

www.**Breaking News English**.com

Ready-to-use ESL / EFL Lessons

Film company Kodak loses \$1 billion

URL: <http://www.breakingnewsenglish.com/0510/051021-kodak.html>

Today's contents

The Article	2
Warm-ups	3
Before Reading / Listening	4
While Reading / Listening	5
Listening Gap Fill	6
After Reading	7
Discussion	8
Speaking	9
Homework	10
Answers	11

Buy the Breaking News English.com Resource Book
"1,000 Ideas & Activities For Language Teachers"
\$9.99

<http://www.breakingnewsenglish.com/book.html>

21 October, 2005

THE ARTICLE

Film company Kodak loses \$1 billion

Eastman Kodak, the world's largest manufacturer of photographic film, has reported a third-quarter loss of \$1.03 billion, due largely to taxes related to its company-wide restructuring coupled with a steep slide in film sales. News of the loss sparked a 5.3 percent fall in the company's shares. Uneasy investors were weighing up the prospects of the company gaining a firm foothold in the digital imaging market. The company is still struggling to adapt to a transition in consumer purchasing from film to digital. Although Kodak has invested heavily in digital imaging, it is yet to reap the rewards from its shift into the new medium. The billion-dollar loss indicates a change in fortunes for the photo giant. In the same quarter last year it netted \$458 million in profits.

Not all was doom and gloom for the company. The numbers showed that Kodak's evolution from traditional photography is nicely on track for it to battle for the industry's top spot in terms of sales. This quarter saw revenue generated from its digital products overtake that for film, paper and darkroom supplies. Digital sales shot up by a healthy 47 percent to \$1.89 billion. In comparison, traditional revenue fared rather badly with a 20 percent slump. Sales of camera film, Kodak's prime earner for the past century, look set to deteriorate further with a 30 percent drop forecast by analysts. Kodak has for a long time recognized that its non-digital products will experience an irreversible decline and is now forging ahead to become a digital heavyweight.

WARM-UPS

1. \$1 BILLION: In pairs / groups, talk about \$1 billion. How important is this amount of money in business, aid to worldwide emergencies, defence spending and Bill Gates' bank account? What would you do with such a sum of cash?

2. LOSS: What are the main reasons for a company reporting financial losses? Talk with your partner(s) about how serious the following factors are for a company. What should a CEO do to turn his/her company around following such events?

- Increasing costs
- Falling sales
- Accounting scandal
- Compensation payouts
- Restructuring costs
- Negative industry rumors
- Global product recall
- Product that didn't sell
- Change in consumer preferences
- Sudden product obsolescence

3. CHAT: In pairs / groups, decide which of these topics or words are most interesting and which are most boring.

Kodak / photo film / financial losses / restructuring / sales / uneasy investors / market footholds / reaping rewards / doom and gloom / slumps / digital imaging

Have a chat about the topics you liked. For more conversation, change topics and partners frequently.

4. DIGITAL SWITCH: In pairs / groups, talk about how the emergence of digital technology has forced a change in operations for many companies. In particular, how might the IT revolution affect the following companies?

Ford Motors
AT&T Telephone
Sony

Kodak
NY Stock Exchange
Reuters

BBC TV
British Airways
McDonald's

5. KODAK: Spend one minute writing down all of the different words you associate with Kodak. Share your words with your partner(s) and talk about them. Together, put the words into different categories.

6. \$BILLION-LOSS OPINIONS: In pairs / groups, talk about the likely opinions of these people on Kodak's billion-dollar loss:

- Kodak's CEO
- Kodak shareholder
- Kodak factory worker
- Rival company CEO
- Industry analyst
- Average person in the street

In pairs / groups, role play short conversations between these people about Kodak's billion-dollar loss and the challenges of shifting from analog to digital products.

BEFORE READING / LISTENING

1. TRUE / FALSE: Look at the article's headline and guess whether these sentences are true (T) or false (F):

- | | |
|---|-------|
| a. Kodak is the world's largest moviemaking company. | T / F |
| b. Kodak lost a billion dollars despite increases in sales of photo film. | T / F |
| c. Investors were weighing digital cameras and traditional cameras. | T / F |
| d. Kodak has now reported losses for the fifth quarter in a row. | T / F |
| e. Kodak will track the evolution of the traditional photography industry. | T / F |
| f. Kodak's digital product sales are yet to match its film and paper sales. | T / F |
| g. Camera film has been Kodak's cash cow for over a century. | T / F |
| h. Kodak executives predict a rise in fortunes for non-digital products. | T / F |

2. SYNONYM MATCH: Match the following synonyms from the article:

- | | |
|-------------------|-------------|
| a. reported | harvest |
| b. restructuring | bad news |
| c. weighing up | progression |
| d. reap | downsizing |
| e. giant | striding |
| f. doom and gloom | behemoth |
| g. evolution | worsen |
| h. shot up | posted |
| i. deteriorate | evaluating |
| j. forging | rocketed |

3. PHRASE MATCH: Match the following phrases from the article (sometimes more than one combination is possible):

- | | |
|-----------------------------------|--|
| a. coupled | foothold in the digital imaging market |
| b. uneasy investors were weighing | the rewards from |
| c. gaining a firm | rather badly with a 20 percent slump |
| d. reap | the industry's top spot |
| e. last year it netted | with a steep slide in film sales |
| f. Not all was doom | up the prospects |
| g. battle for | to become a digital heavyweight |
| h. sales shot | \$458 million in profits |
| i. traditional revenue fared | up by a healthy 47 percent |
| j. forging ahead | and gloom |

WHILE READING / LISTENING

WORD ORDER: Put the underlined words back into the correct order.

Film company Kodak loses \$1 billion

Eastman Kodak, the world's largest manufacturer of photographic film, has reported a third-quarter loss of \$1.03 billion, related largely to taxes due to its company-wide restructuring slide with a coupled steep in film sales. News of the loss sparked a 5.3 percent fall in the company's shares. Uneasy investors were the prospects up weighing of the company gaining a firm foothold in the digital imaging market. The company is still struggling to transition in adapt to a consumer purchasing from film to digital. Although Kodak has invested heavily in digital imaging, it is the rewards to reap yet from its shift into the new medium. The billion-dollar loss fortunes a change in indicates for the photo giant. In the same quarter last year it netted \$458 million in profits.

Not doom for all and was gloom the company. The numbers showed that Kodak's evolution from traditional photography is track for nicely on it to battle for the industry's top spot in terms of sales. This quarter saw revenue generated from its digital products overtake that for film, paper and darkroom supplies. Digital shot by sales up healthy a 47 percent to \$1.89 billion. In comparison, traditional fared with revenue badly rather a 20 percent slump. Sales of camera film, Kodak's prime earner for the past century, further set to deteriorate look with a 30 percent drop forecast by analysts. Kodak has for a long time recognized that its non-digital products will experience an irreversible decline and is ahead now to become forging a digital heavyweight.

LISTENING

Listen and fill in the spaces.

Film company Kodak loses \$1 billion

Eastman Kodak, _____ largest manufacturer of photographic film, has reported a third-quarter loss of \$1.03 billion, _____ to taxes related to its company-wide restructuring coupled with a _____ in film sales. News of the loss sparked a 5.3 percent fall in the company's shares. Uneasy investors _____ up the prospects of the company gaining a firm foothold in the digital imaging market. The company is still struggling _____ to a transition in consumer purchasing from film to digital. Although Kodak has invested heavily in digital imaging, it is _____ the rewards from its shift into the new medium. The billion-dollar loss indicates a change in fortunes for the photo giant. In the same quarter last year _____ \$458 million in profits.

Not all was _____ for the company. The numbers showed that Kodak's evolution from traditional photography is _____ track for it to battle for the industry's top spot in terms of sales. This quarter saw revenue generated from its digital products _____ film, paper and darkroom supplies. Digital sales shot up by a healthy 47 percent to \$1.89 billion. In comparison, traditional revenue _____ badly with a 20 percent slump. Sales of camera film, Kodak's _____ for the past century, look set to deteriorate further with a 30 percent drop forecast by analysts. Kodak has for a long time recognized that its non-digital products will experience an _____ decline and is now _____ ahead to become a digital heavyweight.

AFTER READING / LISTENING

1. WORD SEARCH: Look in your dictionaries / computer to find collocates, other meanings, information, synonyms ... for the words 'forge' and 'ahead'.

- Share your findings with your partners.
- Make questions using the words you found.
- Ask your partner / group your questions.

2. ARTICLE QUESTIONS: Look back at the article and write down some questions you would like to ask the class about the text.

- Share your questions with other classmates / groups.
- Ask your partner / group your questions.

3. WORD ORDER: In pairs / groups, compare your answers to this exercise. Check your answers.

4. VOCABULARY: Circle any words you do not understand. In groups, pool unknown words and use dictionaries to find their meanings.

5. STUDENT "DIGITAL INDUSTRY" SURVEY: In pairs / groups, write down questions about the digital products industry.

- Ask other classmates your questions and note down their answers.
- Go back to your original partner / group and compare your findings.
- Make mini-presentations to other groups on your findings.

6. TEST EACH OTHER: Look at the words below. With your partner, try to recall exactly how these were used in the text:

- | | |
|--------------|---------------|
| • third | • doom |
| • coupled | • track |
| • weighing | • overtake |
| • struggling | • fared |
| • reap | • deteriorate |
| • netted | • ahead |

DISCUSSION

STUDENT A's QUESTIONS (Do not show these to student B)

- a. Did the headline make you want to read the article?
- b. What was your initial reaction to the headline?
- c. What do you know about Kodak?
- d. Do you think \$1 billion is a lot of money for Kodak?
- e. Would you be worried about this loss if you were a Kodak shareholder?
- f. Would you invest in Kodak?
- g. Agfa, a major Kodak competitor, has just filed for bankruptcy. Do you think Kodak might go down the same road?
- h. What advice would you give to Kodak's CEO?
- i. Do you think Kodak should try and develop a niche market in photographic film?
- j. Do you think Kodak will become a digital heavyweight?

STUDENT B's QUESTIONS (Do not show these to student A)

- a. Did you like reading this article?
- b. What do you think about what you read?
- c. Do you follow news of company gains and losses?
- d. What does it mean for a company if its share price falls by 5.3 percent?
- e. What would you be thinking about this loss if you were Kodak's CEO?
- f. What other companies do you know of that are having to play catch up in the digital revolution?
- g. What kind of photographer are you?
- h. Do you prefer traditional or digital photography?
- i. What news of doom and gloom have you read about recently?
- j. Did you like this discussion?

AFTER DISCUSSION: Join another partner / group and tell them what you talked about.

- a. What question would you like to ask about this topic?
- b. What was the most interesting thing you heard?
- c. Was there a question you didn't like?
- d. Was there something you totally disagreed with?
- e. What did you like talking about?
- f. Do you want to know how anyone else answered the questions?
- g. Which was the most difficult question?

SPEAKING

FORGING AHEAD: You are a Kodak executive looking at ways of entering or developing new markets. In pairs / groups, discuss the following ideas for making sure Kodak can forge ahead and establish itself as a digital heavyweight. In the middle column, write down reasons why you think the ideas might be successful, or otherwise. Can you see any commercial success for these ideas? Write your ideas in the right hand column.

IDEAS	REASONS	COMMERCIAL SUCCESS
Digital newspapers and magazines		
E-books		
Video-mail cameras		
A niche market in camera film and paper		
Photographic clothes		
Recording human memories as digital images		
Video photographs		
Other		

Change partners and report on what you talked about with your previous partner(s).

Decide which potential product seems the likeliest to achieve commercial success and create a presentation for it to give to your CEO.

Give your presentations to the class. Vote on the best one.

HOMEWORK

1. VOCABULARY EXTENSION: Choose several of the words from the text. Use a dictionary or Google's search field (or another search engine) to build up more associations / collocations of each word.

2. INTERNET: Search the Internet and find more information on Eastman Kodak. Share your findings with your class in the next lesson.

3. I.T. REPORT: Write a short report describing how the IT revolution has forced many traditional companies to change. Read your reports to your classmates in your next lesson. Did you all write about similar things?

4. LETTER FROM CEO: You are Kodak's CEO. Write a letter to you shareholders about the loss, the fall in share price and your plans to return the company to profitability. Read what you wrote to your classmates in your next lesson. Did you all write about similar things and have similar plans?

ANSWERS

TRUE / FALSE:

- a. F b. F c. F d. F e. F f. F g. T h. F

SYNONYM MATCH:

- | | |
|-------------------|-------------|
| a. reported | posted |
| b. restructuring | downsizing |
| c. weighing up | evaluating |
| d. reap | harvest |
| e. giant | behemoth |
| f. doom and gloom | bad news |
| g. evolution | progression |
| h. shot up | rocketed |
| i. deteriorate | worsen |
| j. forging | striding |

PHRASE MATCH:

- | | |
|-----------------------------------|--|
| a. coupled | with a steep slide in film sales |
| b. uneasy investors were weighing | up the prospects |
| c. gaining a firm | foothold in the digital imaging market |
| d. reap | the rewards from |
| e. last year it netted | \$458 million in profits |
| f. Not all was doom | and gloom |
| g. battle for | the industry's top spot |
| h. sales shot | up by a healthy 47 percent |
| i. traditional revenue fared | rather badly with a 20 percent slump |
| j. forging ahead | to become a digital heavyweight |

WORD ORDER:

Film company Kodak loses \$1 billion

Eastman Kodak, the world's largest manufacturer of photographic film, has reported a third-quarter loss of \$1.03 billion, due largely to taxes related to its company-wide restructuring coupled with a steep slide in film sales. News of the loss sparked a 5.3 percent fall in the company's shares. Uneasy investors were weighing up the prospects of the company gaining a firm foothold in the digital imaging market. The company is still struggling to adapt to a transition in consumer purchasing from film to digital. Although Kodak has invested heavily in digital imaging, it is yet to reap the rewards from its shift into the new medium. The billion-dollar loss indicates a change in fortunes for the photo giant. In the same quarter last year it netted \$458 million in profits.

Not all was doom and gloom for the company. The numbers showed that Kodak's evolution from traditional photography is nicely on track for it to battle for the industry's top spot in terms of sales. This quarter saw revenue generated from its digital products overtake that for film, paper and darkroom supplies. Digital sales shot up by a healthy 47 percent to \$1.89 billion. In comparison, traditional revenue fared rather badly with a 20 percent slump. Sales of camera film, Kodak's prime earner for the past century, look set to deteriorate further with a 30 percent drop forecast by analysts. Kodak has for a long time recognized that its non-digital products will experience an irreversible decline and is now forging ahead to become a digital heavyweight.