

B. FINANCIAL STATEMENTS

EASTMAN KODAK COMPANY CONSOLIDATED STATEMENT OF OPERATIONS (in millions)

	Twelve Months Ended December 31,	
	2018	2017
Revenues		
Sales	\$ 1,044	\$ 1,096
Services	281	290
Total net revenues	1,325	1,386
Cost of revenues		
Sales	950	968
Services	194	207
Total cost of revenues	1,144	1,175
Gross profit	181	211
Selling, general and administrative expenses	225	239
Research and development costs	48	64
Restructuring costs and other	17	31
Other operating expense, net	9	28
Goodwill impairment loss	—	56
Loss from continuing operations before interest expense, pension income excluding service cost component, other charges (income), net, and income taxes	(118)	(207)
Interest expense	9	8
Pension income excluding service cost component	(131)	(152)
Other charges (income), net	17	(37)
Loss from continuing operations before income taxes	(13)	(26)
Benefit for income taxes	(4)	(120)
Equity in loss of equity method investment, net of income taxes	—	1
(Loss) earnings from continuing operations	(9)	93
(Loss) earnings from discontinued operations, net of income tax	(7)	1
NET (LOSS) EARNINGS	\$ (16)	\$ 94

The notes accompanying the Company's financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2018, are an integral part of these consolidated financial statements.

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

	December 31, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$ 246	\$ 343
Trade receivables, net of allowances of \$9 in each period	232	253
Inventories, net	236	246
Other current assets	51	54
Current assets held for sale	113	62
Total current assets	878	958
Property, plant and equipment, net of accumulated depreciation of \$422 and \$384, respectively	246	294
Goodwill	12	12
Intangible assets, net	60	84
Restricted cash	11	17
Deferred income taxes	160	187
Other long-term assets	144	113
Long-term assets held for sale	—	42
TOTAL ASSETS	\$ 1,511	\$ 1,707
LIABILITIES, REDEEMABLE, CONVERTIBLE PREFERRED STOCK AND EQUITY (DEFICIT)		
Accounts payable, trade	\$ 149	\$ 183
Short-term borrowings and current portion of long-term debt	396	4
Other current liabilities	213	211
Current liabilities held for sale	20	21
Total current liabilities	778	419
Long-term debt, net of current portion	5	399
Pension and other postretirement liabilities	379	462
Other long-term liabilities	179	202
Long-term liabilities held for sale	—	4
Total liabilities	1,341	1,486
Commitments and contingencies (Note 11)		
Redeemable, convertible Series A preferred stock, no par value, \$100 per share liquidation preference	173	164
Equity (Deficit)		
Common stock, \$0.01 par value	—	—
Additional paid in capital	617	631
Treasury stock, at cost	(9)	(9)
Accumulated deficit	(200)	(174)
Accumulated other comprehensive loss	(411)	(391)
Total shareholders' equity	(3)	57
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY	\$ 1,511	\$ 1,707

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