-44%</b>
<i>Percent of Revenue<sup>3</sup></i>	<i>5%</i>	<i>7%</i>	

<sup>1</sup> Projection calculated as Q3 2017 Year-to-Date run rate

<sup>2</sup> Headcount for FY 2017 Projection represents the actual FTE as of September 30, 2017

<sup>3</sup> Calculated using midpoint of 2017 revenue guidance

2017 Operating Expense Run Rate reduction of 3% compared to 2016 adjusting for the non-cash pension credit



# 2017 YTD Cash Flow

(\$millions)

Primary Drivers of Cash:	
Cash from Operations:	
Net (loss) earnings	
Depreciation and amortization	
Pension income	
Change in fair value of embedded conversion features derivative liability	
Prosper asset remeasurement	
Stock based compensation	
Net gains on sales of businesses/assets	
Non-cash restructuring costs and asset impairments	
(Benefit) provision for deferred income taxes	
Decrease in receivables	
Increase in inventories	
Decrease in trade accounts payable	
Decrease in liabilities excluding borrowings	
Other items, net	
<b>Net cash used in operating activities</b>	
Cash flows from investing activities:	
Additions to properties	
Net proceeds from sales of assets, net	
Net proceeds from sales of marketable securities	
<b>Net cash used in investing activities</b>	
<b>Net cash used in financing activities</b>	
Effect of exchange rate changes on cash	
Net decrease in cash, cash equivalents and restricted cash	

## Nine Months Ended September 30:

2017	2016	Change
\$ (35)	\$ 5	\$ (40)
62	82	(20)
(91)	(110)	19
(42)	-	(42)
12	-	12
7	6	1
(2)	(7)	5
87	20	67
(18)	5	(23)
28	47	(19)
(42)	(9)	(33)
(17)	(11)	(6)
(20)	(59)	39
(6)	(1)	(5)
<b>(77)</b>	<b>(32)</b>	<b>(45)</b>
(28)	(26)	(2)
2	10	(8)
1	-	1
<b>(25)</b>	<b>(16)</b>	<b>(9)</b>
<b>(19)</b>	<b>(20)</b>	<b>1</b>
9	2	7
<b>\$ (112)</b>	<b>\$ (66)</b>	<b>\$ (46)</b>
\$ (112)	\$ (66)	\$ (46)
20	9	11
<b>\$ (92)</b>	<b>\$ (57)</b>	<b>\$ (35)</b>

\$21M Decrease in Cash Flow from Net Earnings

\$24M Decline in Cash Flow from Balance Sheet Changes

Net decrease in cash, cash equivalents and restricted cash  
 Net decrease in restricted cash  
 Net decrease in cash, cash equivalents





# 2017 Cash Outlook

(\$ millions)

Operational EBITDA	\$60 - \$65
Working Capital	0
ABL Cash Collateral Requirement Reduction	20
Interest and Dividend Payments	(40)
Capital Expenditures*	(35)
Legacy Payments	(32)
Cash Paid for Taxes (primarily outside U.S.)	(25)
Restructuring Payments	(15)
Other	(5)
Cash (Use)	<u>\$(70) - \$(60)</u>

- Projected cash balance at year end 2017 of \$360M to \$370M
- Legacy Payments include Foreign Pension of \$15 million, Workers Compensation of \$10 million, and payment of the contingent consideration related to the sale of a business
- Working Capital is defined as the change in Trade Accounts Receivable plus the change in Trade Accounts Payable plus the change in Net Inventories

\* Capital expenditures include \$11 million projected for the FLEXCEL NX packaging plate line capacity expansion





**Q&A**



# **CONCLUDING REMARKS**



# APPENDIX

# Non-GAAP Measures

In this third quarter earnings presentation, reference is made to the following non-GAAP financial measures:

- Operational EBITDA;
- Operational EBITDA and Revenues on a constant currency basis;
- Operational EBITDA before Corporate Costs; and
- Improvement in Operating Expenses on a run rate basis adjusted for non-cash pension credit.

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

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA").

This presentation contains a forward-looking estimate of full-year 2017 Operational EBITDA and full-year Cash Generation. Kodak is unable to provide a reconciliation of full-year 2017 Operational EBITDA to a forward-looking estimate of GAAP net income / loss and a reconciliation of full-year Cash Generation to changes in cash and cash equivalents because projected GAAP net income / loss for the full year and changes in cash and cash equivalents would require inclusion of the projected impact of future excluded items, including items that are not currently determinable or dependent on future events which may be uncertain or outside of Kodak's control, such as asset sales, asset impairments, foreign exchange gains / losses, changes in the fair value of the conversion option derivative liability, unanticipated items not reflective of ongoing operations, or other items. Due to the uncertainty of the likelihood, amount and timing of any such items, Kodak does not have information available to provide quantitative reconciliations of full-year 2017 projected net income / loss and changes in cash and cash equivalents.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net (Loss) Earnings Attributable to Eastman Kodak Company to Operational EBITDA and Operational EBITDA on a constant currency basis for the three months ended September 30, 2017 and 2016, respectively:

(in millions)

	Q3 2017	Q3 2016	\$ Change	% Change
<b>Net (Loss) Earnings Attributable to Eastman Kodak Company (GAAP basis)</b>	<b>\$ (46)</b>	<b>\$ 16</b>	<b>\$ (62)</b>	<b>-388%</b>
Net loss attributable to noncontrolling interests (1)	-	(4)	4	-100%
Net (loss) earnings	\$ (46)	\$ 12	\$ (58)	-483%
All Other (2)	-	2	(2)	-100%
Corporate components of pension and OPEB income (3)	(37)	(40)	3	-8%
Depreciation and amortization	21	25	(4)	-16%
Restructuring costs and other (4)	5	2	3	150%
Stock based compensation	2	3	(1)	-33%
Consulting and other costs (5)	2	3	(1)	-33%
Manufacturing costs originally planned to be absorbed by silver metal mesh touch screen production (7)	-	1	(1)	-100%
Other operating expense (income), net (1)	20	(6)	26	-433%
Goodwill impairment loss (1)	56	-	56	n/a
Interest expense (1)	8	16	(8)	-50%
Other (income) charges, net (1)	(4)	1	(5)	-500%
(Benefit) provision for income taxes (1)	(13)	3	(16)	-533%
Equity in loss of equity method investment, net of income taxes (1)	1	-	1	n/a
<b>Operational EBITDA</b>	<b>\$ 15</b>	<b>\$ 22</b>	<b>\$ (7)</b>	<b>-32%</b>
Impact of foreign exchange (8)	(1)	-	(1)	-
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ 14</b>	<b>\$ 22</b>	<b>\$ (8)</b>	<b>-36%</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net (Loss) Earnings Attributable to Eastman Kodak Company to Operational EBITDA and Operational EBITDA on a constant currency basis for the nine months ended September 30, 2017 and 2016, respectively:

(in millions)

	<u>Q3 YTD 2017</u>	<u>Q3 YTD 2016</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Net (Loss) Earnings Attributable to Eastman Kodak Company (GAAP basis)</b>	<b>\$ (35)</b>	<b>\$ 5</b>	<b>\$ (40)</b>	<b>-800%</b>
Net loss attributable to noncontrolling interests (1)	-	-	-	n/a
Net (loss) earnings	\$ (35)	\$ 5	\$ (40)	-800%
All Other (2)	-	(2)	2	-100%
Corporate components of pension and OPEB income (3)	(108)	(121)	13	-11%
Depreciation and amortization	62	82	(20)	-24%
Restructuring costs and other (4)	29	13	16	123%
Stock based compensation	7	6	1	17%
Consulting and other costs (5)	3	6	(3)	-50%
Idle costs (6)	2	2	-	0%
Manufacturing costs originally planned to be absorbed by silver metal mesh touch screen production (7)	-	2	(2)	-100%
Other operating expense, net (1)	32	2	30	1500%
Goodwill impairment loss (1)	56	-	56	n/a
Interest expense (1)	24	48	(24)	-50%
Other (income) charges, net (1)	(33)	3	(36)	-1200%
(Benefit) provision for income taxes (1)	(6)	16	(22)	-138%
Equity in loss of equity method investment, net of income taxes (1)	1	-	1	n/a
Loss from discontinued operations, net of income taxes (1)	3	2	1	50%
<b>Operational EBITDA</b>	<b>\$ 37</b>	<b>\$ 64</b>	<b>\$ (27)</b>	<b>-42%</b>
Impact of foreign exchange (9)	2	-	2	-
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ 39</b>	<b>\$ 64</b>	<b>\$ (25)</b>	<b>-39%</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following tables reconcile the most directly comparable GAAP measure of Operational EBITDA (Segment Measure) to Operational EBITDA before Corporate Costs for each Division for the three months ended September 30, 2017 and 2016, respectively:

(in millions)

For the Three Months Ended September 30, 2017

	Print Systems	Enterprise Inkjet Systems	Flexographic Packaging	Software and Solutions	Consumer and Film	Advanced Materials and 3D Printing Technology	Eastman Business Park	Total
Operational EBITDA (Segment Measure)	\$ 13	\$ 1	\$ 7	\$ 1	\$ (2)	\$ (6)	\$ 1	\$ 15
Corporate SG&A	11	2	1	2	3	-	-	19
<b>Operational EBITDA Before Corporate Costs</b>	<b>\$ 24</b>	<b>\$ 3</b>	<b>\$ 8</b>	<b>\$ 3</b>	<b>\$ 1</b>	<b>\$ (6)</b>	<b>\$ 1</b>	<b>\$ 34</b>

(in millions)

For the Three Months Ended September 30, 2016

	Print Systems	Enterprise Inkjet Systems	Flexographic Packaging	Software and Solutions	Consumer and Film	Advanced Materials and 3D Printing Technology	Eastman Business Park	Total
Operational EBITDA (Segment Measure)	\$ 27	\$ (8)	\$ 7	\$ -	\$ 1	\$ (6)	\$ 1	\$ 22
Corporate SG&A	12	3	2	2	2	-	-	21
<b>Operational EBITDA Before Corporate Costs</b>	<b>\$ 39</b>	<b>\$ (5)</b>	<b>\$ 9</b>	<b>\$ 2</b>	<b>\$ 3</b>	<b>\$ (6)</b>	<b>\$ 1</b>	<b>\$ 43</b>

Refer to Page 27 of this presentation for footnote explanations.





# Non-GAAP Measures

The following tables reconcile the most directly comparable GAAP measure of Operational EBITDA (Segment Measure) to Operational EBITDA before Corporate Costs for each Division for the nine months ended September 30, 2017 and 2016, respectively:

(in millions)

For the Nine Months Ended September 30, 2017

	Print Systems	Enterprise Inkjet Systems	Flexographic Packaging	Software and Solutions	Consumer and Film	Advanced Materials and 3D Printing Technology	Eastman Business Park	Total
Operational EBITDA (Segment Measure)	\$ 42	\$ 2	\$ 21	\$ -	\$ (10)	\$ (21)	\$ 3	\$ 37
Corporate SG&A	36	6	5	5	10	-	1	63
<b>Operational EBITDA Before Corporate Costs</b>	<b>\$ 78</b>	<b>\$ 8</b>	<b>\$ 26</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ (21)</b>	<b>\$ 4</b>	<b>\$ 100</b>

(in millions)

For the Nine Months Ended September 30, 2016

	Print Systems	Enterprise Inkjet Systems	Flexographic Packaging	Software and Solutions	Consumer and Film	Advanced Materials and 3D Printing Technology	Eastman Business Park	Total
Operational EBITDA (Segment Measure)	\$ 67	\$ (18)	\$ 17	\$ (1)	\$ 18	\$ (21)	\$ 2	\$ 64
Corporate SG&A	36	8	5	5	8	1	-	63
<b>Operational EBITDA Before Corporate Costs</b>	<b>\$ 103</b>	<b>\$ (10)</b>	<b>\$ 22</b>	<b>\$ 4</b>	<b>\$ 26</b>	<b>\$ (20)</b>	<b>\$ 2</b>	<b>\$ 127</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following tables reconcile the most directly comparable GAAP measures of Selling, General and Administrative Expenses and Research and Development Costs to the Improvement in Operating Expenses on a run rate basis adjusted for non-cash pension credit for the nine and twelve months ended September 30, 2017 and December 31, 2016, respectively:

	Q3 YTD 2017	FY 2017 Annual Run Rate	FY 2016 As Reported	Prosper Discontinued Operations Reclass (10)	FY 2016 As Adjusted (Unaudited)	YTD 2017 Annual Run Rate vs FY 2016 As Adjusted - % Change
<b>Selling, General and Administrative Expenses (GAAP basis)</b>	\$ 155	\$ 207	\$ 172	\$ 26	\$ 198	4%
Corporate components of pension and OPEB income (3)	35	47	60	-	60	-22%
<b>Operational SG&amp;A</b>	<b>\$ 190</b>	<b>\$ 253</b>	<b>\$ 232</b>	<b>\$ 26</b>	<b>\$ 258</b>	<b>-2%</b>

	Q3 YTD 2017	Annual Run Rate	FY 2016 As Reported	Prosper Discontinued Operations Reclass (10)	FY 2016 As Adjusted (Unaudited)	YTD 2017 Annual Run Rate vs FY 2016 As Adjusted - % Change
<b>Research and Development Costs (GAAP basis)</b>	\$ 42	\$ 56	\$ 40	\$ 20	\$ 60	-7%
Corporate components of pension and OPEB income (3)	12	16	19	-	19	-16%
<b>Operational R&amp;D</b>	<b>\$ 54</b>	<b>\$ 72</b>	<b>\$ 59</b>	<b>\$ 20</b>	<b>\$ 79</b>	<b>-9%</b>

	Q3 YTD 2017	Annual Run Rate	FY 2016 As Reported	Prosper Discontinued Operations Reclass (10)	FY 2016 As Adjusted (Unaudited)	YTD 2017 Annual Run Rate vs FY 2016 As Adjusted - % Change
<u>Total Operating Expenses (in millions)</u>						
Operational SG&A	\$ 190	\$ 253	\$ 232	\$ 26	\$ 258	-2%
Operational R&D	54	72	59	20	79	-9%
<b>Total Operating Expenses</b>	<b>\$ 244</b>	<b>\$ 325</b>	<b>\$ 291</b>	<b>\$ 46</b>	<b>\$ 337</b>	<b>-3%</b>

Refer to Page 27 of this presentation for footnote explanations.



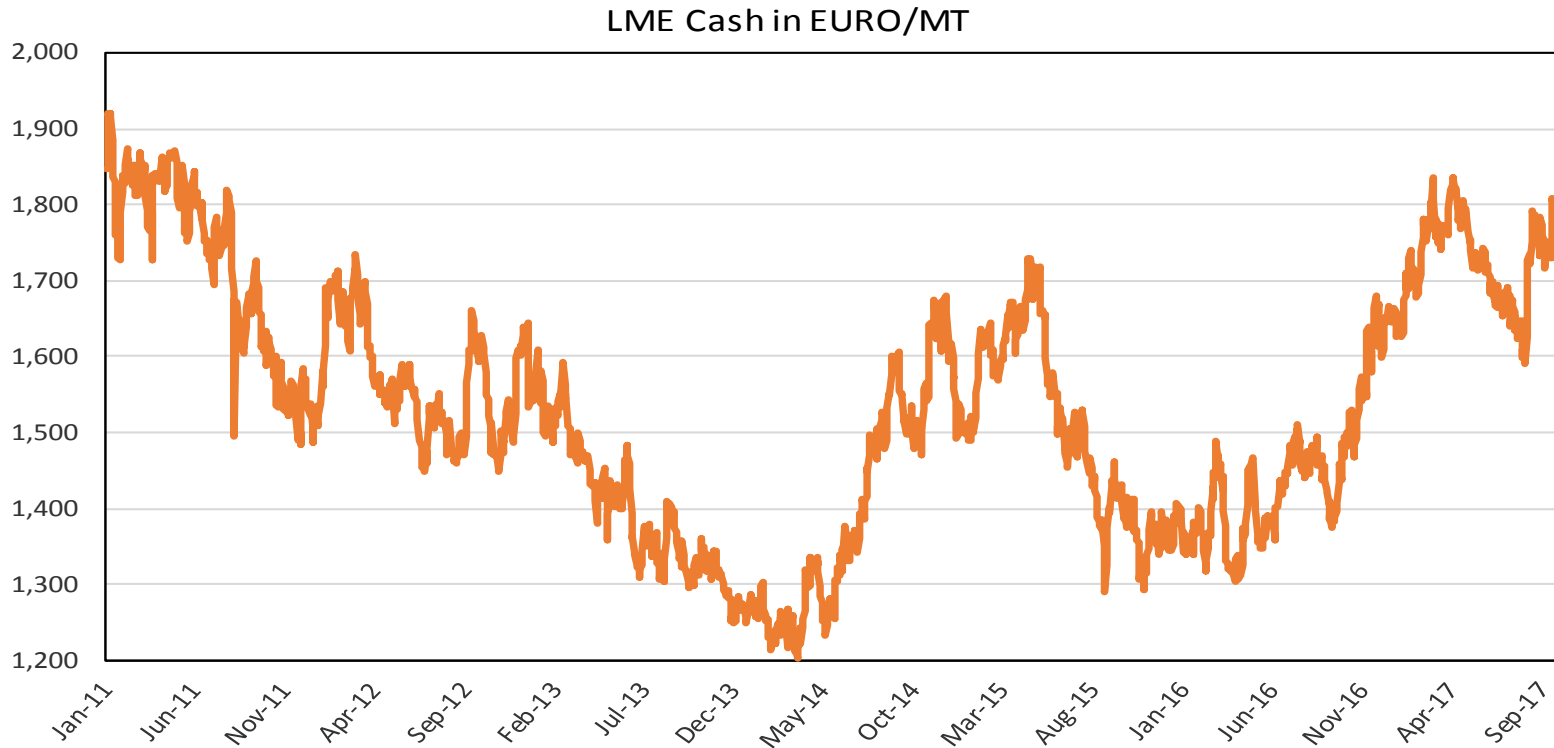
# Non-GAAP Measures

## Footnote Explanations:

- (1) As reported in the Consolidated Statement of Operations.
- (2) RED utilities variable interest entity, which was deconsolidated on December 31, 2016 (interest and depreciation of RED are included in the respective lines in the table).
- (3) Composed of interest cost, expected return on plan assets, amortization of actuarial gains and losses, and curtailment and settlement components of pension and other postretirement benefit expenses.
- (4) Restructuring costs and other as reported in the Consolidated Statement of Operations plus \$1 million and \$7 million of inventory write-downs included in cost of revenues for the three and nine months ended September 30, 2017.
- (5) Consulting and other costs are professional services and internal costs associated with certain corporate strategic initiatives.
- (6) Consist 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.
- (7) Consists of manufacturing costs originally planned to be absorbed by silver metal mesh touch screen production that are excluded from the segment measure of profit and loss.
- (8) The impact of foreign exchange represents the foreign exchange impact using average foreign exchange rates for the three months ended September 30, 2016, rather than the actual exchange rates in effect for the three months ended September 30, 2017.
- (9) The impact of foreign exchange represents the foreign exchange impact using average foreign exchange rates for the nine months ended September 30, 2016, rather than the actual exchange rates in effect for the nine months ended September 30, 2017.
- (10) The results of the Prosper business were previously presented as discontinued operations. As the held for sale criteria were no longer met as of March 31, 2017, the results of the Prosper business have been reclassified from discontinued operations to continuing operations.



# ALUMINUM PRICE (LME): 1/1/11 – 9/29/17





Thank You