

EASTMAN KODAK CO
Form 10-Q
May 01, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the quarterly period ended March 31, 2008
or

Transition report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the transition period from ___ to ___

Commission File Number 1-87

EASTMAN KODAK COMPANY
(Exact name of registrant as specified in its charter)

NEW JERSEY
(State of incorporation)

16-0417150
(IRS Employer Identification No.)

343 STATE STREET, ROCHESTER, NEW
YORK

(Address of principal executive offices)

14650

(Zip Code)

Registrant's telephone number, including area code: 585-724-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of each Class	Number of shares Outstanding at April 25, 2008
Common Stock, \$2.50 par value	288,213,714

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Part I. Financial Information

Item 1. Financial Statements

EASTMAN KODAK COMPANY
 CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
 (in millions, except per share data)

	Three Months Ended March 31,	
	2008	2007
Net sales	\$ 2,093	\$ 2,080
Cost of goods sold	1,669	1,652
Gross profit	424	428
Selling, general and administrative expenses	385	394
Research and development costs	140	141
Restructuring costs (curtailment gains) and other	(10)	85
Other operating (income) expenses, net	(10)	(6)
Loss from continuing operations before interest, other income (charges), net and income taxes	(81)	(186)
Interest expense	28	25
Other income (charges), net	35	18
Loss from continuing operations before income taxes	(74)	(193)
Provision (benefit) for income taxes	40	(18)
Loss from continuing operations	(114)	(175)
(Loss) earnings from discontinued operations, net of income taxes	(1)	24
NET LOSS	\$ (115)	\$ (151)
Basic and diluted net (loss) earnings per share:		
Continuing operations	\$ (0.40)	\$ (0.61)
Discontinued operations	-	0.08
Total	\$ (0.40)	\$ (0.53)
Number of common shares used in basic net (loss) earnings per share	288.1	287.3
Incremental shares from assumed conversion of options	-	-
Number of common shares used in diluted net (loss) earnings per share	288.1	287.3

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
 CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)
 (in millions)

	Three Months Ended March 31,	
	2008	2007
Retained earnings at beginning of period	\$ 6,474	\$ 5,967
Net loss	(115)	(151)
Loss from issuance of treasury stock	(11)	(6)
Retained earnings at end of period	\$ 6,348	\$ 5,810

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
(in millions)

	March 31, 2008	December 31, 2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,203	\$ 2,947
Receivables, net	1,760	1,939
Inventories, net	1,133	943
Deferred income taxes	124	120
Other current assets	129	104
Total current assets	5,349	6,053
Property, plant and equipment, net	1,755	1,811
Goodwill	1,691	1,657
Other long-term assets	4,069	4,138
TOTAL ASSETS	\$ 12,864	\$ 13,659
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other current		