

EASTMAN KODAK CO
Form 10-Q/A
December 12, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

AMENDMENT TO APPLICATION OR REPORT

Filed Pursuant to Section 13 or 15 (d) of
The Securities Exchange Act of 1934

EASTMAN KODAK COMPANY

(Exact name of registrant as specified in its charter)

AMENDMENT NO. 1

EXPLANATORY NOTE

The purpose of this Amendment No. 1 to Eastman Kodak Company's Quarterly Report on Form 10-Q is to restate the Company's consolidated financial statements and related disclosures for the three and six month periods ended June 30, 2005. The restatement reflects adjustments to correct non-cash errors in the Company's accounting for restructuring accruals associated with severance and special pension-related termination benefits that were discovered in connection with the third quarter 2005 closing process. The restatement has resulted in the Company's reducing its previously reported net losses for the three and six month periods ended June 30, 2005 of \$154 million (\$.54 per share) and \$296 million (\$1.03 per share), respectively, to net losses of \$141 million (\$.49 per share) and \$281 million (\$.98 per share), respectively. The nature and impact of these adjustments are described in Note 1: Basis of Presentation and Restatement in this Form 10-Q/A.

Except for the revision of management's conclusion regarding the effectiveness of the Company's disclosure controls and procedures as of June 30, 2005 presented under Part I, Item 4, the Company has not modified or updated other disclosures presented in the original report on Form 10-Q except for the required effects of the restatement. Accordingly, other than the item indicated above, this Form 10-Q/A does not reflect events occurring after the filing of the original Form 10-Q or modify or update those disclosures. Information not affected by the restatement is unchanged and reflects the disclosure made at the time of the original filing of the Form 10-Q with the Securities and Exchange Commission on August 9, 2005. Accordingly, this Form 10-Q/A should be read in conjunction with the Company's filings made with the Securities and Exchange Commission subsequent to the filing of the original Form 10-Q. The following items have been amended as a result of the restatement:

- Part I Item 1 - Financial Statements
- Part I Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations
- Part I Item 4 - Controls and Procedures; and
- Part II Item 6 - Exhibits

In addition, the Company's Form 10-Q/A for the period ended March 31, 2005 dated December 12, 2005, the Form 10-Q for the period ended September 30, 2005 dated November 9, 2005, the Form 8-K dated August 11, 2005, the Form 8-K dated August 22, 2005, the Form 8-K dated August 24, 2005, the Form 8-K dated September 30, 2005, the Form 8-K dated October 17, 2005, the Form 8-K dated October 18, 2005, the Form 8-K dated October 19, 2005, the Form 8-K dated November 4, 2005 and the Form 8-K dated November 18, 2005 are hereby incorporated by reference.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

Eastman Kodak Company
(Registrant)

/s/ Richard G. Brown, Jr.

Richard G. Brown, Jr.
Controller

Date: December 12, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2005

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 1-87

EASTMAN KODAK COMPANY

(Exact name of registrant as specified in its charter)

NEW JERSEY
(State of incorporation)

16-0417150
(IRS Employer Identification No.)

343 STATE STREET, ROCHESTER, NEW YORK
(Address of principal executive offices)

14650
(Zip Code)

Registrant's telephone number, including area code: **585-724-4000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YesNo

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YesNo

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding at July 31, 2005
Common Stock, \$2.50 par value	287,201,183

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

Eastman Kodak Company
CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
	(Restated)		(Restated)	
Net sales	\$ 3,686	\$ 3,464	\$ 6,518	\$ 6,384
Cost of goods sold	2,622	2,363	4,749	4,476
Gross profit	1,064	1,101	1,769	1,908
Selling, general and administrative expenses	654	615	1,238	1,164
Research and development costs	276	213	475	410
Restructuring costs and other	253	134	368	188
(Loss) earnings from continuing operations before interest, other income (charges), net and income taxes	(119)	139	(312)	146
Interest expense	49	43	87	87
Other income (charges), net	(37)	8	(2)	6
(Loss) earnings from continuing operations before income taxes	(205)	104	(401)	65
Benefit for income taxes	(64)	(15)	(119)	(62)
(Loss) earnings from continuing operations	(141)	119	(282)	127
Earnings from discontinued operations, net of income taxes		17	1	30
NET (LOSS) EARNINGS	\$ (141)	\$ 136	\$ (281)	\$ 157
Basic net (loss) earnings per share:				
Continuing operations	\$ (.49)	\$.42	\$ (.98)	\$.44
Discontinued operations		.06		.11
Total	\$ (.49)	\$.48	\$ (.98)	\$.55
Diluted net (loss) earnings per share:				
Continuing operations	\$ (.49)	\$.40	\$ (.98)	\$.44
Discontinued operations		.06		.09
Total	\$ (.49)	\$.46	\$ (.98)	\$.53
Number of common shares used in basic net (loss) earnings per share	287.1	286.6	287.0	286.6
Effect of dilutive securities:				
Employee stock options		0.1		0.1
Contingent convertible notes		18.5		18.5
Number of common shares used in diluted net (loss) earnings per share	287.1	305.2	287.0	305.2



Eastman Kodak Company
CONSOLIDATED STATEMENT OF OPERATIONS (Continued)
(in millions)

	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
	(Restated)		(Restated)	
CONSOLIDATED STATEMENT OF RETAINED EARNINGS				
Retained earnings at beginning of period	\$ 7,770	\$ 7,536	\$ 7,922	\$ 7,515
Net (loss) earnings	(141)	136	(281)	157
Cash dividend declared	(72)	(72)	(72)	(72)
Loss from issuance of treasury stock	(2)	(1)	(14)	(1)
Retained earnings at end of period	\$ 7,555	\$ 7,599	\$ 7,555	\$ 7,599

The accompanying notes are an integral part of these consolidated financial statements.

Eastman Kodak Company
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions)

	June 30, 2005	Dec. 31, 2004
	(Restated)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 553	\$ 1,255
Receivables, net	2,976	2,544
Inventories, net	1,523	1,158
Deferred income taxes	582	556
Other current assets	136	105
Assets of discontinued operations	30	30
	<u>5,800</u>	<u>5,648</u>
Total current assets	5,800	5,648
Property, plant and equipment, net	4,462	4,512
Goodwill	2,004	1,446
Other long-term assets	3,320	3,131
	<u>15,586</u>	<u>14,737</u>
TOTAL ASSETS	\$ 15,586	\$ 14,737
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	\$ 3,864	\$ 3,896
Short-term borrowings	966	469
Accrued income taxes	707	625
	<u>5,537</u>	<u>4,990</u>
Total current liabilities	5,537	4,990
OTHER LIABILITIES		
Long-term debt, net of current portion	2,755	1,852
Pension and other postretirement liabilities	3,356	3,338
Other long-term liabilities	689	737
	<u>12,337</u>	<u>10,917</u>
Total liabilities	12,337	10,917
SHAREHOLDERS' EQUITY		
Common stock at par	978	978
Additional paid in capital	864	859
Retained earnings	7,555	7,922
Accumulated other comprehensive loss		