

# Kodak Cuts 1,000 Jobs as Part of Strategy to Exit Bankruptcy

by Joel R. Glucksman on September 28, 2012

In a bid to quickly exit bankruptcy protection quickly, Eastman Kodak Co. has eliminated 1,000 jobs in order to further reduce its costs.

The new job cuts follow the elimination earlier in the year of roughly 2,700 positions in several worldwide locations. The company said the annual savings from the terminations will amount to nearly \$330 million. In addition to reducing its labor force, the company said it will also stop manufacturing digital cameras, pocket video cameras and digital picture frames. Kodak is instead focusing its attention on developing its commercial printing segment.

"We recognize that we must significantly and expeditiously reduce our current cost structure, which is designed for a much larger, more diversified set of businesses," said chairman and CEO Antonio Perez.

The company also announced it was delaying a September 19 court hearing that would approve the sale of its digital imaging patent portfolio, a strategy the company planned to utilize to repay creditors. However, the company said it is now rethinking whether it will sell its patents at auction, and may instead set up a new licensing company to meet its creditor repayment obligations, according to Reuters. Although the company received bids for its patents from prospective buyers, including Google and Apple, the amounts offered were far lower than what the company had hoped for.

Kodak was forced to seek protection under bankruptcy law as innovations in digital photography make it difficult for the company to keep its film business solvent. Facing with liquidity constraints, the company - which was founded in 1880 - filed for bankruptcy in January.

The company hopes to emerge from bankruptcy protection in 2013.