

Kodak losses down, but profitability still elusive

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The late sun's rise reflect off the side of Kodak headquarters. Kodak earnings come out today, October 28, 2010. Democrat and Chronicle staff photo by Tina Yee / TINA YEE staff photographer

Eastman Kodak Co. is edging closer to profitability, though that goal remains many millions of dollars a month away even as the company is readying to get out of bankruptcy.

The Rochester-based printing and imaging company filed its [May operating report](#) late Friday. And the numbers show a company where the pool of red ink is getting shallower, though it's far from evaporating.

Kodak's U.S. operations in May had sales of \$137.3 million — pretty much in line with most other months in 2013. And Kodak had a gross profit of \$18.9 million, as it has every month so far in 2013. In May 2012, by comparison, the company had a gross loss of \$18.2 million.

Gross profits don't account for a variety of expenses such as such as administrative costs, R&D, and reorganization and restructuring costs. Including those, Kodak's U.S. operations lost \$47.9 million in May — roughly the same as its loss in April though a big improvement from the \$88.3 million bottom-line loss in May 2012.

Of that \$47.9 million loss, about \$12.5 million of that was reorganization costs — essentially, all the spending the company has to do related to its Chapter 11 bankruptcy.

Kodak's U.S. operations were considerably slimmer in May 2013 than they were one year earlier. In May of this year, the company spent \$25.8 million on administrative, general and selling expenses, compared with \$40.6 million 12 months earlier.

The monthly reports only give a partial picture of how the company is doing, as they only include the U.S. operations and not its international [businesses](#)

[↗](#) . The majority of Kodak's business is outside the United States.

But a separate report filed Friday showing [Kodak's overall operations for the first three months of 2013](#) perhaps indicate that the company still has a way to go before being profitable. According to that consolidated statement of operations, Kodak made a profit of \$283 million, but only because of nearly \$500 million in cash it received from a sale of numerous digital imaging patents that closed in February. During those three months, Kodak's non-bankrupt operations — basically all its [business](#)

[↗](#) done overseas — made a profit of about \$12 million.

Kodak, which employs about 3,500 locally, has tentatively scheduled [Sept. 3 as the date it hopes to be done with its bankruptcy](#), pending [approval by a variety of the company's creditors](#) and U.S. Bankruptcy Court.

It is in the midst of selling such lines of business as its photographic film and paper, photo kiosk and document scanner operations to a United Kingdom [pension](#)

[fund](#) to settle its sizable debt to that fund. Kodak's [post-bankruptcy business plan](#) revolves around equipment, supplies and services for the commercial printing industry.