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Eastman Kodak seeking rescue financing - reports

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REUTERS - Eastman Kodak Co held meetings with hedge funds to negotiate up to \$900 million in rescue financing this week, news service Debtwire reported on Friday.

Kodak shares rose more than 6 percent to close at \$1.32 on the New York Stock Exchange.

The Debtwire report cited sources saying Kodak met with firms, including Cerberus Capital Management and Silverpoint.

The talks are intended to give Kodak a four or six-month "bridge period to facilitate the sale of its digital imaging portfolio," the article said.

A group of Kodak bondholders have hired the law firm Akin Gump Strauss Hauer & Feld, the Wall Street Journal reported on Friday, citing unnamed sources.

Debtwire also said bondholders, including Avenue Capital, Solus Alternative Asset Management, DE Shaw and P. Schoenfeld Asset Management were fielding legal pitches from law firms on Friday.

The company also hired FTI Consulting Global, the Journal said. FTI has experience in restructuring matters.

Kodak, once synonymous with photography, has been exploring a sale of its digital imaging patents, worth an estimated \$2 billion, and hired investment bank Lazard in July to explore its options.

Speculation Kodak was on the verge of filing for bankruptcy flared at the end of September after reports the company hired law firm and restructuring specialist Jones Day. Kodak has denied it is filing for bankruptcy.

"We don't comment on rumors," Kodak spokesman Chris Veronda said on Friday. "In general, we're committed to optimizing our cash generation and we are always assessing the financing strategies available to us."

The company sued a major supplier, Collins Ink Corp, earlier this week, the Journal said, after Collins terminated an agreement to provide Kodak with ink for commercial printers.

The Journal quoted a Collins executive saying Kodak owed his company \$2 million. In its lawsuit, Kodak maintained it was up-to-date on its bills, according to the Journal.

The company borrowed \$160 million against its credit line in Sept.. On June 30, the company had \$957 million in cash and it will report its third-quarter results on Nov. 3rd.

(Reporting by Liana B. Baker, Carlyn Kolker and Andre Grenon)



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