

EASTMAN KODAK CO
Form 8-K
October 29, 2009

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **October 29, 2009**

Eastman Kodak Company
(Exact name of registrant as specified in charter)

| | | |
|------------------------------|--------------|-------------------|
| New Jersey | 1-87 | 16-0417150 |
| (State or Other Jurisdiction | (Commission | (IRS Employer |
| of Incorporation) | File Number) | Identification |
| 343 State Street, | | No.) |

Rochester, New York 14650
(Address of Principal Executive Office) (Zip Code)

Registrant's telephone number, including area code **(585) 724-4000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On October 29, 2009, Eastman Kodak Company issued a press release describing its financial results for its third fiscal quarter ended September 30, 2009. A copy of the press release is attached as Exhibit 99.1 to this report.

Within the Company's third quarter 2009 press release, the Company makes reference to the following non-GAAP financial measures, which have directly comparable GAAP financial measures, including:

- “Cash generation (usage) before restructuring payments”
- “Revenue from digital businesses”
- “Revenue from traditional businesses”
- “Segment earnings forecast”
- “Selling, general and administrative (SG&A) expenses excluding a non-cash benefit from a change in the Company’s postemployment benefits in the prior year quarter” and
- “Research and development (R&D) expenses excluding a non-cash benefit from a change in the Company’s postemployment benefits in the prior year quarter.”

The Company believes that these measures represent important internal measures of performance. Accordingly, where these non-GAAP measures are provided, it is done so that investors have the same financial data that management uses with the belief that it will assist the investment community in properly assessing the underlying performance of the Company on a year-over-year and quarter-sequential basis. Whenever such information is presented, the Company has complied with the provisions of the rules under Regulation G and Item 2.02 of Form 8-K. In addition to the reasons described above, the specific reasons why the Company's management believes that the presentation of the non-GAAP financial measures provides useful information to investors regarding Kodak's financial condition, results of operations and cash flows are as follows.

Revenue from digital businesses / Revenue from traditional businesses / Segment earnings forecast

Due to the Company's ongoing digital transformation, management views the Company’s performance based on digital revenue growth and digital earnings. These measures form the basis of internal management performance expectations and certain incentive compensation. Accordingly, the Company believes that the presentation of this information is useful to investors as it provides them with the same financial data that management uses to assess the Company’s growth on a year-over-year and quarter-sequential basis, as the Company continues this digital transformation.

Cash generation (usage) before restructuring payments

The Company believes that the presentation of cash generation (usage) before restructuring payments is useful information to investors as it facilitates the comparison of cash flows between reporting periods. In addition, management utilizes this measure as a tool to assess the Company's ability to repay debt, and fund acquisitions and investments, after it has satisfied its working capital needs and capital expenditures. The cash generation (usage) before restructuring payments measure equals net cash (used in) / provided by continuing operations from operating activities, as determined under Generally Accepted Accounting Principles in the U.S. (U.S. GAAP), minus capital expenditures, plus proceeds from the sale of assets and certain businesses and other settlements / agreements not otherwise included in U.S. GAAP cash flow (used in) / provided by continuing operations from operating activities, plus net cash flow generated by divested businesses through the date of divestiture to the extent such business divestitures would be categorized as discontinued operations, minus cash flow from the operations of significant acquisitions or strategic alliances completed during the year plus cash restructuring payments. Finally, cash generation (usage) before restructuring payments forms the basis of internal management performance expectations and certain incentive compensation. Accordingly, the Company believes that the presentation of this information is useful to investors as it provides them with the same data that management uses to facilitate their assessment of the Company's cash position and working capital management.

Selling, general and administrative expenses (SG&A), and Research and development expenses (R&D), excluding a non-cash benefit from a change in the Company's postemployment benefits in the prior year quarter

The Company believes that the presentation of SG&A, and R&D, expenses excluding a non-cash benefit from a change in the Company's postemployment benefits in the prior year quarter provide useful information to investors as they facilitate the comparison of SG&A and R&D spending between reporting periods. Management utilizes these measures to provide a comparable basis on which to assess the effectiveness of focused investments and cost reduction efforts, and to determine appropriate expense levels in these areas.

SG&A, and R&D, expenses excluding a non-cash benefit from a change in the Company's postemployment benefits in the prior year quarter equals prior year quarter SG&A, and R&D, expenses as determined under U.S. GAAP minus non-cash benefits recognized on the prior year quarter as a result of the curtailment of certain postemployment benefits.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

| | | |
|-----------------|--|---------------------------------|
| Exhibit 99.1 | Press release issued October 29, 2009 regarding financial results for the third quarter of 2009 | Furnished with this document |
|-----------------|--|---------------------------------|

SIGNATURES

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

**EASTMAN KODAK
COMPANY**

By: /s/ Eric Samuels
Name: Eric Samuels
Title: Chief Accounting Officer
and Corporate Controller

Date: October 29, 2009

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Press release issued October 29, 2009 regarding financial results for the third quarter of 2009 |