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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Eastman Kodak Q4 2017 Earnings Conference Call. (Operator Instructions) As a reminder, this conference is being recorded.

I would now like to introduce your host for today's conference, Bill Love. You may begin.

William G. Love - *Eastman Kodak Company - Director of IR and Treasurer*

Thank you, Gigi, and good afternoon, everyone. My name is Bill Love, and I am Eastman Kodak Company's Treasurer and Director of Investor Relations. Welcome to the Fourth Quarter 2017 Kodak Earnings Call.

At 4:15 p.m. this afternoon, Kodak filed its annual report on Form 10-K and issued its release on financial results for 2017. You may access the presentation and webcast for today's call on our investor center at investor.kodak.com.

During today's call, we will be making certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. All forward-looking statements 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 those forward-looking statements include, among others, the risks, uncertainties and other factors described in more detail in Kodak's filings with the U.S. Securities and Exchange Commission from time to time.

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.

In addition, the release just issued and the presentation provided contains certain measures that are deemed non-GAAP measures. Reconciliations to the most directly comparable GAAP measures have been provided with the release and within the presentation on our website in our Investor Center at investor.kodak.com.

Speakers on today's call are Jeff Clarke, Chief Executive Officer of Kodak; and David Bullwinkle, Chief Financial Officer of Kodak. Jeff will provide some opening remarks, a review of Kodak's financial results and divisional performance for 2017 and guidance for 2018. Then Dave will summarize results for the fourth quarter of 2017, provide an update on cost reductions and a review of 2017 cash performance and provide a cash outlook for 2018 before we open it up for questions.

I will now turn the call over the Kodak's CEO, Jeff Clarke.

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

Thanks, Bill. Welcome, everyone, and thank you for joining the Q4 investor call for Kodak. On the call today, I'll talk about the company and divisional results for the full year 2017. I will also discuss some highlights for the year, challenges we faced and strategies we are taking.

For 2017, Kodak delivered GAAP net income of $129 million in the fourth quarter and $94 million for the year. For the year, we delivered $57 million of operational EBITDA. We ended 2017 with cash of $344 million, down from $434 million at year-end 2016. In 2017, we experienced headwinds in our PSD business, associated with macroeconomic conditions, with the price of aluminum, overall slowdowns in the commercial print industry and competitive pricing pressures. We're also impacted by a decline in our industrial film business.

On the Q3 investor call, we outlined decisive actions to address these business factors. Our Print Systems Division announced in September a 4% to 9% worldwide plate price increase. We reduced investments in AM3D to focus on areas where we have existing proven commercialization or supplier agreements in place. We continued accelerating cost actions across the company. We have executed on these actions, and we'll begin to see the benefits in 2018.

I'd like to highlight our achievements and actions in 2017, which are summarized on Slide 5. First, our packaging business continues to perform exceptionally well as demonstrated by strong growth in market share with FLEXCEL NX Plate volume growth of 17% compared to the prior year. On a constant-currency basis, FLEXCEL NX revenues grew 14% and operational EBITDA grew 21%. The packaging business is well positioned for continued double-digit growth in both revenue and EBITDA for 2018.

Second, we achieved profitability in EISD and delivered 13% PROSPER annuity growth.

Third, in 2017, we made meaningful investments in our ULTRASTREAM Inkjet platform, FLEXCEL NX packaging, SONORA X Plates, advanced materials and brand licensing to improve growth and profitability in 2018 and beyond.

Fourth, improvements have been made in our overall cost structure, and we reprioritized investments to focus on those with shorter payback periods and improve productivity across the company.

We are in multiple processes with strategic and financial buyers to achieve monetizations, which will sharpen our focus and deleverage Kodak. Based on a sensitive nature of negotiations and confidentiality, we are not able to comment further on specific businesses, partners or time lines related to these strategic activities.

On January 8, at CES, we announced a brand licensing partnership with WENN Digital for their launch of their KODAKOne image rights platform and KODAKCoin, a photo-centric cryptocurrency to empower photographers and agencies to take greater control in image rights management. This brand license partnership demonstrates our strategy to monetize and grow the Kodak brand in new ways and our belief that innovative blockchain technology will have a significant impact on image rights management.

As consideration for the license, we received royalties on transactions across the KODAKOne blockchain, 3 million of the KODAKCoin cryptocurrency with the right to receive 3% of KODAKCoins in excess of 100 million coins issued by WENN Digital and a minority stake in WENN Digital. Kodak is not an issuer in the ICO and will not receive proceeds from the offering.

For the remainder of the call today, I'll talk about Kodak's full company and divisional results for 2017 as well as our guidance for 2018. Dave will then follow with more details on the fourth quarter updates and cost reductions and cash flow performance, after which, we'll welcome your questions.

Moving to Slide 6. Please note that year-over-year results comparisons will be discussed on a constant-currency basis as shown on the bottom section of this slide. For the full year 2017, Kodak revenue was $1.531 billion, down 7% from 2016. Operational EBITDA was $57 million, down 50% from 2016.

Starting with the Print Systems Division. Full year revenues were $942 million, a decrease of $81 million or 8% compared to 2016. Operational EBITDA for the Print Systems Division decreased by $50 million or 47% compared to the prior year.

As illustrated on Slide 7, the decrease in operational EBITDA for PSD was driven by: $28 million related to plate pricing pressure; $12 million due to aluminum prices; $8 million related to traditional process plate volumes; and $8 million of other. Partially offsetting these declines is an increase of $6 million related to SONORA Plate volumes and $2 million of favorable foreign exchange impacts. Overall, plate volume was down 2% year-over-year, in line with the overall market decline.

We continue to see solid volume growth in our environmentally advantaged process-free SONORA Plates, which grew by 21% for the year. SONORA now accounts for 19% of our total plate unit sales, and we expect continued growth in 2018. Price erosion for the year was 4%. As expected, increased aluminum prices had a negative impact on 2017 results, dragging a decline of $12 million on a year-over-year basis. As stated earlier, we've implemented new pricing strategies to mitigate the expected impact of $22 million of higher aluminum costs in 2018.

Moving to Slide 8, the Enterprise Inkjet Systems Division had revenues of $144 million, a 13% decline over 2016, primarily due to a reduced level of PROSPER Press placements. Operational EBITDA for 2017 was $5 million, which represents an improvement of $22 million. The increase in operational EBITDA is primarily the result of $20 million of operating cost reductions. The increased operational EBITDA was partially offset by $4 million of increased ULTRASTREAM investment.

We're pleased with the EISD performance, and note that this strong EBITDA improvement was achieved while investing $15 million in the ULTRASTREAM platform during 2017. ULTRASTREAM remains on-track and we'll see the benefit beginning in 2019.

Turning to Slide 9. Flexographic Packaging Division revenues were $145 million, an improvement of 9% from 2016. Operational EBITDA was $31 million, an improvement of $5 million compared to the prior year, driven by $8 million of FLEXCEL NX, CTP and plates growth, partially offset by $3 million of incremental OpEx investment made to continue to drive growth in this high-performing division.

I am particularly pleased with our continued growth in Kodak's FLEXCEL NX, which is our strongest performing product set. Based on data from Smithers Pira, a packaging and paper print industry market research firm, the flexible packaging market is expected to grow at 4% annually from 2017 to 2022. Kodak's 2017 FLEXCEL NX consumable volume growth of 17% is 4x this market projection.

Back to Slide 6. Software and Solutions Division had revenues of $85 million, down $4 million versus last year. Operational EBITDA remained constant at $1 million when compared to prior year. Revenues for the division were also impacted by $2 million related to the divestiture of our Design2Launch and Kodak security solutions businesses during 2016.

The Consumer and Film Division had revenues of $198 million, down 10% from the prior year. On Slide 10, we break out the changes in revenue and operational EBITDA for CFD versus the prior year. Operational EBITDA was down $32 million for the year, driven by: a decline in consumer inkjet of $12 million; and industrial film and chemicals of $15 million; motion picture decline of $6 million; and higher film manufacturing cost of $6 million associated with the vendor transition. These impacts were partially offset by $7 million of growth in brand licensing and consumer products.

We will continue to see variability in CFD business results due to the timing of motion picture film productions, industrial film orders, consumer product releases and our brand licensing business, which also varies due to the scalability of new licensees.

In 2017, we invested in CFD resources to support future growth in brand licensing. During 2017, we successfully added 12 brand licensing partners, including in the key areas of instant film photography and a 3D printing solution for the education market.

Returning to Slide 7. Advanced Materials and 3D Printing Technology Division operational EBITDA was unchanged compared to 2016 at a negative $26 million. During the fourth quarter, we sharpened our focus on investments in technologies, which are closer to commercialization with shorter payback periods. AM3D will now focus on light-blocking particles, printed electronics and advanced materials. We will now operate AM3D with approximately 65% lower employee cost in 2017.

Continuing to our final division, Eastman Business Park. 2017 revenues increased by $1 million and operational EBITDA increased by $2 million compared with the prior year. We've made progress in improving the financial profile of this division. By the end of 2017, we increased our total tenants in the Business Park to 104 from 94 at the end of 2016. We are experiencing growth with high-tech companies in the photonics, food and agriculture and biopharma space.

Now to update you with our 2018 financial targets. On Slide 11, we're providing our 2018 guidance of revenues of $1.5 billion to $1.6 billion and our operational EBITDA of $60 million to $70 million, which represents a 22% to 43% increase after adjusting for the impacts of the pension accounting changes, which Dave will describe later.

On Slide 12, I'll provide some additional details on our 2018 divisional outlook. PSD will continue to benefit from growth in SONORA and SONORA X. We also expect plate price increases we announced in 2017 to partially mitigate the impact of higher aluminum prices -- or, excuse me, higher aluminum cost.

For EISD, we expect continued growth in PROSPER annuities to partially offset the decline in the VERSAMARK product line. We will continue to invest in ULTRASTREAM technology this year and expect to bring the product to market in 2019.

FPD will continue to be a high-growth business with significant volume growth in FLEXCEL NX. We will invest in SG&A and new products and continue the growth in the division.

For SSD, we expect to see growth in both Workflow Software and Kodak Technology Solutions.

In CFD, the growth in our brand licensing and motion picture film business, which will offset the expected declines in our consumer inkjet products.

In AM3D, we'll see market growth in light-blocking materials, printed electronics and advanced materials, and we will have cost improvements that will benefit our profitability.

Finally, EBP will continue to improve occupancy and utility usage by attracting new tenants.

I'll now turn it over to Dave to discuss Q4 performance, updates on cost reductions and cash flow.

David E. Bullwinkle - *Eastman Kodak Company - CFO and SVP*

Thanks, Jeff, and good afternoon. Today, the company filed its Form 10-K for the year ended December 31, 2017, with the Securities and Exchange Commission. As always, I recommend you read this filing in its entirety.

First, some important updates and notable items in the 10-K filing and impacts on 2018 and forward. As I'm sure you are aware, new federal tax reform legislation was enacted in the United States, resulting in significant changes from previous tax law, including the reduction in the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. Upon enactment, there is a onetime deemed repatriation tax on undistributed foreign earnings and profits, which is referred to as the transition tax. We recognized tax expense of $14 million related to the transition tax in 2017, which was fully offset by our foreign tax credits, resulting in no cash or P&L impacts.

As Jeff noted in the 2018 guidance he provided, an accounting change has been made, which impacts Kodak's measure of operational EBITDA going forward. The change reclassifies the amortization of prior service credits out of operating results. This change will result in higher expense and operational EBITDA related to pensions in the amount of approximately $8 million. We have reflected this in our guidance for 2018, and we'll recast prior periods for comparability as we progress through the year. The impact on 2017 would have been approximately $8 million of additional expense in operational EBITDA. There was no cash impact from this accounting change.

I will now share further details on the full company results and update on our cost structure initiatives and cash flow performance and the 2018 cash flow outlook.

Starting on Slide 14. Net earnings for the full year 2017 on a GAAP basis were $94 million compared to net earnings of $16 million in 2016, an increase of $78 million. Included in these results is a noncash tax benefit of $101 million due to a release of a valuation allowance as a result of increased profits in a location outside the U.S. Consistent with previous quarters, our net earnings are also impacted by other noncash items, such as pension income, goodwill and asset impairments or remeasurements, reduction and depreciation and amortization expense and changes in the fair value of the embedded derivative associated with the Series A preferred stock.

Turning to Slide 15. We are presenting our divisional results for the fourth quarter ending December 31, 2017, and 2016 on a constant-currency basis as reflected at the bottom section of the slide. As we report in our earnings release, revenue for the fourth quarter was $414 million compared to $432 million in the fourth quarter of 2016, a decline of $18 million. On a constant-currency basis, revenue declined $31 million or 7%.

Operational EBITDA was $20 million compared to $43 million in the prior year period. On a constant-currency basis, operational EBITDA declined by $28 million. The decline in operational EBITDA is driven by reductions in PSD and CFD, which I will describe in more detail later, as well as noncash impacts in the fourth quarter of 2016 of $12 million related to reductions in workers' compensation reserves and incentive compensation accruals in the prior year.

The year-over-year reduction in the Print Systems Division operational EBITDA was driven primarily by plate price erosion, higher aluminum costs and volume declines, partially offset by cost reduction activities and good growth in SONORA Plates.

The year-over-year decline of $5 million in the Consumer and Film Division operational EBITDA was due to lower volume in industrial film and chemicals, the expected decline in the consumer inkjet business and higher costs in motion picture film, driven by vendor transition impacts, partially offset by higher brand licensing revenues.

Partially offsetting the declines in PSD and CFD, revenue in the Flexographic Packaging Division grew by 15% and operational EBITDA for the division improved by 29%, which is driven by the continued growth of FLEXCEL NX.

As we indicated on our Q3 earnings call, we have taken steps to improve the profitability of the company. As presented on Slide 16, in the fourth quarter, we accelerated our cost-reduction actions across the company to eliminate approximately 425 positions for a savings of approximately $45 million on a run-rate basis. Currently, 260 positions have been eliminated with an annual cost-savings of $20 million. Actions have been taken to eliminate an additional 155 positions in 2018, which, combined with other employee-related actions, will result in a savings of $18 million.

We will continue to execute on position eliminations in the first half of 2018 to deliver the targeted savings. Our total headcount will be approximately 5,600 after these reductions. We will continue to achieve higher levels of efficiency in 2018 through cost opportunities and business process simplification and relentless focus on shortening the payback periods on investments.

Moving on to the company cash performance presented on Slide 17. Cash and cash equivalents reported on the balance sheet as of December 31, 2017, were $344 million, an increase of $2 million from September 30, 2017, and down $90 million from the year. For the full year ending December 31, 2017, cash used in operating activities was $67 million, driven primarily by negative cash earnings of $90 million and other balance sheet changes of $48 million, which includes working capital use of $7 million. The working capital change was primarily due to the reduction in accounts payable related to product volume reductions in PSD and CFD.

For the full year ending December 31, 2017, the company used $24 million of cash for investing activities. Capital expenditures of $38 million, which includes our investment in a new flexographic plate manufacturing line in Weatherford, Oklahoma, were partially offset by proceeds from asset sales and marketable securities.

Cash used in financing activities for the full year ending December 31, 2017, was $29 million, which included $10 million in preferred stock dividends, a $7 million payment to Kodak Alaris for continued consideration from the business sale in 2013, and repayment of debt of $7 million.

Currency favorably impacted cash by $11 million.

On a year-over-year basis, the company used $54 million more cash, excluding debt repayments, for the full year ending December 31, 2017, than the prior year. This was primarily driven by lower cash earnings of $31 million and a higher cash usage from balance sheet changes of $21 million. When we last spoke in November, I indicated an expected cash use for 2017 between $60 million and $70 million before debt payments. For the year ended December 31, 2017, we used $83 million of cash, excluding debt repayments. The increased usage was due to more cash used in working capital and higher CapEx due to accelerated build of the flexographic packaging manufacturing line.

Throughout 2017, the company has continued to invest in growth areas. In AM3D, $26 million was invested in new technologies. We continued investing in ULTRASTREAM within EISD for $15 million. We also invested $7 million in our capacity expansion for packaging. In addition, we continue to develop new products, spending approximately $10 million on SONORA X and NEXFINITY, which were launched earlier this month as well as the Super 8 camera, which will be introduced later in 2018.

The slowdown we saw on the commercial printing industry impacted our cash flow in the second half of the year and our ability to continue to invest at these levels. As I previously discussed, we have taken action to improve profitability heading into 2018. These actions will also improve our cash flow in 2018, along with our continued focus on improving efficiency and simplification of our businesses and processes.

We remain in compliance with our covenants under our credit agreements. The company's EBITDA used in the secured leverage ratio as calculated under the first lien term loan credit agreement exceeded the EBITDA necessary to satisfy the covenant ratio by $26 million.

To summarize, the company's 2017 performance reflects good execution and growth in our packaging business, headwinds and the impacts of the commercial printing industry dynamics in PSD, volume reductions in supplier costs in CFD, strategic investments made to improve longer-term profitability, particularly in our growth areas of FLEXCEL NX packaging, the next-generation SONORA Plates and ULTRASTREAM inkjet technology.

Turning to 2018. We expect continued growth and full year revenues and earnings for Kodak's growth areas as well as productivity and cost improvements across our business. Like in 2017, we expect seasonality to drive stronger performance to the second half of the year in revenue, operational EBITDA and cash.

In the first half of 2016 and 2017, we generated approximately 1/3 of our operational EBITDA and had a higher cash use rate than the second half of the year. For 2018, we expect approximately 30% of operational EBITDA to be generated in the first half of the year. As a result, we expect the cash use in the first half of 2018 offset by cash generated in the second half of the year.

As shown on Slide 18, our cash outlook for the full year 2018 is a range of $20 million to $30 million on an unlevered basis and break-even to a use of $20 million on a levered basis. The sources of cash generation are operational EBITDA of $60 million to $70 million, proceeds from a couple idle buildings and small asset sales totaling $17 million, and a source of cash from working capital of approximately $9 million. We expect cash to be used for legacy items of $47 million, which includes foreign pension and workers' compensation payments. $29 million of these uses of cash are included in our operational EBITDA as expense. Therefore, the incremental amount of $80 million has been presented as an adjustment to operational EBITDA.

Interest and dividend payments are a use of cash of $36 million, capital expenditures of $35 million, net cash income taxes outside the U.S. of $13 million, and restructuring payments of $13 million.

Turning to Slide 19. I would like to highlight the opportunities and risks associated with our 2018 plan. First, we see the following opportunities for 2018. We continue to see accelerated customer adoption of our process-free technologies, which may result in higher SONORA X Plate volumes. Based on our current hedge position of approximately 2/3 of our annual usage, a reduction in the price of aluminum would also benefit our PSD results by approximately $1 million for every 2% change in the price. Higher FLEXCEL NX Plate volumes, a more rapid conversion of our brand licensing pipeline. In addition, we see upside to our plans as we make working capital improvements, explore monetization of certain assets and pursue strategic transactions.

Second, our plan -- our 2018 plan has the following risks. A further slowdown in the commercial print industry would impact our business results. Conversely, the aforementioned opportunities related to aluminum costs and brand licensing pipeline conversion could result in negative impacts versus our plan. Timing of planned tax settlements and new product launches could also have a negative impact to the 2018 plan. Overall, this is a balanced plan, and we expect to deliver these results for 2018.

We will now open the call to your questions. Gigi, please remind participants of the instructions to ask questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question is from Craig Carlozzi from Bulwark.

Craig N. Carlozzi - *BulwarkBay Investment Group, LLC - Founding Partner and Portfolio Manager*

So I was just -- pertaining to your capital structure, it looks like your term loan is pretty much due in 18 months from now. So I was wondering if you could walk me through how you're thinking about addressing the maturity, and if the maturity solution has anything to do with either the monetization of assets or strategic transactions that you guys are working on?

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

Yes. As we said in the past, we intend to refinance in -- before the September 2019 maturity of the first lien debt. We are looking for several monetizations, and we would do those regardless of the debt structure and the timing. So we're pursuing those for strategic reasons. We do believe that we should deleverage the company and the timing is -- those actions are irrespective of the timing.

Craig N. Carlozzi - *BulwarkBay Investment Group, LLC - Founding Partner and Portfolio Manager*

And then regarding those actions, I realize there's a number of things going on, and you certainly can't talk about them in great detail due to competitive reasons and otherwise, but are they -- would you say, relative to 3 months ago, are they moving as expected? Have they been pushed out? Are they more underwhelming? Or are you increasingly excited about the aggregate proceeds generated?

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

They are proceeding as expected.

Operator

(Operator Instructions) And our next question is from Gary Ribe from MACRO Consulting.

Gary Ribe

Given that you guys used so much cash on the front end of the year, do you have an estimate of how much cash you expect from the front end?

David E. Bullwinkle - *Eastman Kodak Company - CFO and SVP*

We are not going to provide any quarterly guidance. We do expect, in the first half of the year, to use cash similar to what we saw in 2017 and to generate cash in the back half of 2018.

Gary Ribe

Got it. And then as it relates to the covenant, I guess, would you expect to get a waiver?

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

No. Well, we've got $26 million of covenant headroom, as Dave stated, in Q4. We're sitting with $344 million of cash. We expect the performance of the company, from both an operational EBITDA perspective and a cash perspective, to improve over prior year. And as such, we are projecting that we are going to stay within covenants.

Operator

Our next question is from Amer Tiwana from Cowen.

Amer Khan Tiwana - *Cowen and Company, LLC, Research Division - MD and Analyst*

My first question is regarding the plates business. This year, in terms of price, seems like a pretty meaningful move. And you mentioned you have sort of taken action to sort of mitigate that. And I think, if I'm correct, you said 4% to 9% or 4% to 7% increase. In terms of the guidance that you're providing, what is the assumption that you're using on the price increase embedded in the guidance?

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

So first of all, we're not going to give divisional guidance. That said, we are pleased with the results to date of the 4% to 9%, and is 4% to 9%, not 4% to 7%, 4% to 9% price increase that we announced back in November. And as you -- as we noted on Slide 7 and throughout our remarks, that in 2017, we saw price erosion of 4%. So we expect to see it meaningfully better than that. We're not going to give specific guidance, but you should, in general, expect us to be able to mitigate most of the price erosion based on our price increase strategy.

Amer Khan Tiwana - *Cowen and Company, LLC, Research Division - MD and Analyst*

Got it. The next question I have is around PROSPER. Can you give us the install base number for how many are out there now?

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

Yes, we're around 65 systems out there. We expect that will grow this year, and it maybe even grow a little bit more into 2019. But in 2019, we will have the ULTRASTREAM technology available. And while that addresses a broader market, it will, because of the speed of it on a relative basis, and quality, it will provide an alternative to PROSPER. So that base of 65 will grow probably another 10 to 15 systems over the next 2 years, and we are looking and focusing, as I talked about in the November call, into very specific applications, very high-performance applications for those presses as we're going for a more broad-based performance coming out of the new ULTRASTREAM technologies.

Amer Khan Tiwana - *Cowen and Company, LLC, Research Division - MD and Analyst*

Understood. Just 2 more quick ones. One, on aluminum price, that seems to be a headwind. Have you guys hedged for 2018? Or how are you thinking about that? Are you expecting some relief on that front?

David E. Bullwinkle - *Eastman Kodak Company - CFO and SVP*

Sure. So we are hedged about 2/3 of annual volume -- purchase volume is 2/3 hedged at this point in time, which is typical of where we are at any point in time in history. We hedge primarily through forward-purchase contracts with specific suppliers. And therefore, we're relatively locked on the $22 million headwind, which we see in 2018 versus 2017 on the aluminum cost increase.

Amer Khan Tiwana - *Cowen and Company, LLC, Research Division - MD and Analyst*

Understood. And my last question is around the CFD business. My understanding was that this was sort of -- you guys had reached certain contract situations, but this was a cost-plus type business at this point. Seeing where the numbers eventually shook out for '17, it seems like it's starting to be a negative contribution. What are the plans around this business? And do you expect in '18 to turn this around or (inaudible)?

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

So the CFD business, we're going to -- just for those following, we'll put back Slide 10 up. The CFD business has many components. It's about $200 million in revenue and, as you can see, it had an EBITDA loss of $16 million. We expect that this division will have a meaningful improvement in 2018, in part because the decline that's been going on for years in our consumer inkjet business, I'll remind investors that, that business, we stopped selling the printers about 5 years ago, and so we've been having the benefit of the annuity coming out of the cartridges. However, that goes down each year by about 40%. So it won't have as much of a difficult compare on a year-over-year basis as it's had in the past. We also had several compare issues and several vendor issues that are now behind us in 2017. So we're quite optimistic that, that business, going into next year, will have a meaningful better performance, and we'll continue to do what it does in terms of covering some of our fixed legacy costs around Eastman Business Park. So I think you can look at 2016 -- I'm sorry, 2017 as really a low point in that business, and we'll see growth in brand licensing, we'll see improvements in motion picture, we'll see our vendor issues behind us, we'll see a lower decline in our consumer inkjet. And relative to the industrial films and chemicals, that one will continue to be one we'll be working hard to turnaround, but that will continue to provide an operating loss for us. So overall, it's going to be a pretty significant improvement over a low watermark in '17.

Operator

There are no further questions at this time.

Jeffrey J. Clarke - *Eastman Kodak Company - CEO and Director*

I want to thank everyone for joining us. Just to summarize, the company was profitable on a GAAP basis in 2017. We're executing well in the SONORA Plates, FLEXCEL NX and PROSPER business. We continue to invest in the growth areas that we have noted and -- but we are much more focused in our prioritization than in prior years. And 2018 is a year where we expect to have year-on-year improvements on a comparable operational EBITDA basis and on a cash flow basis as well as continuing strong market share growth and revenue growth in FLEXCEL NX, SONORA and PRINERGY. I want to thank everyone for their time.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This concludes the program. You may now disconnect.