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## Eastman Kodak Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions)

Thank you, sir. Ladies and gentlemen, our question and answer session will be conducted electronically. If you would like to ask a question, please firmly press the \* key, followed by the digit 1 on your touchtone telephone. We will take you in the order that you signal, and if you find that your question has been asked and answered before you could ask it, and if you would like to remove yourself from the question roster, please firmly press the # key. Also, if you are on a speakerphone, please make sure your mute button is disengaged so your signal can reach our equipment. Again, that is \*1 to ask a question. We will pause, for just a moment, to assemble the question roster.

For our first question, we go to Chris Whitmore, with Deutsche Bank.

#### Chris Whitmore – Deutsche Bank

Thanks very much, my first question is for Frank, on free cash flow and your outlook for cash generation in 2009. Just looking at 2008, if we exclude the \$580 million tax benefit from cash from operations, it looks like you used about \$400 million in cash flow. Given the restructuring charges, and the deterioration you're seeing in the business, it looks like you're on pace to have a significant usage of cash this year, perhaps in the \$600 million, \$700 million range. What are your thoughts around that, around those numbers? What are your expectations, etcetera?

#### Frank Sklarsky – CFO

Thanks Chris, we're going to give a lot more transparency around 2009 income statement, earnings from operations from cash flow, when we meet with the investment community, next week, in New York City. I don't want to go too much in depth with that. While we do have a significant restructuring charges and payments that we are going to be incurring the first half of the year, our aim would be to end up with a cash flow that is significantly better than the numbers you were just outlining, there. We have a lot of cost reductions underway. Our aim is to improve our earnings from operations. We hope to do better than that, but we're going to provide a lot more transparency around the specific numbers, next year.

What I would say is there are a lot of moving pieces, here. We know the down draft in revenue that we experienced in the fourth quarter is likely to continue for at least the first half of the year. As we said this morning, we are aligning the cost structure aggressively to take a substantial amount of cost

out. I don't think you can straight-line the run rate of cash usage from 2008 into 2009 because we are making so many structural changes to the income statement.

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