

# Third Quarter 2016 Earnings Call

November 9, 2016

## 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, 2015, as amended, under the headings “Risk Factors” and “Legal Proceedings,” in Exhibits 99.1 and 99.3 to Kodak’s Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the “SEC”) on August 9, 2016 under the headings “Business” and “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, 2016, June 30, 2016 and September 30, 2016, and in other filings Kodak makes with the SEC from time to time, as well as the following: Kodak’s ability to comply with the covenants in its 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 businesses or operations, including the Prosper business, 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 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, including as a result of any failure of the conditions to closing for Kodak’s sale of preferred stock to investment funds managed by Southeastern Asset Management, Inc. to be satisfied or such transaction not being consummated even if such conditions are satisfied; 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 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 2016 and FY 2016 Guidance**  
**Jeff Clarke, Chief Executive Officer**
- **2016 Third Quarter Results and Financial Review**  
**David Bullwinkle, Chief Financial Officer**
- **Concluding Remarks and Q&A**  
**David Bullwinkle, Jeff Clarke**



- **Welcome**
- **Quarter and Year-to-Date Performance**
- **Division Overview**
- **2016 Guidance**



## **CEO PERSPECTIVE**

# Third Quarter and Year-to-Date 2016 Results

Total Company					
(\$ millions)					
	Q3 2016	Q3 2015	YTD 2016	YTD 2015	2016 Guidance
Revenue	\$380	\$425	\$1,139	\$1,270	\$1,500 - \$1,700
Operational EBITDA <sup>1</sup>	\$35	\$47	\$98	\$112	\$135 - \$150
Year over Year Change - B/(W)					
Revenue (\$)		(\$45)		(\$131)	
Operational EBITDA (\$)		(\$12)		(\$14)	
Revenue (%)		-11%		-10%	
Operational EBITDA (%)		-26%		-13%	
Comparable Basis (excluding FX impact) <sup>2</sup>					
Revenue	\$379	\$425	\$1,144	\$1,270	
Year over Year Change - B/(W)	(\$46)		(\$126)		
Comparable Basis (excluding FX impact) <sup>2</sup>					
Operational EBITDA	\$38	\$47	\$107	\$112	
Year over Year Change - B/(W)	(\$9)		(\$5)		

2015 results restated for Discontinued Operations

This document should be read in conjunction with Eastman Kodak Company's Form 10-Q filing for the quarter ended September 30, 2016.

<sup>1</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 17. Segment Information of Kodak's Form 10-Q filed November 9, 2016.

<sup>2</sup> Refer to page 31, footnote 2 of this presentation for the explanation on the calculation of constant currency.



# Third Quarter 2016 and Year-to-Date Quality of Earnings

	(\$ millions)	Q3 2016	Q3 2015	\$ Change	% Change	YTD 2016	YTD 2015	\$ Change	% Change
Operational EBITDA		\$ 35	\$ 47	\$ (12)		\$ 98	\$ 112	\$ (14)	
Year over year impact of foreign exchange <sup>1</sup>		3	-	3		9	-	9	
<b>Operational EBITDA on a constant currency basis</b>		<b>38</b>	<b>47</b>	<b>(9)</b>	<b>-19%</b>	<b>107</b>	<b>112</b>	<b>(5)</b>	<b>-4%</b>
Consumer Inkjet Operational EBITDA before Corporate Costs		5	11	(6)		19	36	(17)	
<b>Adjusted Operational EBITDA on a constant currency basis</b>		<b>\$ 33</b>	<b>\$ 36</b>	<b>\$ (3)</b>	<b>-8%</b>	<b>\$ 88</b>	<b>\$ 76</b>	<b>\$ 12</b>	<b>16%</b>
<i>Discontinued Operations:</i>									
PROSPER EBITDA		(9)	(3)	(6)		(23)	(22)	(1)	
Overhead Previously Allocated to PROSPER		(4)	(5)	1		(12)	(16)	4	
Subtotal		(13)	(8)	(5)		(35)	(38)	3	
<b>Adjusted Operational EBITDA on a constant currency basis including Discontinued Operations &amp; Overhead</b>		<b>\$ 20</b>	<b>\$ 28</b>	<b>\$ (8)</b>		<b>\$ 53</b>	<b>\$ 38</b>	<b>\$ 15</b>	

Operational EBITDA adjusted for currency and the decline in Consumer Inkjet shows YTD improvement of 24% year over year.

<sup>1</sup> Refer to page 31, footnote 2 of this presentation for the explanation on the calculation of constant currency.



# Third Quarter 2016 Financial Summary by Division

(\$ millions)

Q3 2016 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 250	\$ 18	\$ 34	\$ 20	\$ 54	\$ -	\$ 4	\$ 380
Operational EBITDA b/f corp costs	39	5	6	3	3	(3)	1	54
Corporate SGA	<u>12</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>19</u>
Operational EBITDA	27	4	4	1	1	(3)	1	35

Q3 2015 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 278	\$ 18	\$ 32	\$ 30	\$ 64	\$ -	\$ 3	\$ 425
Operational EBITDA b/f corp costs	41	3	7	4	14	(4)	1	66
Corporate SGA	<u>12</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>19</u>
Operational EBITDA	29	2	6	2	12	(4)	-	47

Q3 2016 Actuals vs. Q3 2015 Actuals B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (28)	\$ -	\$ 2	\$ (10)	\$ (10)	\$ -	\$ 1	\$ (45)
Operational EBITDA b/f corp costs	(2)	2	(1)	(1)	(11)	1	-	(12)
Corporate SGA	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Operational EBITDA	(2)	2	(2)	(1)	(11)	1	1	(12)

Q3 2016 Actuals on constant currency vs. Q3 2015 Actuals B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (31)	\$ -	\$ 3	\$ (10)	\$ (9)	\$ -	\$ 1	\$ (46)
Operational EBITDA	(2)	2	-	(1)	(10)	1	1	(9)

PSD: Print Systems Division

EISD: Enterprise Inkjet Solutions Division

MPPD: Micro 3D Printing and Packaging Division

SSD: Software and Solutions Division

CFD: Consumer and Film Division

IPSD: Intellectual Property Solutions Division

EBPD: Eastman Business Park Division

<sup>1</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 17. Segment Information of Kodak's Financial Statement included in its Form 10-Q. Refer to page 31, footnote 2 of this presentation for the explanation on the calculation of constant currency.



# KODAK PROSPER Momentum

- Annuity revenue improved year over year by 41% for the third quarter reaching an annualized run rate of \$56 million
- Mix of equipment revenue impacts gross profit in Q3 2016 where we sold 4 PROSPER 6000s bringing the install base to 63 press systems
- The three-month and nine-month periods ended September 30, 2016 includes \$5 million of costs for under-performing assets
- EBITDA for the nine-month period ended September 30, 2016 includes \$3 million of Drupa investment
- Kodak continues to invest in ULTRASTREAM, our next-generation inkjet technology platform

(\$ millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues	\$ 29	\$ 21	\$ 68	\$ 61
Cost of sales	27	16	58	60
Gross Margin (\$)	2	5	10	1
Gross Margin (%)	7%	24%	15%	2%
Selling, general and administrative expenses	6	7	20	16
Research and development expenses	5	4	16	15
Loss from discontinued operations, before income taxes	(9)	(6)	(26)	(30)
Depreciation and amortization	-	3	3	8
EBITDA	\$ (9)	\$ (3)	\$ (23)	\$ (22)

Trailing Twelve Months Q3 2016 PROSPER revenues were \$96 million, up \$20 million or 26% on a constant currency<sup>1</sup> basis

<sup>1</sup> The impact of foreign exchange has been computed using average foreign exchange rates for each quarter of the TTM period compared to the prior year quarter.





# KODAK PROSPER Momentum

- Sales of PROSPER systems generate future annuity revenues.
- Trailing twelve months recurring revenue grew 36% year over year.

	Trailing Twelve Months Ended September 30		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
PROSPER Install Base (Units)	38	50	63
Imprinting Systems (Units)	892	1,090	1,260
Recurring Revenues (\$ millions)	\$27	\$34	\$46
% Change		23%	36%

Trailing Twelve Months Q3 2016 recurring revenues were \$46 million,  
an increase of \$12 million or 36%



# 2016 Guidance

(\$ millions)	
<b>Revenue</b>	<b>2016 Full Year Guidance</b> \$1,500 - \$1,700
<b>Operational EBITDA</b>	\$135 - \$150

Operational EBITDA includes \$6M of currency headwind which the Company expects to overcome.





# FINANCIAL OVERVIEW

- **Capital Structure Developments**
- **Year-to-Date Financial Results**
- **Cost Reduction Update**
- **Cash Performance**

# Series A Preferred Stock

- On November 7, 2016, Kodak signed an agreement for a \$200 million investment in Series A Preferred Stock of the Company by funds managed by Southeastern Asset Management
  - 5-year maturity with redemption in cash at par
  - 5.5% annual dividend payable quarterly in cash
  - Convertible into Common Stock at an initial conversion price of \$17.40, which is subject to anti-dilution adjustments
  - Mandatorily convertible at Company's election after 2nd anniversary if share price is at least \$21.75 for 45 days in a period of 60 consecutive trading days
  - Preferred holders are entitled to vote on all matters Common Stock holders vote on
  - Initial Purchasers have a non-transferable right to nominate Kodak Board members proportional to shareholding on an as-converted basis
- Proceeds of \$200 million plus cash on hand will be used to fully prepay \$262 million, 10.75%, Senior Secured Second Lien Term Notes maturing in September 2020

Improves capital structure, increases operational flexibility and provides annual cash savings of approximately \$17 million



# 2015 to 2016 YTD Net Earnings Improvement

(\$ millions)

Income (loss) from continuing operations before income taxes  
 Provision for income taxes  
 Income (loss) from continuing operations  
 Loss from discontinued operations, net of income taxes  
 Net earnings (loss)

Three Months Ended September 30,	
2016	2015
\$ 26	\$ 8
4	14
22	(6)
(10)	(15)
<b>\$ 12</b>	<b>\$ (21)</b>

**Improvement  
of \$33 million**

Nine Months Ended September 30,	
2016	2015
\$ 50	\$ (31)
16	27
34	(58)
(29)	(40)
<b>\$ 5</b>	<b>\$ (98)</b>

**Improvement  
of \$103 million**

Significant improvement in GAAP earnings for Q3 and year to date 2016 driven by operational improvements, including depreciation and amortization expense reduction as well as pension income.



# Year-to-Date 2016 Financial Summary by Division

(\$ millions)

YTD 2016 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 739	\$ 57	\$ 98	\$ 63	\$ 171	\$ -	\$ 11	\$ 1,139
Operational EBITDA b/f corp costs	103	17	13	6	26	(11)	2	156
Corporate SGA	<u>36</u>	<u>3</u>	<u>6</u>	<u>5</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>58</u>
Operational EBITDA	67	14	7	1	18	(11)	2	98

YTD 2015 Actuals	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ 815	\$ 62	\$ 96	\$ 85	\$ 202	\$ -	\$ 10	\$ 1,270
Operational EBITDA b/f corp costs	100	17	15	11	46	(18)	2	173
Corporate SGA	<u>38</u>	<u>3</u>	<u>5</u>	<u>6</u>	<u>8</u>	<u>-</u>	<u>1</u>	<u>61</u>
Operational EBITDA	62	14	10	5	38	(18)	1	112

YTD 2016 Actuals vs. YTD 2015 Actuals B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (76)	\$ (5)	\$ 2	\$ (22)	\$ (31)	\$ -	\$ 1	\$ (131)
Operational EBITDA b/f corp costs	3	-	(2)	(5)	(20)	7	-	(17)
Corporate SGA	<u>2</u>	<u>-</u>	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>3</u>
Operational EBITDA	5	-	(3)	(4)	(20)	7	1	(14)

YTD 2016 Actuals on constant currency vs. YTD 2015 Actuals B/(W)	PSD	EISD	MPPD	SSD	CFD	IPSD	EBPD	Total EK
Revenue	\$ (77)	\$ (5)	\$ 5	\$ (21)	\$ (29)	\$ -	\$ 1	\$ (126)
Operational EBITDA	7	-	2	(4)	(18)	7	1	(5)

PSD: Print Systems Division

EISD: Enterprise Inkjet Solutions Division

MPPD: Micro 3D Printing and Packaging Division

SSD: Software and Solutions Division

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<sup>1</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 17. Segment Information of Kodak's Financial Statement included in its Form 10-Q. Refer to page 31, footnote 2 of this presentation for the explanation on the calculation of constant currency.



# Cost Reduction Update

## Year over Year Operating Expense Reductions

<i>(\$ in millions)</i>	Quarter Ended September 30, 2015	Quarter Ended September 30, 2016	Year over Year Change (%)
Headcount	6,539	6,055	-7%
SG&A and R&D Expenses <i>Total</i>	63	54	-14%

### Drivers of Change:

Reduction in Headcount year over year by approximately 7%  
Streamlining and simplification of processes



# Third Quarter 2016 Cash Performance

(\$ millions)	
<b>Quarter Ended June 30, 2016</b>	<b>\$ 513</b>
<b>Primary drivers of cash:</b>	
Operational EBITDA	35
Release of restricted cash	3
Cash provided by Working Capital (Continuing Operations Only)	1
Interest Payments	(16)
Capital Expenditures, "CapEx"	(12)
Reorganization, Other Legacy and Restructuring Related Payments	(9)
Cash Income Taxes, net	(6)
Other	6
<b>Cash Used Before Discontinued Operations and Debt Prepayments</b>	<b>2</b>
Debt Prepayments	(18)
Cash Used in Discontinued Operations, "Disc Ops" <sup>1</sup>	(8)
<b>Quarter Ended September 30, 2016</b>	<b>\$ 489</b>

<sup>1</sup> Cash Used in Disc Ops is defined as PROSPER EBITDA plus Overhead expenses +/- Change in Working Capital less CapEx





# YTD Year-over-Year Cash Flow Improvement

(\$millions)

## Primary Drivers of Cash:

### Cash from Operations:

#### Net earnings (loss)

Depreciation and amortization

Pension and other postretirement income

Non-cash restructuring costs, asset impairments and other charges, net

Stock based compensation

Other

Payment of claims

Decrease in receivables

Increase in inventories

Decrease in liabilities excluding borrowings

Other

#### Net cash used in operating activities

### Cash flows from investing activities:

Release (funding) of restricted cash

Other

#### Net cash used in investing activities

### Cash flows from financing activities:

Repayment of emergence credit facilities

Other

#### Net cash used in financing activities

Effect of exchange rate changes on cash

Net decrease in cash and cash equivalents

YTD 2016 YTD 2015 Change

\$	5	\$	(98)	\$	103
	82		113		(31)
	(110)		(81)		(29)
	20		7		13
	6		17		(11)
	(7)		(7)		-
	-		(10)		10
	47		12		35
	(9)		(40)		31
	(70)		(65)		(5)
	4		9		(5)
	<b>(32)</b>		<b>(143)</b>		<b>111</b>
	9		(6)		15
	(16)		(23)		7
	<b>(7)</b>		<b>(29)</b>		<b>22</b>
	(20)		(3)		(17)
	-		(2)		2
	<b>(20)</b>		<b>(5)</b>		<b>(15)</b>
	2		(14)		16
\$	<b>(57)</b>	\$	<b>(191)</b>	\$	<b>134</b>

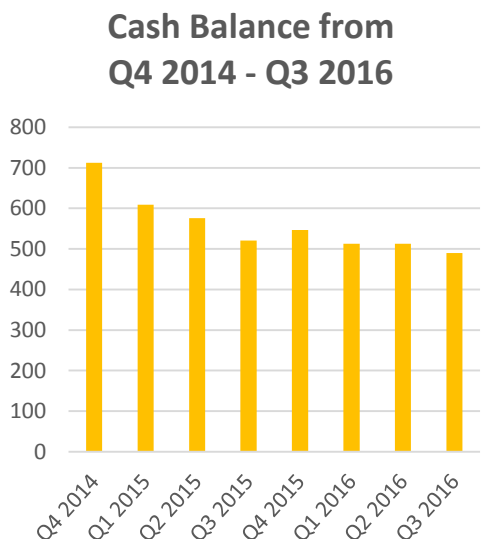
\$45M Improvement  
in Cash Flow from  
Net Earnings

\$66M Improvement  
in Cash Flow from  
Balance Sheet Changes



# Fourth Quarter 2014 through Third Quarter 2016 Cash Flow

(\$ in millions)



	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Beginning Cash Balance <sup>1</sup>	744	712	609	576	521	547	513	515
Cash Flow - Generation/(Use)	(31)	(102)	(32)	(54)	27	(33)	3	(7)
Debt Payments <sup>1</sup>	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(18)
Ending Cash Balance <sup>1</sup>	712	609	576	521	547	513	515	490

\$219M cash use  
(excluding Debt Payments)

\$10M cash use  
(excluding Debt Payments)

<sup>1</sup> Beginning Cash Balance reconciles to the *Cash and cash equivalents, beginning of period* and Ending Cash Balance reconciles to the *Cash and cash equivalents, end of period* in the Company's Consolidated Statement of Cash Flows on Form 10-Q filed November 9, 2016. Debt Payments reconciles to *Repayment of emergence credit facilities* on the Consolidated Statement of Cash Flows.





Q&A



## CONCLUDING REMARKS

# Key Messages

- The Company was profitable on a GAAP basis in the third quarter
- The Company's performance represents an improving quality of earnings offsetting the reduction in profit in the Consumer Inkjet business
- We are executing well in the PROSPER business
- Cash performance has improved significantly year over year as the quality of earnings has improved
- The Company's capital structure is significantly stronger as a result of a Purchase Agreement with Southeastern Asset Management, Inc. for Series A Preferred Stock, resulting in \$17M in annual interest expense savings





# APPENDIX

# Non-GAAP Measures

In this third quarter 2016 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 on a constant currency basis excluding Consumer Inkjet Operational EBITDA before Corporate Costs;
- Operational EBITDA on a constant currency basis including Prosper EBITDA and overhead costs previously allocated to Prosper but excluding Consumer Inkjet Operational EBITDA before Corporate Costs;
- Operational EBITDA before Corporate Costs;
- Packaging Business Operational EBITDA before Corporate Costs on a constant currency basis;
- Micro 3D Printing Operational EBITDA before Corporate Costs;
- Consumer Inkjet Operational EBITDA before Corporate Costs; and
- Prosper EBITDA;

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 also contains a forward-looking estimate of full year 2016 Operational EBITDA. Kodak is unable to provide a reconciliation of full year 2016 Operational EBITDA to a forward-looking estimate of GAAP Net income / loss because projected GAAP net income / loss for the full year 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 impairments, foreign exchange gains / losses, unanticipated non-recurring 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 a quantitative reconciliation of full year 2016 projected net income/loss to an Operational EBITDA projection.



# Non-GAAP Measures

The following table reconciles Operational EBITDA on a constant currency basis including Prosper EBITDA and overhead costs previously allocated to Prosper but excluding Consumer Inkjet Operational EBITDA before Corporate Costs, Operational EBITDA on a constant currency basis excluding Consumer Inkjet Operational EBITDA before Corporate Costs, Operational EBITDA on a constant currency basis and Operational EBITDA to the most directly comparable GAAP measure of Net Income (Loss) Attributable to Eastman Kodak Company for the three months ended September 30, 2016 and 2015, respectively:

(in millions)

	Q3 2016	Q3 2015	\$ Change	% Change
<b>Operational EBITDA on a constant currency basis including Prosper EBITDA and overhead costs previously allocated to Prosper but excluding Consumer Inkjet Operational EBITDA before Corporate Costs</b>	<b>\$ 20</b>	<b>\$ 28</b>	<b>\$ (8)</b>	<b>-29%</b>
Less: Overhead supporting, but not directly absorbed by discontinued operations (1)	(4)	(5)	1	-20%
Less: Prosper EBITDA	(9)	(3)	(6)	200%
<b>Operational EBITDA on a constant currency basis excluding Consumer Inkjet Operational EBITDA before Corporate Costs</b>	<b>\$ 33</b>	<b>\$ 36</b>	<b>\$ (3)</b>	<b>-8%</b>
Consumer Inkjet Operational EBITDA before Corporate Costs	5	11	(6)	-55%
<b>Operational EBITDA on a constant currency basis</b>	<b>38</b>	<b>47</b>	<b>(9)</b>	<b>-19%</b>
Impact of foreign exchange (2)	(3)			
<b>Operational EBITDA</b>	<b>\$ 35</b>	<b>\$ 47</b>	<b>\$ (12)</b>	<b>-26%</b>
All Other (3)	(3)	1	(4)	-400%
Corporate components of pension and OPEB income (4)	40	34	6	18%
Depreciation and amortization	(25)	(33)	8	-24%
Restructuring costs and other (5)	(1)	(6)	5	-83%
Overhead supporting, but not directly absorbed by discontinued operations (1)	(4)	(5)	1	-20%
Stock-based compensation	(3)	(5)	2	-40%
Consulting and other costs (6)	(1)	(5)	4	-80%
Manufacturing costs originally planned to be absorbed by silver metal mesh touch screen production (8)	(1)	-	(1)	n/a
Other operating income (expense), net excluding gain related to UniPixel termination (9)	6	(1)	7	-700%
Interest expense (10)	(16)	(16)	-	0%
Other charges, net (10)	(1)	(3)	2	-67%
Income from continuing operations before income taxes	26	8	18	225%
Provision for income taxes (10)	4	14	(10)	-71%
Income (loss) from continuing operations	22	(6)	28	-467%
Loss from discontinued operations, net of income taxes (10)	(10)	(15)	5	-33%
Net income (loss)	12	(21)	33	-157%
Less: Net (loss) income attributable to noncontrolling interests (10)	(4)	1	(5)	-500%
<b>Net Income (Loss) Attributable to Eastman Kodak Company (GAAP basis)</b>	<b>\$ 16</b>	<b>\$ (22)</b>	<b>\$ 38</b>	<b>-173%</b>

Refer to Page 31 of this presentation for footnote explanations.





# Non-GAAP Measures

The following table reconciles Operational EBITDA on a constant currency basis including Prosper EBITDA and overhead costs previously allocated to Prosper but excluding Consumer Inkjet Operational EBITDA before Corporate Costs, Operational EBITDA on a constant currency basis excluding Consumer Inkjet Operational EBITDA before Corporate Costs, Operational EBITDA on a constant currency basis and Operational EBITDA to the most directly comparable GAAP measure of Net Income (Loss) Attributable to Eastman Kodak Company for the nine months ended September 30, 2016 and 2015, respectively:

(in millions)

	YTD 2016	YTD 2015	\$ Change	% Change
<b>Operational EBITDA on a constant currency basis including Prosper EBITDA and overhead costs previously allocated to Prosper but excluding Consumer Inkjet Operational EBITDA before Corporate Costs</b>	<b>\$ 53</b>	<b>\$ 38</b>	<b>\$ 15</b>	<b>39%</b>
Less: Overhead supporting, but not directly absorbed by discontinued operations (1)	(12)	(16)	4	-25%
Less: Prosper EBITDA	(23)	(22)	(1)	5%
<b>Operational EBITDA on a constant currency basis excluding Consumer Inkjet Operational EBITDA before Corporate Costs</b>	<b>\$ 88</b>	<b>\$ 76</b>	<b>\$ 12</b>	<b>16%</b>
Consumer Inkjet Operational EBITDA before Corporate Costs	19	36	(17)	-47%
<b>Operational EBITDA on a constant currency basis</b>	<b>107</b>	<b>112</b>	<b>(5)</b>	<b>-4%</b>
Impact of foreign exchange (2)	(9)			
<b>Operational EBITDA</b>	<b>\$ 98</b>	<b>\$ 112</b>	<b>\$ (14)</b>	<b>-13%</b>
All Other (3)	2	5	(3)	-60%
Corporate components of pension and OPEB income (4)	121	100	21	21%
Depreciation and amortization	(79)	(105)	26	-25%
Restructuring costs and other (5)	(13)	(28)	15	-54%
Overhead supporting, but not directly absorbed by discontinued operations (1)	(12)	(16)	4	-25%
Stock-based compensation	(6)	(16)	10	-63%
Consulting and other costs (6)	(4)	(12)	8	-67%
Idle costs (7)	(2)	(2)	-	0%
Manufacturing costs originally planned to be absorbed by silver metal mesh touch screen production (8)	(2)	-	(2)	n/a
Other operating expense, net excluding gain related to UniPixel termination (9)	(2)	(3)	1	-33%
Interest expense (10)	(48)	(46)	(2)	4%
Other charges, net (10)	(3)	(15)	12	-80%
Reorganization items, net	-	(5)	5	-100%
Income (Loss) from continuing operations before income taxes	50	(31)	81	-261%
Provision for income taxes (10)	16	27	(11)	-41%
Income (loss) from continuing operations	34	(58)	92	-159%
Loss from discontinued operations, net of income taxes (10)	(29)	(40)	11	-28%
Net income (loss)	5	(98)	103	-105%
Less: Net income attributable to noncontrolling interests (10)	-	6	(6)	-100%
<b>Net Income (Loss) Attributable to Eastman Kodak Company (GAAP basis)</b>	<b>\$ 5</b>	<b>\$ (104)</b>	<b>\$ 109</b>	<b>-105%</b>

Refer to Page 31 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles Prosper EBITDA to the most directly comparable GAAP measure of Loss from discontinued operations, net of income taxes for the three and nine months ended September 30, 2016 and 2015, respectively:

(in millions)

	Q3 2016	Q3 2015	\$ Change	% Change
<b>PROSPER EBITDA</b>	<b>\$ (9)</b>	<b>\$ (3)</b>	<b>\$ (6)</b>	<b>200%</b>
Depreciation and amortization	-	(3)	3	-100%
Provision for income taxes	(1)	(1)	-	0%
PROSPER loss from discontinued operations, net of income taxes	(10)	(7)	(3)	43%
Loss from other discontinued operations	-	(8)	8	-100%
<b>Loss from discontinued operations, net of income taxes (GAAP basis)</b>	<b>\$ (10)</b>	<b>\$ (15)</b>	<b>\$ 5</b>	<b>-33%</b>

(in millions)

	YTD 2016	YTD 2015	\$ Change	% Change
<b>PROSPER EBITDA</b>	<b>\$ (23)</b>	<b>\$ (22)</b>	<b>\$ (1)</b>	<b>5%</b>
Depreciation and amortization	(3)	(8)	5	-63%
(Provision) Benefit for income taxes	(1)	(2)	1	-50%
PROSPER loss from discontinued operations, net of income taxes	(27)	(32)	5	-16%
Loss from other discontinued operations	(2)	(8)	6	n/a
<b>Loss from discontinued operations, net of income taxes (GAAP basis)</b>	<b>\$ (29)</b>	<b>\$ (40)</b>	<b>\$ 11</b>	<b>-28%</b>



## Non-GAAP Measures

The following table reconciles Packaging Business Operational EBITDA before Corporate Costs on a constant currency basis and Micro 3D Printing Operational EBITDA before Corporate Costs to the most directly comparable GAAP measure of Micro 3D Printing and Packaging Division Operational EBITDA (Segment Measure) for the three months ended September 30, 2016 and 2015, respectively:

(in millions)

	Q3 2016	Q3 2015	\$ Change	% Change
<b>Packaging Business Operational EBITDA before Corporate Costs on a constant currency basis</b>	<b>\$ 12</b>	<b>\$ 10</b>	<b>\$ 2</b>	<b>20%</b>
Impact of foreign exchange (2)	(2)	-	(2)	
Packaging Business Operational EBITDA Before Corporate Costs	\$ 10	\$ 10	\$ -	0%
Micro 3D Printing Operational EBITDA before Corporate Costs	(4)	(3)	(1)	33%
Micro 3D Printing and Packaging Division Corporate Costs	(2)	(1)	(1)	100%
<b>Micro 3D Printing and Packaging Operational EBITDA (Segment Measure)</b>	<b>\$ 4</b>	<b>\$ 6</b>	<b>\$ (2)</b>	<b>-33%</b>



# Non-GAAP Measures

The following tables reconcile Operational EBITDA before Corporate Costs for each division to the most directly comparable GAAP measure of Operational EBITDA (Segment Measure) for the three months ended September 30, 2016 and 2015, respectively

(in millions)

For the Three Months Ended September 30, 2016

	Print Systems	Enterprise Inkjet Systems	Micro 3D Printing and Packaging	Software and Solutions	Consumer and Film	Intellectual Property Solutions	Eastman Business Park	Total
Operational EBITDA Before Corporate Costs	\$ 39	\$ 5	\$ 6	\$ 3	\$ 3	\$ (3)	\$ 1	\$ 54
Corporate Costs	12	1	2	2	2	-	-	19
Operational EBITDA (Segment Measure)	<u>\$ 27</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (3)</u>	<u>\$ 1</u>	<u>\$ 35</u>

(in millions)

For the Three Months Ended September 30, 2015

	Print Systems	Enterprise Inkjet Systems	Micro 3D Printing and Packaging	Software and Solutions	Consumer and Film	Intellectual Property Solutions	Eastman Business Park	Total
Operational EBITDA Before Corporate Costs	\$ 41	\$ 3	\$ 7	\$ 4	\$ 14	\$ (4)	\$ 1	\$ 66
Corporate Costs	12	1	1	2	2	-	1	19
Operational EBITDA (Segment Measure)	<u>\$ 29</u>	<u>\$ 2</u>	<u>\$ 6</u>	<u>\$ 2</u>	<u>\$ 12</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ 47</u>

Refer to Page 31 of this presentation for footnote explanations.



# Non-GAAP Measures

The following tables reconcile Operational EBITDA before Corporate Costs for each division to the most directly comparable GAAP measure of Operational EBITDA (Segment Measure) for the nine months ended September 30, 2016 and 2015, respectively

(in millions)

For the Nine Months Ended September 30, 2016

	Print Systems	Enterprise Inkjet Systems	Micro 3D Printing and Packaging	Software and Solutions	Consumer and Film	Intellectual Property Solutions	Eastman Business Park	Total
Operational EBITDA Before Corporate Costs	\$ 103	\$ 17	\$ 13	\$ 6	\$ 27	\$ (11)	\$ 2	\$ 157
Corporate Costs	36	3	6	5	8	-	-	58
Operational EBITDA (Segment Measure)	<u>\$ 67</u>	<u>\$ 14</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 19</u>	<u>\$ (11)</u>	<u>\$ 2</u>	<u>\$ 99</u>

(in millions)

For the Nine Months Ended September 30, 2015

	Print Systems	Enterprise Inkjet Systems	Micro 3D Printing and Packaging	Software and Solutions	Consumer and Film	Intellectual Property Solutions	Eastman Business Park	Total
Operational EBITDA Before Corporate Costs	\$ 100	\$ 17	\$ 15	\$ 11	\$ 46	\$ (18)	\$ 2	\$ 173
Corporate Costs	38	3	5	6	8	-	1	61
Operational EBITDA (Segment Measure)	<u>\$ 62</u>	<u>\$ 14</u>	<u>\$ 10</u>	<u>\$ 5</u>	<u>\$ 38</u>	<u>\$ (18)</u>	<u>\$ 1</u>	<u>\$ 112</u>

Refer to Page 31 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles Consumer Inkjet Operational EBITDA to the most directly comparable GAAP measure of Consumer and Film Division Operational EBITDA (Segment Measure) for the three and nine months ended September 30, 2016 and 2015, respectively:

(in millions)

	Q3 2016	Q3 2015	\$ Change	% Change
<b>Consumer Inkjet Operational EBITDA before Corporate Costs</b>	<b>\$ 5</b>	<b>\$ 11</b>	<b>\$ (6)</b>	<b>-55%</b>
Motion Picture, Industrial Chemicals and Films and Consumer Products Operational EBITDA before Corporate Costs	(2)	3	(5)	-167%
Consumer and Film Division Corporate Costs	(2)	(2)	-	0%
<b>Consumer and Film Division Operational EBITDA (Segment Measure)</b>	<b>\$ 1</b>	<b>\$ 12</b>	<b>\$ (11)</b>	<b>-92%</b>

(in millions)

	YTD 2016	YTD 2015	\$ Change	% Change
<b>Consumer Inkjet Operational EBITDA before Corporate Costs</b>	<b>\$ 19</b>	<b>\$ 36</b>	<b>\$ (17)</b>	<b>-47%</b>
Motion Picture, Industrial Chemicals and Films and Consumer Products Operational EBITDA before Corporate Costs	7	10	(3)	-30%
Consumer and Film Division Corporate Costs	(8)	(8)	-	0%
<b>Consumer and Film Division Operational EBITDA (Segment Measure)</b>	<b>\$ 18</b>	<b>\$ 38</b>	<b>\$ (20)</b>	<b>-53%</b>

Refer to Page 31 of this presentation for footnote explanations.



# Non-GAAP Measures

## Footnote Explanations:

- (1) Primarily consists of costs for shared resources allocated to the Prosper Enterprise Inkjet business discontinued operation in the prior-year periods 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.
- (2) The impact of foreign exchange represents the foreign exchange impact using average foreign exchange rates for the respective periods in 2015 rather than the actual exchange rates in effect for the three and nine months ended September 30, 2016.
- (3) RED utilities variable interest entity (interest and depreciation of RED are included in Depreciation and amortization in the table).
- (4) 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.
- (5) Restructuring costs and other as reported in the Consolidated Statement of Operations plus \$1 million inventory write-down included in cost of revenues for the nine months ended September 30, 2016.
- (6) Consulting and other costs are professional services and other costs associated with certain corporate strategic initiatives.
- (7) 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.
- (8) Consists of manufacturing costs originally planned to be absorbed by silver metal mesh touch screen production that are now excluded from the measure of segment profit and loss.
- (9) In the third quarter of 2015, a \$3 million gain was recognized related to assets that were acquired for no monetary consideration as a part of the termination of the relationship with UniPixel. The gain was reported in Other operating income (expense), net in Consolidated Statement of Operations. Other operating income (expense), net is typically excluded from the segment measure. However, this particular gain was included in the Micro 3D Printing and Packaging segment's earnings for the third quarter of 2015.
- (10) As reported in the Consolidated Statement of Operations.





*George Eastman*

**Kodak**

