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Kodak Reports \$366 Million Loss

By [KRISTIN JONES](#)

[Eastman Kodak](#) Co. on Friday reported a wider first-quarter loss, reflecting costs associated with its filing for bankruptcy early in the year.

Kodak filed for Chapter 11 protection in January after running short on cash to fund a sputtering turnaround. Along with its inability to attract buyers for its patents, the burden of retiree benefits, a weak economy and moves by vendors to cut ties to the company were cited as factors in the move

Kodak said in February that it would phase out its capture-devices business, including digital cameras, pocket video cameras and digital picture frames, to focus its consumer business on retail and desktop-inkjet printing.

The company said Friday it has bolstered its liquidity and made progress in monetizing its intellectual property portfolio. [Shutterfly](#) Inc. recently agreed to acquire the Kodak Gallery, an online photo service, for about \$23.8 million.

"Kodak is focusing on its opportunities, reducing costs, and fine-tuning the balance between liquidity and growth to enable the enterprise to emerge from its Chapter 11 restructuring in 2013 as a leaner, stronger, and sustainable business," Chief Executive [Antonio M. Perez](#) on Friday.

Kodak reported a loss of \$366 million, compared with a \$246 million loss in the year-earlier period. The results included reorganization costs associated with bankruptcy, the absence of a gain from an asset sale in the year-ago quarter, and restructuring charges.

Revenue declined 27% to \$965 million from the year-ago quarter. The steep decline reflected the company's exit from the digital-camera business, continued decline in its traditional businesses, and a \$61 million decrease in revenue linked to a tax refund sharing agreement with intellectual property licensees.



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The consumer segment's loss narrowed to \$164 million, from a year-earlier loss of \$187 million, benefiting from a South Korean tax refund as well as better cost controls and sales growth in the retail systems solutions business.

The commercial segment also saw its loss narrow, driven by a reduction in operating expenses.

Corporate overhead expenses decreased by \$84 million from the year-ago quarter.