

A. NON-GAAP MEASURES

In this third quarter 2018 financial results news release, reference is made to the following non-GAAP financial measures:

- Operational EBITDA; and
- Revenues and Operational EBITDA on a constant currency basis.

Kodak believes that these non-GAAP measures represent important internal measures of performance. Accordingly, where they are provided, it is to give investors the same financial data management uses with the belief that this information will assist the investment community in properly assessing the underlying performance of Kodak, its financial condition, results of operations and cash flow.

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA"). The change in revenues and Operational EBITDA on a constant currency basis, as presented in this financial results news release, is calculated by using average foreign exchange rates for the three months ended September 30, 2017, rather than the actual exchange rates in effect for the three months ended September 30, 2018.

This press release contains a forward-looking estimate of full-year 2018 Operational EBITDA and full-year 2018 Cash Outlook. Kodak is unable to provide a reconciliation of full-year 2018 Operational EBITDA to a forward-looking estimate of GAAP net income / loss and a reconciliation of full-year 2018 Cash Use to changes in cash and cash equivalents because projected GAAP net income / loss for the full year and changes in cash and cash equivalents would require inclusion of the projected impact of future excluded items, including items that are not currently determinable or dependent on future events which may be uncertain or outside of Kodak's control, such as asset sales, asset impairments, foreign exchange gains / losses, changes in the fair value of the conversion option derivative liability, unanticipated items not reflective of ongoing operations, or other items. Due to the uncertainty of the likelihood, amount and timing of any such items, Kodak does not have information available to provide quantitative reconciliations of full-year 2018 projected net income / loss and changes in cash and cash equivalents.

The following table reconciles the most directly comparable GAAP measure of Net Earnings (Loss) to Operational EBITDA and Operational EBITDA on a constant currency basis for the three months ended September 30, 2018 and 2017, respectively:

(in millions)

	<u>Q3 2018</u>	<u>Q3 2017</u>	<u>\$ Change</u>	<u>% Change</u>
Net earnings (loss)	\$ 19	\$ (46)	\$ 65	-141%
Depreciation and amortization	19	21	(2)	-10%
Restructuring costs and other ⁽¹⁾	9	5	4	80%
Stock based compensation	2	2	-	0%
Consulting and other costs ⁽²⁾	5	2	3	150%
Idle costs ⁽³⁾	1	-	1	n/a
Other operating (income) expense, net ⁽⁴⁾	(10)	20	(30)	-150%
Goodwill impairment loss ⁽⁴⁾	-	56	(56)	-100%
Interest expense ⁽⁴⁾	9	8	1	13%
Pension income excluding service cost component ⁽⁴⁾	(35)	(39)	4	-10%
Other income, net ⁽⁴⁾	(4)	(4)	-	0%
Provision (benefit) for income taxes ⁽⁴⁾	5	(13)	18	-138%
Equity in loss of equity method investment, net of income taxes ⁽⁴⁾	-	1	(1)	-100%
Operational EBITDA	\$ 20	\$ 13	\$ 7	54%
Impact of foreign exchange ⁽⁵⁾	3	-	3	-
Operational EBITDA on a constant currency basis	\$ 23	\$ 13	\$ 10	77%

Footnote Explanations:

- (1) Restructuring costs and other as reported in the Consolidated Statement of Operations plus \$1 million of inventory write-downs included in cost of revenues for the three months ended September 30, 2017.
- (2) Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives.
- (3) Consists of third party costs such as security, maintenance and utilities required to maintain land and buildings in certain locations not used in any Kodak operations.
- (4) As reported in the Consolidated Statement of Operations.
- (5) The impact of foreign exchange represents the foreign exchange impact using average foreign exchange rates for the three months ended September 30, 2017, rather than the actual exchange rates in effect for the three months ended September 30, 2018.