

Kodak restructures amid bankruptcy battle

January 10 2012

US photography giant Eastman Kodak, fighting to keep bankruptcy at bay, announced Tuesday a major restructuring to speed up its transformation into a digital company.

Kodak said it had reduced three segments into two on January 1: one focused on the general public and the other on professionals.

Kodak said the new business structure was "designed to increase productivity, reduce cost and accelerate its transformation into a digital company that delivers sustainable profitability and creates value for its stakeholders."

The move involves a reshuffling of top posts in the venerable US company, founded in the late 19th century.

"As we complete Kodak's transformation to a digital company, our future markets will be very different from our past, and we need to organize ourselves in keeping with that evolution," Antonio Perez, Kodak's chairman and chief executive, said in a statement.

Investors cheered the news of Kodak's restructuring, sending shares 30.4 percent higher to 52 cents in midday New York trade.

The company did not mention its dire financial difficulties that have spurred speculation it will file for [Chapter 11 bankruptcy protection](#) soon.

A week ago the [New York Stock Exchange](#) told the company, once one of the fabled [Dow Jones](#) industrial Average's 30 blue-chip stocks, that it faces delisting from the exchange if it cannot get its stock price back above \$1.00 level.

In its heyday, in 1996, Rochester, New York-based company's shares topped \$80 -- just at the outset of the digital photo revolution that eventually replaced the need for consumers to buy Kodak film, once a virtual monopoly in the US market.

(c) 2012 AFP

Citation: Kodak restructures amid bankruptcy battle (2012, January 10) retrieved 1 May 2024 from https://phys.org/news/2012-01-kodak-bankruptcy_1.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.