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## Kodak stock to be revoked in Chapter 11 emergence

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ROCHESTER, N.Y. -- When Eastman Kodak Co. went into Chapter 11 bankruptcy protection in January 2012, it left thousands of parties — from suppliers to many of its own executives — holding IOUs for what they were owed.

When Kodak comes out of bankruptcy — perhaps as soon as sometime this September — 4,800 unsecured creditors will be repaid in some of the 40 million new shares of Kodak stock to be issued. Of the roughly \$2.7 billion pool of unsecured claims, Kodak estimates they will receive stock in proportion of their claim.

Meanwhile, current shareholders will see their stock turn to worthless paper on that date and will receive nothing in return.

Those are among the terms of Kodak's proposed plan for emerging from Chapter 11 bankruptcy. The Rochester-based printing and imaging company filed its reorganization plan with U.S. Bankruptcy Court Tuesday night. The 78-page legal document spells out what Kodak will look like post-bankruptcy and how it will settle claims against it.

Kodak hopes to receive U.S. Bankruptcy Court approval in June on procedures for actually getting votes on its reorganization plan, with a vote then to be scheduled. Voting would be all its various creditors. If the plan passes, Kodak would then need final U.S. Bankruptcy Court approval.

Kodak said Tuesday it hopes to finally emerge from bankruptcy before October.

"The filing of the Plan of Reorganization ... represents a major milestone in our reorganization," CEO Antonio M. Perez said in a statement. "This initiates our emergence process. We now have a clear path forward for Kodak, and we are positioning the company for a profitable and sustainable future."

The amount of stock for unsecured creditors will be in proportion to the overall size of the pool of unsecured claims. Unsecured claims of less than \$10,000 will get cash, though not 100 percent of the claim; the filing does not spell out how many cents on the dollar will be paid to these convenience claims. For many current investors, seeing their Kodak shares wiped out won't mean much. Kodak shares that five years ago were averaging more than \$14 each have, for the past 17 months, averaged roughly 25 cents. It closed Tuesday at 37 cents.

Post-bankruptcy, Kodak may end up with a new board. According to the emergence plan, its new board post-bankruptcy will include its CEO, five people elected by the holders of second lien notes, and one person chosen by the committee representing creditors' interests in the Chapter 11. The court filing did not go into what individuals might fill any of those roles.

Kodak also filed an 182-page disclosure statement of background information on how Kodak ended up in bankruptcy and what its business plan is after emerging from Chapter 11. In the disclosure statement, Kodak says it's well positioned to finally be a growing, successful company focusing on various aspects

of commercial printing. And it projects that its revenue decline will bottom out this year at \$2.5 billion before rebounding to a \$3.2 billion company by 2017.

Kodak says its strategy relies on it landing more customers for its Prosper high-speed line of inkjet printing presses, continuing its packaging printing growth while rolling out new product offerings for that market in 2014, and finding a balance between market demand and manufacturing volumes for its entertainment imaging film business.

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