

Kodak tries to quash bankruptcy fears; shares jump

October 3 2011

(AP) -- Eastman Kodak Co. shares soared more than 57 percent Monday after the photo company tried to quash investor fears of a bankruptcy, which had caused shares to lose more than half their value on Friday.

The stock was buoyed Monday by a statement Kodak released after the market closed on Friday, saying that it "is committed to meeting all of its obligations and has no intention of filing for bankruptcy."

The photography pioneer has struggled to adapt in the age of [digital imagery](#). The Rochester, N.Y., company hasn't posted an annual [profit](#) since 2004. Its shares have lost 76 percent of their value this year alone.

Investors grew increasingly concerned about the company's financial health last week. In five trading days, Kodak stock lost more than two-thirds of its value, from \$2.38 per share on Sept. 23 to 78 cents per share at Friday's close.

A Friday report in The [Wall Street Journal](#) said Kodak had hired Jones Day, a law firm that dispenses advice on bankruptcies and other restructuring alternatives.

Kodak confirmed the Jones Day hiring in its statement, describing the firm as one of several advisers helping its management turn around the company, which has lost nearly \$1.8 billion since 2007. "It is not unusual for a company in transformation to explore all options and to engage a variety of outside advisers," Kodak said.

The Jones Day report followed a [disclosure](#) from the company last Monday that it was borrowing \$160 million from a \$400 million credit line. Some analysts were concerned that the borrowing indicated Kodak was running out of cash in its battle to return to profitability. Others dismissed the concerns, maintaining Kodak dipped into a \$400 million credit line because most of its available cash is located overseas.

On Monday, the stock jumped 44 cents, or 57 percent, to \$1.23 in afternoon trading. The stock had lost 91 cents, or 54 percent, to 78 cents on Friday. But in the past 52 weeks, shares have lost 69 percent of their value. The stock peaked at \$94.75 in 1997, according to FactSet.

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Citation: Kodak tries to quash bankruptcy fears; shares jump (2011, October 3) retrieved 11 July 2024 from <https://phys.org/news/2011-10-kodak-quash-bankruptcy.html>

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