

# INSTITUTIONAL DISTRESSED DEBT RESEARCH

Performance Plus Advisors, Inc.

Distressed Debt Research

November 15, 2012

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## EASTMAN KODAK COMPANY

A Trading Opportunity

Is this a Kodak moment for debt investors?

### Second Lien Debt

In our July 4<sup>th</sup> report we rated the second lien debt claim as Neutral. We suggested that distressed debt investors and traders should look for price weakness to accumulate this debt. The risk reward ratio now looks favorable and attractive, approximate price 65 cents on the dollar. The Company's patent portfolio will probably be sold at the low end of conservative projections. We recommend the accumulation of the senior Eastman Kodak debt. Below the first lien Super Priority Dip of \$950 million, there is \$750 million of Second Lien Debt:

\$500 million 9 ¾ due 3/1/2018	price 65
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\$250 million 10 5/8 due 3/15/2019	price 65
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Estimate of total of Second Lien Debt Claim \$850 million

**We now rate the Second Lien Debt as BUY.**

We expect a recovery for distressed debt investors which may include pre and post petition interest. Our opinion is based on the senior position these securities have in Eastman Kodak's capital structure and expect a full recovery for this claim.

**See Important Disclosures**

## RATING SYSTEM EXPLANATION

Buy: We generally expect “**Buy**” rated investment returns to be greater than or equal to plus 20% from date of the original recommendation.

Neutral: We general expect “**Neutral**” rated investment returns to deviate plus or minus + or – 20% from the date of the original recommendation.

Sell: We generally expect “**Sell**” rated investment returns to be equal to or greater than minus – 20% from the date of the original recommendation.

## ANALYST RATING DISTRIBUTION AS OF 11/15/2012

	Number of Companies	Percent of Total
Buy	2	18%
Neutral	7	64%
Sell	2	18%
Total	11	100%

### **Discloser-Certification**

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