

## Senior Counsel Robert J. Rock, Esq. discusses Kodak's long road out of bankruptcy

Kodak stock down after posting \$36M loss in 1st quarter

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Eastman Kodak Co.'s game plan for years has been to pump money into lines of business that show promise for big growth, cut costs in its traditional cash cows as those dry up, and eventually find a balance that leads to profitability. That day of profitability isn't here yet, but the company is getting closer. "This is a year of transition," CEO Jeff Clarke said Tuesday in a conference call with Wall Street analysts as the company announced its latest quarterly financial results. "We're seeing some nice trajectory. At the same time, we've got some mature product sets that are going to decline. So what do you do? You prioritize rigorously around where you're going to invest and you manage your cash flow, you try to streamline your processes and run the company in a more efficient way. There is still some engineering of processes and streamlining we need to do." For the three months ending March 31, Kodak lost \$36 million — a hefty sum, but a notable improvement over the \$85 million it technically lost in the first quarter of 2013, or the hundreds of millions of dollars it lost in the first quarters of 2012 or 2011. Revenues in the first quarter of 2014 were down 19 percent, to \$482 million. Kodak said most of that decline came from its evaporating film and consumer inkjet businesses, as well the fact the first quarter of 2013 saw a one-time, \$24 million injection from licensing its brand. Kodak stock was down sharply Wednesday afternoon, trading at \$27.61, a loss of 7.7 percent. Sales were up in the parts of Kodak that the company is banking on for its future, such as high-speed inkjet printing and packaging printing. The company said it expects to see installations of its Prosper S-Series of digital printheads that attach to traditional offset printing presses to grow by more than a third this year, topping 1,000. It also expects to see installations of its Flexcel NX systems, which turn out printing plates for packaging printing, to grow by more than 25 percent, topping 400. However, while sales were up for what Kodak calls its "strategic technology businesses," they collectively posted a loss of \$5 million for the quarter. But that loss is getting shallower — the company in the first quarter of 2013 saw those strategic businesses pull a narrow profit of \$6 million a year ago, but those profits came from that \$24 million brand licensing. Technically, Kodak's bottom-line results of a \$36 million loss in its most-recent quarter were down compared to the same quarter a year ago. But the first quarter of 2013 was inflated by a one-time injection of \$494 million from the sale of a mountain of digital imaging patents as part of its Chapter 11 bankruptcy. The company previously told Wall Street that it expected to see revenues this year of \$2.1 billion to \$2.3 billion and operational EBITDA — one measure of profitability that doesn't count such

expenses as taxes and depreciation — of \$145 million to \$165 million. For the first quarter, operational EBITDA was only \$3 million. However, that should pick up in the second half of the year thanks to the typical seasonality of much of Kodak's business, more annuity sales from the increasing number of Prosper and Flexcel machines out in the world, and cost cutting, Clarke said. The company cut \$31 million from its operations over the past year, spending \$87 million during the quarter on selling, generative and administrative expenses during the first quarter of 2014 vs. \$118 million a year earlier. Chief Financial Officer Becky Roof said those cuts came from such steps as elimination of nearly 1,800 jobs worldwide, the sale of Kodak's Digital Imaging and Personalized Imaging businesses, and less spending on pensions. Roof said there the company also is planning more headcount reductions and savings as it moves some operations to lower-cost areas around the globe. She gave no details. Kodak's latest quarterly results are only its second since emerging from its 20-month Chapter 11 bankruptcy. And the fact it's not yet profitable is no surprise, said Robert Rock, senior counsel with the bankruptcy practice at Albany law firm Tully Rinckey PLLC. "In my

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experience, "LITERALLY THE BEST MONEY I EVER SPENT!!!! The USAF charged my son with Article 92, Violate General Order and Article 128, Simple Assault. I spoke to many attorneys who said to me, "Your son will be convicted of the Simple Assault because putting lotion on someone's face is considered an assault as it is an unwanted touch." They all wanted me to work on a plea deal with the government that ended with my son being discharged, spending time in the brig and having a federal conviction for the rest of his life. Knowing that this just didn't warrant a federal conviction, bad conduct discharge and time in the brig, I was on a search to find an attorney who would look at this case for what it was: a couple of 19-21 year-old immature young men horse playing. I was looking for someone who would say something different; someone who would be able to look at the case from more than one view. When I spoke to Mr. Rinckey, I thought I was going to get the same ole speech, but to my surprise, I IMMEDIATELY felt at ease and I knew right then that he was going to be my attorney (not sure if he knew it at this time). He took on this case with vigor and ZERO FEAR of the government! He wanted them to know that this was NOT going to go away with any plea deal! And he went to work! Then, LITERALLY 2 DAYS BEFORE trail the government added an additional charge, which was Article 134, Unlawful Entry. Mr. Rinckey stayed focused, developed a plan, and off to trail we went. He was so prepared, calm and at ease. I remember him saying to me, "I am ready to try this case." And yesterday – 14 APR 2016 – my son was found NOT GUILTY on ALL CHARGES AND SPECIFICATIONS!!! Yesss!!! You know, it's always hard to find money for an attorney, but I learned one thing with this case. Although I thought we couldn't afford an attorney, the truth of the matter was that we couldn't afford NOT TO HAVE an attorney. I only wish I had found Mr. Rinckey sooner, but that's okay. I have found my ATTORNEY for life," Y.W. on Founding Partner on Greg Rinckey, Esq.

Prior results do not guarantee similar outcomes.

"Great Customer Service" – C.R.

"Great customer service, thoroughly explained all aspects of my case. Thank you." - C.R.

Prior results do not guarantee similar outcomes

&#8220;Great Service&#8221; &#8211; E.S.

I want to thank you all for the great service rendered [to] myself and family. - E.S. on Client Relations Attorney Derrick Hogan

"High Regard" – R.E.M.

“Your firm held my best interests with high regard... I thank you for your efforts” - R.E.M.

“Prompt and Efficient” – K.E.

“Prompt and efficient in processing claim, all correspondence handled in prompt & efficient manner” – K.B.

“Impressed” – W.W.

“As a retired heavy user of attorneys, I’m impressed with your concerns and your efforts to stay in touch with your clients. Its damned good management aligned with top notch expertise.” – W.W.

“Excellent Service” – J.R.

“Excellent service, very professional, and understanding and considerate of clients needs” Attorney was very approachable and there was a very good comfort level” – J.R.

“Full Service” – K.M.

“I like the fact the office is close enough to where I work and live and that it is a full service practice, not just estate planning” – K.M.

“Professional and Informative” – J.H.

“Professional and informative... I was pleased with the handling of the case. I was treated as a person, and kept abreast of all aspects of the case. Thank you all.” – J.H.

“Thanks So Much” – J.D.

“Without your Firm, I would not have known of my claim. Thanks so much!” – J.D.

“Gets Results” – F.P.

“Most certainly – The firm gets results!” – F.P.

“Outstanding” – M.P.

“Results are outstanding” – M.P.

“Quite Satisfied” – R.W.

“I am quite satisfied with the services your office has provided.” – R.W.

“Exceptional Legal Services” – A.S.

“Your firm, Tully Rinckey, has provided and continues to provide me with prompt, keen, exceptional legal services. After the initial consult, I felt relieved that I had the representation from Tully Rinckey... I have found a new found hope with Tully Rinckey...” – A.S.

“Absolute Best” – R.H.

“My attorney was the absolute best I could ever have hoped for. A pure professional in every sense of the word. She was very mindful of my financial expenditure and still was able to represent me very well in my court case.” – R.H.

“Outstanding Service” – A.R.

“Outstanding service, true professional.” – A.R.

“Top Notch” – V.W.

“My attorney was top notch. Very Pleasant and helpful” – V.W.

“Very Thankful” – C.P.

“Very thankful for the help and guidance I received from your law firm. Because of your law firm I was able to return to work with all my back benefits.” – C.P.

“Ideal Choice” – D.H.

“My attorney knew exactly the approach to take and was the ideal choice. She was extremely responsive. She was clear, balanced, and open to our views and feelings. She made it clear she was there for us and ready to answer questions.” – D.H.

“Very Satisfield” – D.D.

“I was very satisfied with the services provided which were completed in a very timely and professional manner.” – D.D.

“Excellent” – B.M.

“Your firm provides excellent & free service to federal workers and NG/USAR members.” – B.M.