H1 2016 RESULTS

27 July 2016

H1

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Forward looking statements

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- **THIS PRESENTATION** contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts.

- **SUCH FORWARD-LOOKING STATEMENTS** are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements.

- **FOR A MORE COMPLETE LIST** and description of such risks and uncertainties, refer to Technicolor’s filings with the French Autorité des marchés financiers.

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Agenda

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1	2	3	4	5
Pages 5 to 12	Pages 13 to 14	Pages 15 to 22	Pages 23 to 24	Pages 25 to 29
Operating Businesses	**Licensing Business**	**H1 2016 Financial Results**	**2016 Guidance**	**Appendix**

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H1 2016 highlights

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TRANSFORMATION ON TRACK

67% OF ADJ. EBITDA COMING FROM OPERATING BUSINESSES

86% OF LICENSING ADJ. EBITDA COMING FROM NON MPEG LA

SOLID FREE CASH FLOW GENERATION AND **ACCELERATED DELEVERAGING**

2016 OBJECTIVES CONFIRMED

INTEGRATION OF 2015 ACQUISITIONS AHEAD

Further improvement in Operating businesses expected in H2 2016
Objective maintained in Licensing notwithstanding lower MPEG LA contribution

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OPERATING BUSINESSES

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Connected Home (CH) – Revenue highlights

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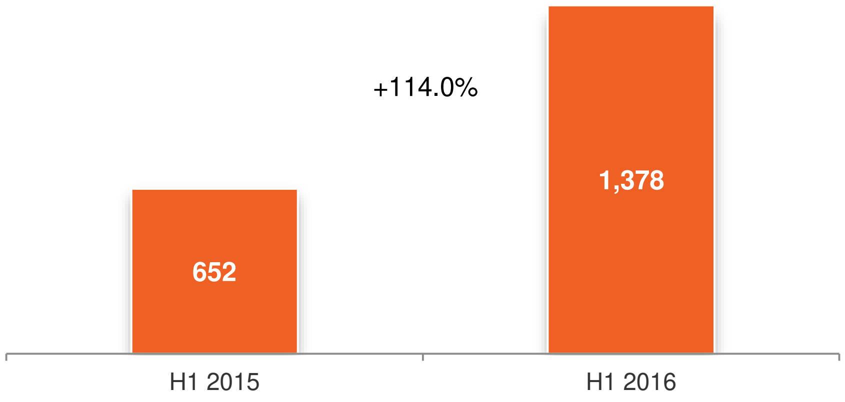
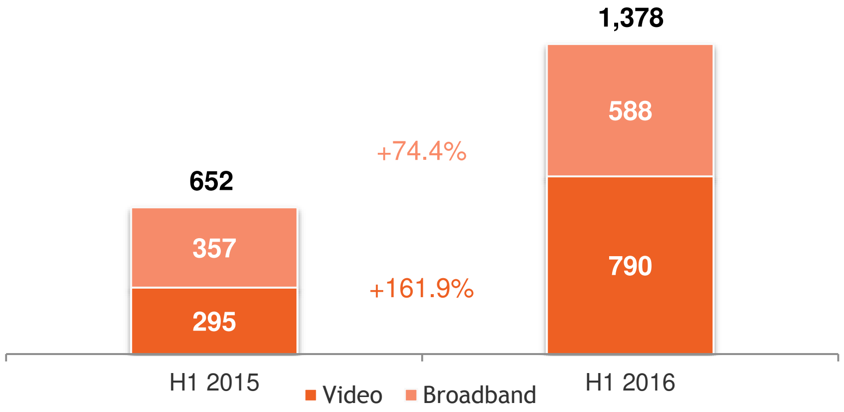
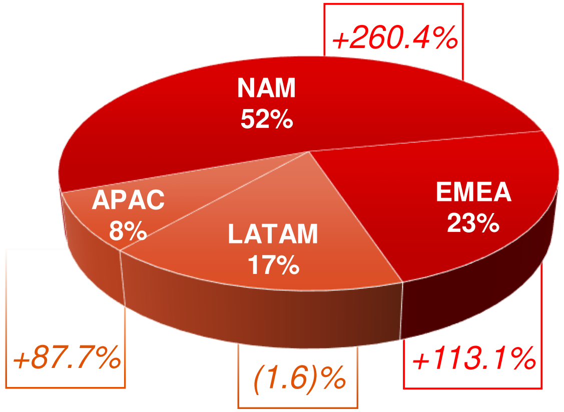
Revenues (€m)
Change at constant currency



Revenues by product (€m)



Revenues by region (€m)
Change at constant currency



REVENUES HIGHLIGHTS

- **Change in scale** with contribution of CCD* acquisition
- **Organic revenue growth** of almost 5% at constant currency vs. H1 2015 driven by EMEA and APAC
- **Sustained customer demand** for video and broadband categories in H1
- **Strong commercial activity** with a good level of customer wins and awards both in Q1 and Q2

*Cisco Connected Devices

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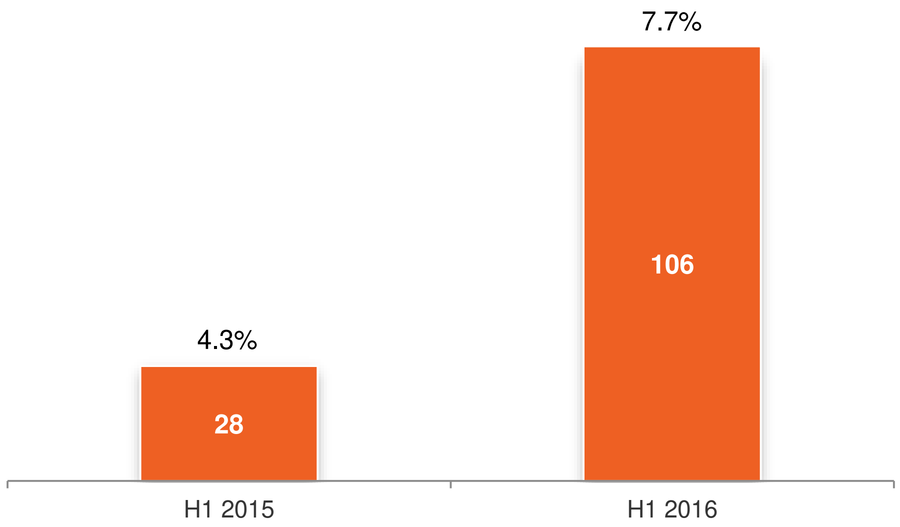
Connected Home (CH) – Adj. EBITDA highlights

Adj. EBITDA (€m) & Margin (%)



ADJ. EBITDA HIGHLIGHTS

- **Strengthened financial profile following change in scale**
- **Gross margin at 16.4%** in H1 2016, up by 0.6 point vs. H1 2015
- **Adj. EBITDA up by €78 million** vs. H1 2015
- **Adj. EBITDA margin at 7.7%**, up by 3.4 points vs. H1 2015
- **Strong performance** resulting from a very good execution of the integration of CCD, with full benefits of G&A synergies in H1

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CH - Strong commercial activity in Q2 2016

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VIDEO

- Solid pipeline of new STB contracts in Q2, including OTT boxes

Televisa

1 US CABLE OPERATOR

CANAL+

at&t DIRECTV PANAMERICANA

1 US OTT

TIM

airtel

BROADBAND

- Solid pipeline of fixed BB wins in Q2 across geographies

FASTWEB un passo avanti

iinet connect better

1 US TELECOM OPERATOR

vodafone

SCTV

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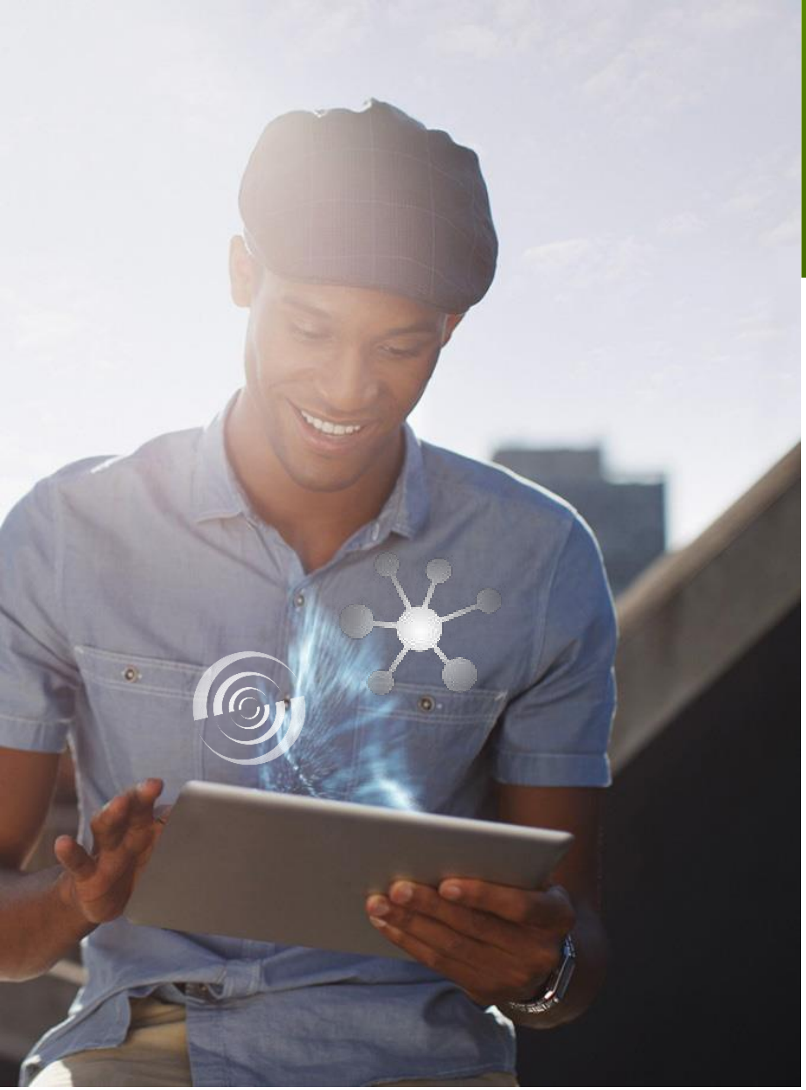
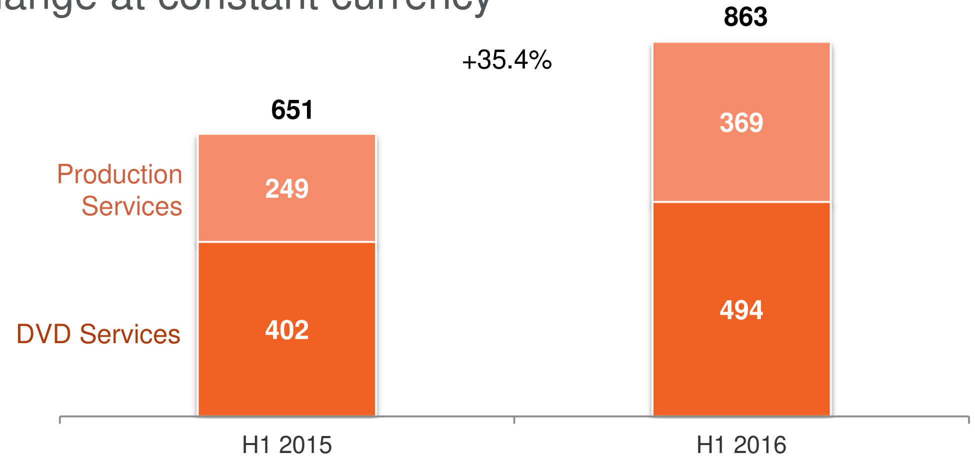
CH – Focus on integration



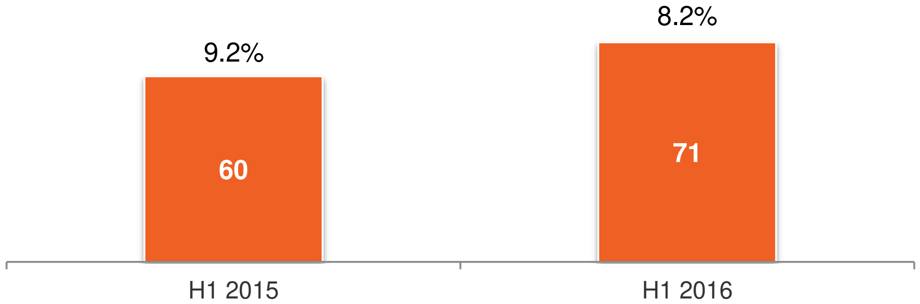
- Supply chain migration successfully concluded in July
- Further progress in synergy implementation, with R&D efficiency measures launched at the end of June
- Successful absorption of the acquisition at the working capital level through rigorous inventory management

Entertainment Services – Highlights

Revenues* (€m)
Change at constant currency



Adj. EBITDA* (€m)
& Margin (%)



PRODUCTION SERVICES HIGHLIGHTS

- **Revenues up by 53.8%** at constant currency driven by:
  - Double-digit organic growth
  - Positive contribution of Mikros Image and The Mill

DVD SERVICES HIGHLIGHTS

- **Revenues up by 24.0%** at constant currency driven by:
  - New customer additions secured in 2015

ADJ. EBITDA HIGHLIGHTS

- **Adj. EBITDA up by 23.5%** at constant currency vs. H1 2015, reflecting:
  - **Strong increase in Production Services** driven by record level of activity in VFX and incremental contribution from acquisitions
  - **Cost reduction program executed in DVD Services in H1** to bring North American assets of Cinram at Group's profitability standard in H2

*Excluding exited activities (legacy activities, Digital Cinema and Distribution Services)

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Continued growth in Production Services

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INCREASED pipeline of projects with major wins in all market segments during H1 2016

GROWING customer base

EXPANDING capacity worldwide

MPC
MIKROS IMAGE
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MR X

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DVD Services volume trends in Q2 2016

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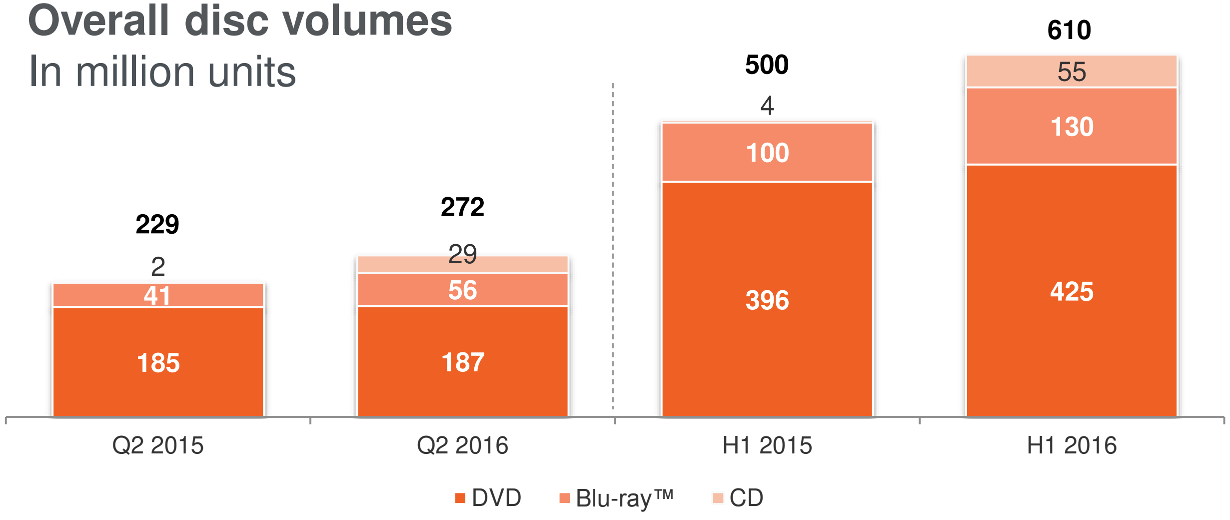
Overall disc volumes
In million units



STRONG GROWTH IN BLU-RAY™ VOLUMES

- Blu-ray™ disc volumes: **+ c.30%** vs. H1 2015
- Overall Games volumes: **+ c.19%** driven by ongoing growth of Xbox One demand

KEY THEATRICAL TITLES PRODUCED

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LICENSING BUSINESS

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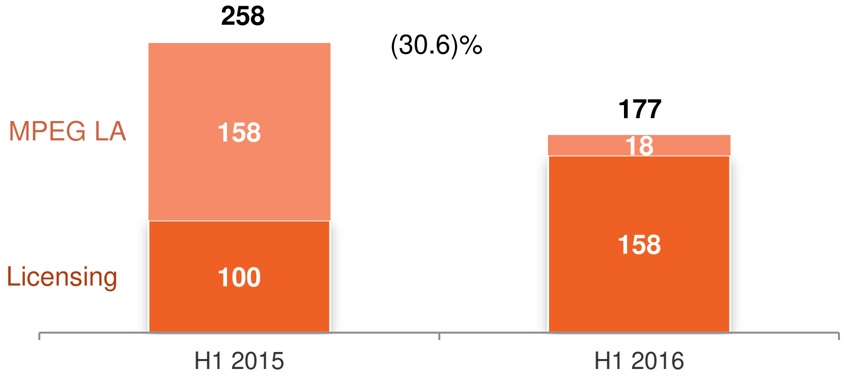
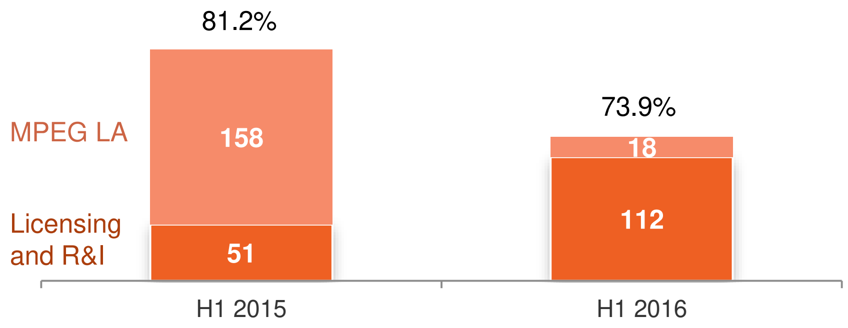
Technology – Highlights

Revenues* (€m)
Change at constant currency



Adj. EBITDA* (€m) & Margin (%)



REVENUES HIGHLIGHTS

- Strong level of activity in Licensing, driven principally by non-exclusive agreements in both Video Coding and Digital TV in Q1, and in Set Top Box in Q2
- MPEG LA revenues lower than anticipated
- 1st action to reduce the size of the very large IP portfolio
- Increase in Trademark Licensing revenues

ADJ. EBITDA HIGHLIGHTS

- Adj. EBITDA of €130 million in H1 2016, or a 73.9% margin, driven by the solid level of new licensing agreements
- Cost improvement initiatives executed in H1 2016, including the shutdown of the Group’s research lab in Hannover, should generate cost savings in 2017

*Following the disposal of M-GO, completed in January 2016, and the discontinuation of Virdata, the Group transferred the M-GO and Virdata activities from the Technology segment to the Other segment in the second quarter of 2016. Accordingly, financial information has been restated for 2015.

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H1 2016 FINANCIAL RESULTS

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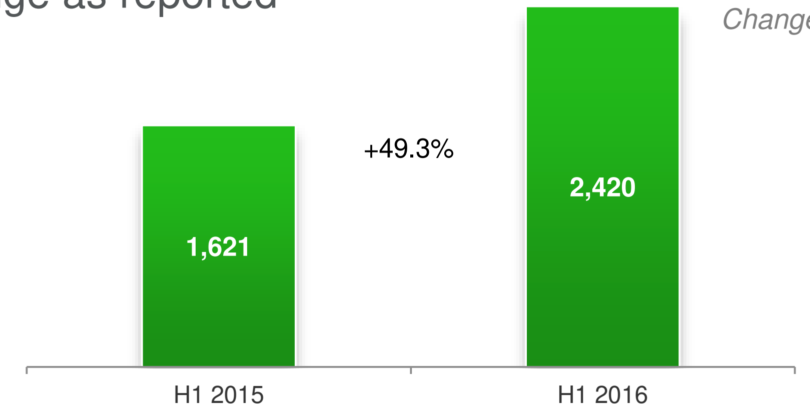
H1 2016 financial highlights

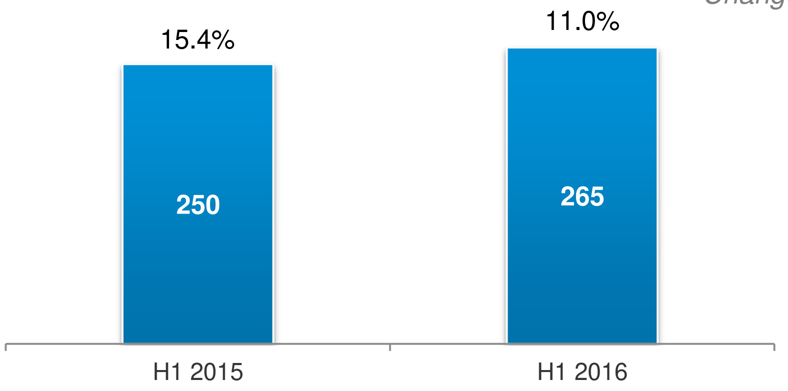
Revenues* (€m)
Change as reported

H1 2016 vs. H1 2015
Change at constant rate
+51.6%



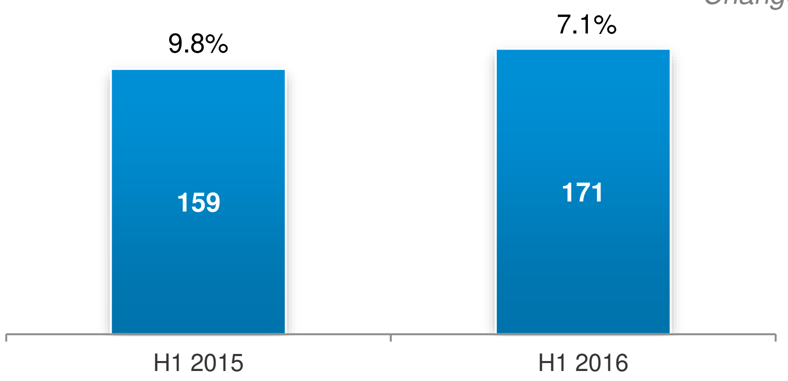
Adj. EBITDA* (€m) & Margin (%)

H1 2016 vs. H1 2015
Change at constant rate
+8.4%

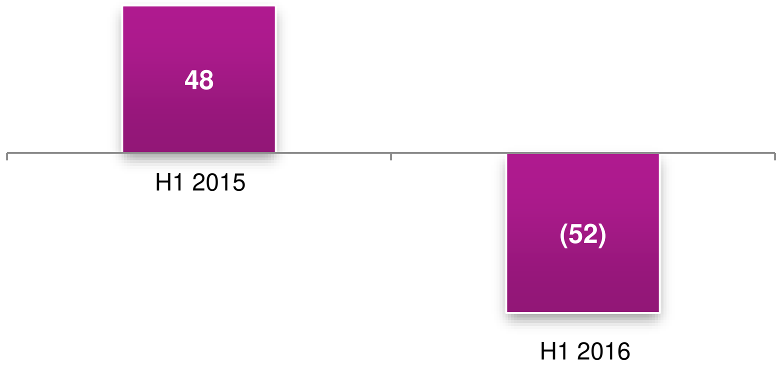


Adj. EBIT* before PPA** amortization (€m) & Margin (%)

H1 2016 vs. H1 2015
Change at constant rate
+10.4%



Net Income (€m)



*From continuing operations
**Purchase Price Allocation

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Solid free cash flow generation and deleveraging

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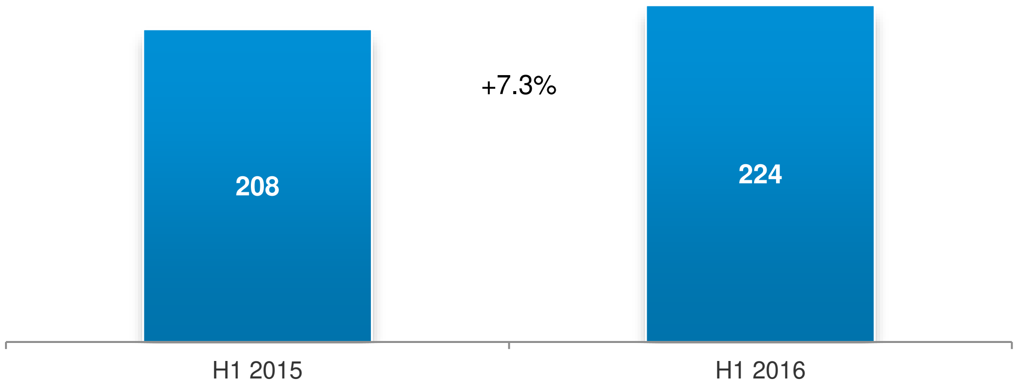
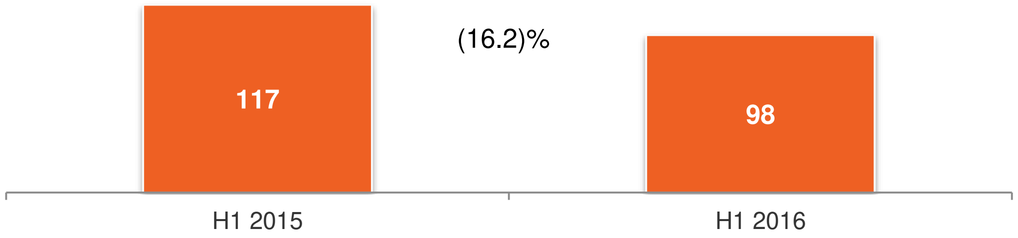
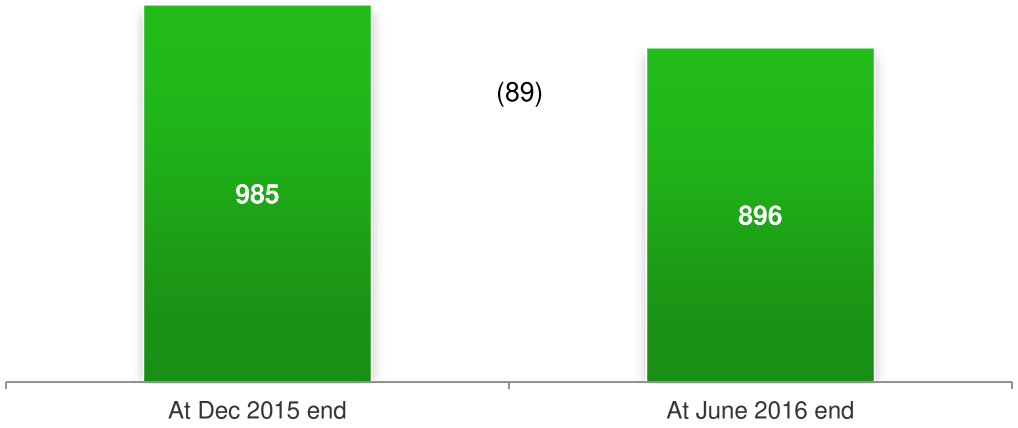
Operating Cash Flow from Continuing Operations (€m)
Change as reported



Group FCF (€m)
Change as reported



Nominal Net Debt (€m)
Change as reported



- Senior debt voluntary prepayments:
  - €100m in July 2016
- Current ratings
  - Standard & Poor's:
    BB-, stable outlook
  - Moody's:
    B1, positive outlook

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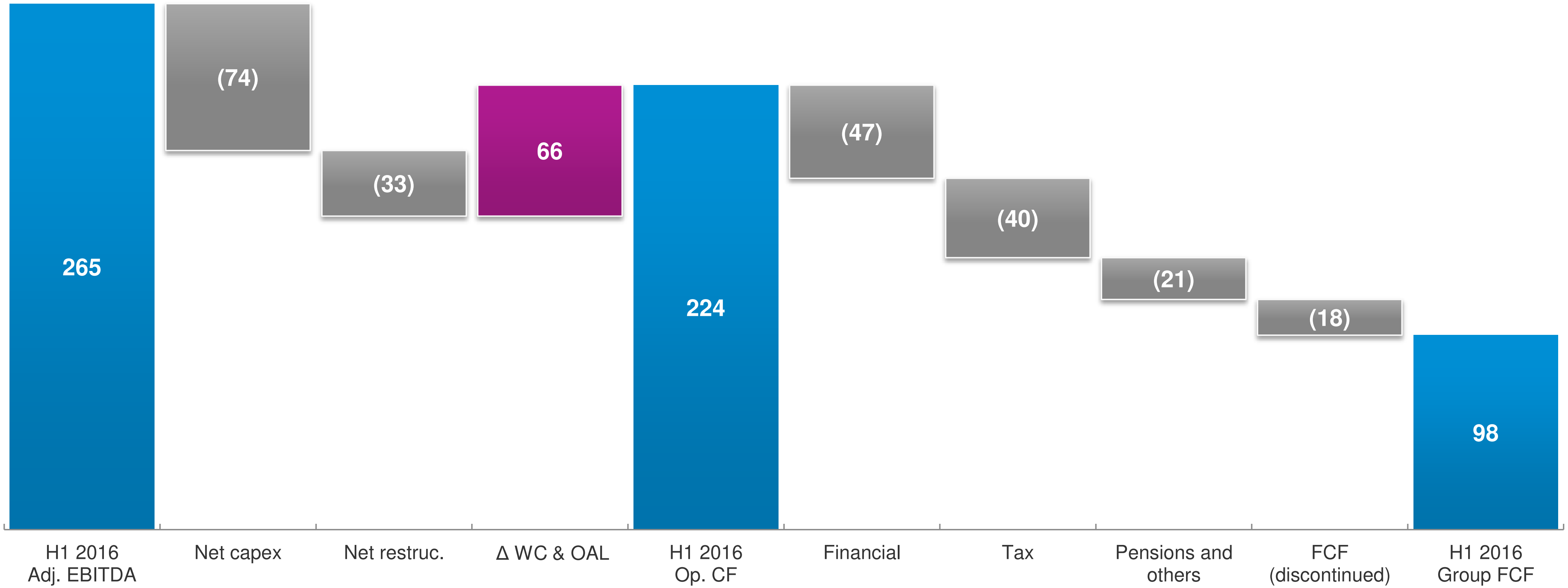
Strong free cash flow generation

H1

In €m



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Key items from Adj. EBIT to net income

SUMMARY OF KEY ITEMS (IN € MILLION)

- **Costs related to 2015 acquisitions:**
  - PPA amortization: **€18m**
  - Integration costs and R&D write-offs **€16m**
- **Increase in financial costs:**
  - Borrowing costs: **€12m**
  - Forex and others: **€12m**
- **CRT* legacy litigation:** **€50m**

*Cathode-Ray Tube

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H1 2016 – From Adj. EBITDA to EBIT

(in € million)	H1 2015	H1 2016	*Change**
Adj. EBITDA**	**250**	**265**	***+15***
D&A***	(91)	(94)	*(3)*
Adj. EBIT before PPA amortization**	**159**	**171**	***+12***
PPA amortization	0	(18)	*(18)*
Adj. EBIT**	**159**	**154**	***(5)***
Non-current	12	(12)	*(24)*
Restructuring costs	(31)	(39)	*(8)*
R&D write-offs	(9)	(8)	*+1*
EBIT**	**132**	**95**	***(37)***

- Higher restructuring costs vs. H1 2015, largely driven by the cost reduction program implemented and executed in Technology

*At current Currency
**From continuing operations
***including impact of provisions for risks, litigations and warranties, and excluding PPA amortization

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H1 2016 – EBIT to net income

(in € million)	H1 2015	H1 2016	*Change**
EBIT**	**132**	**95**	***(37)***
Financial result	(44)	(73)	*(29)*
Income tax	(29)	(30)	*(1)*
Share of profit/(loss) from associates	1	0	*(1)*
Profit/loss from continuing operations	**60**	**(8)**	***(68)***
Discontinued operations	(12)	(44)	*(32)*
Net income	**48**	**(52)**	***(100)***

*At current currency
**From continuing operations

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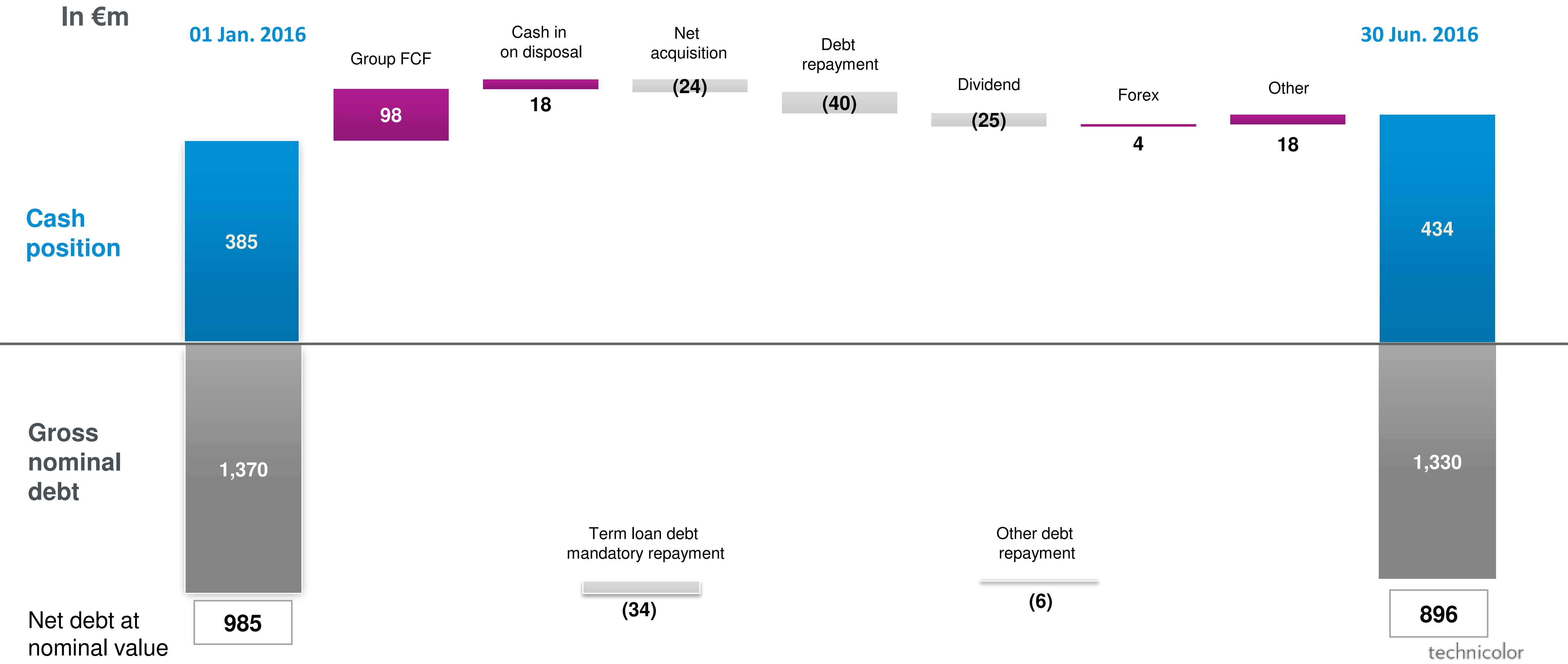
Net nominal debt evolution (non IFRS)



2016 GUIDANCE

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2016 objectives confirmed

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FREE CASH FLOW

> €240m

Adj. EBITDA

€600m to €630m

Net Debt to Adj. EBITDA

< 1.4x

Adj. EBITDA breakdown

Operating Businesses: > €475m

Technology: > €200m

Corporate and Other: c. €(80)m

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APPENDIX

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Q2 and H1 2016 revenues by segment

H1

(in € million)	H1 2015	H1 2016	Δ % Current currency	Δ % Constant currency	Q2 2015	Q2 2016	Δ % Current currency	Δ % Constant currency
Connected Home	652	1,378	*+111.4%*	*+114.0%*	335	680	*+102.9%*	*+106.7%*
Entertainment Services	651	863	*+32.6%*	*35.4%*	313	413	*+31.9%*	*+36.3%*
Technology	258	177	*(31.5)%*	*(30.6)%*	140	65	*(53.9)%*	*(54.1)%*
Group revenues (excluding exited activities)	**1,561**	**2,418**	***+54.9%***	***+57.3%***	**789**	**1,158**	***+46.8%***	***+50.2%***
Exited activities*	60	2	*(96.9)%*	*(96.9)%*	27	0	*ns*	*ns*
Group revenues	**1,621**	**2,420**	***+49.3%***	***+51.6%***	**816**	**1,158**	***+41.9%***	***+45.1%***

*Including legacy activities, Digital Cinema and Distribution Services in the Entertainment Services segment, and IZ-ON, M-GO and Virdata in the Other segment

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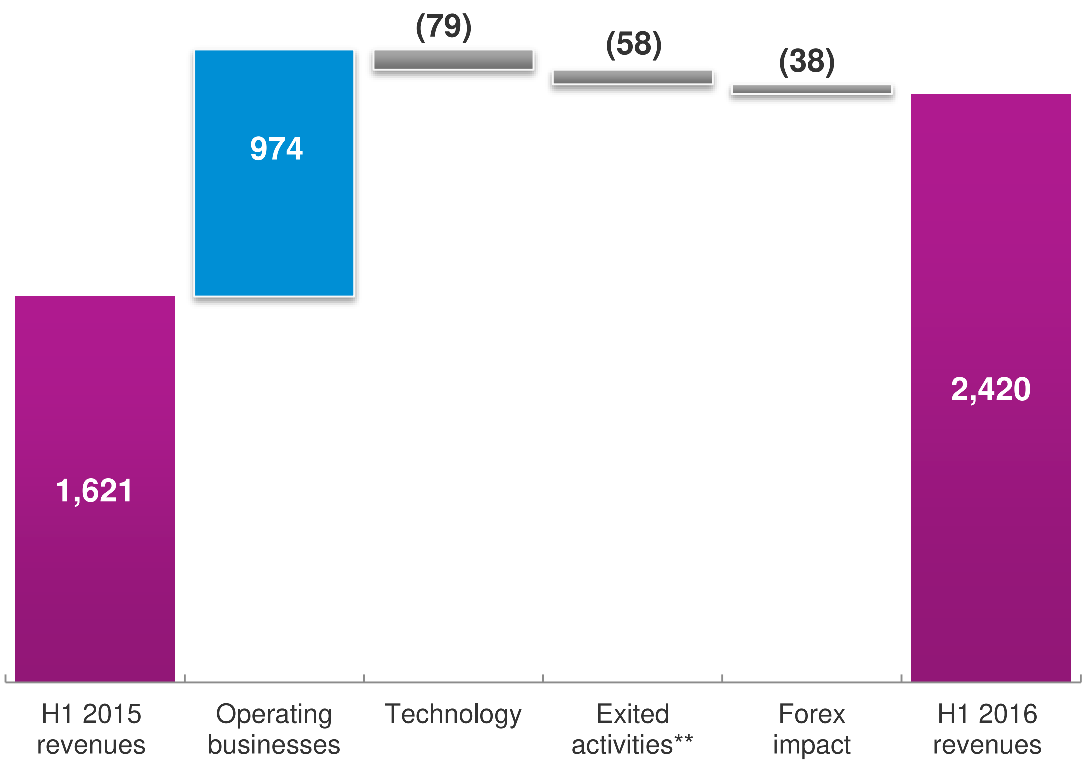
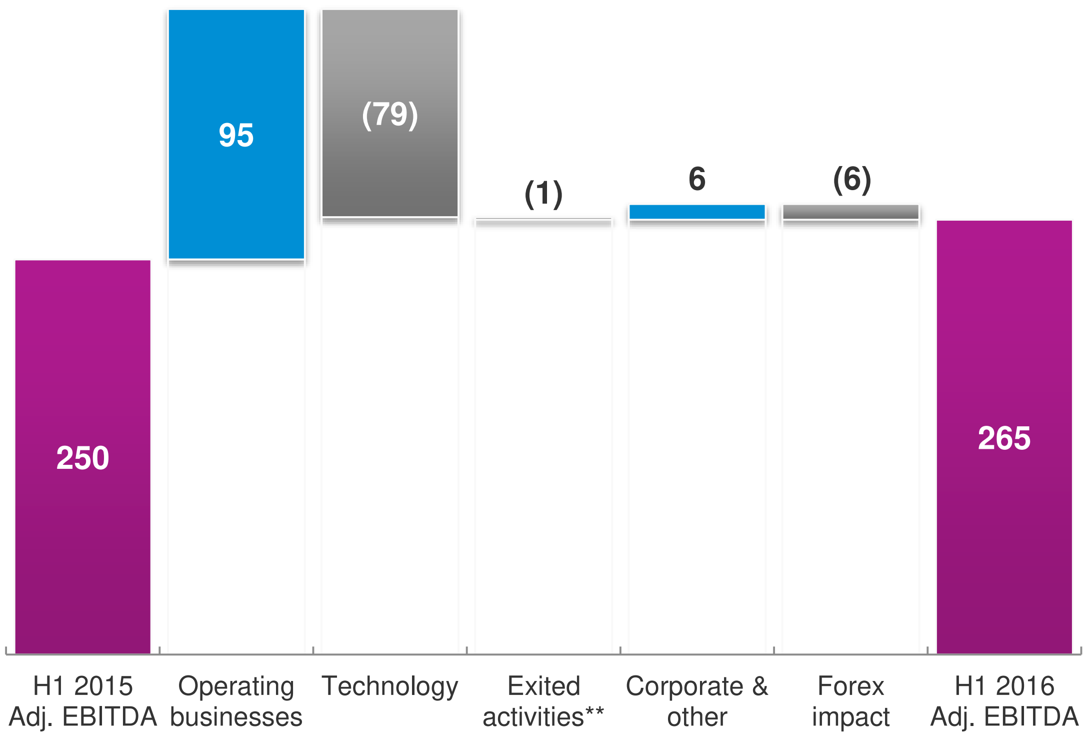
H1 2016 – Revenues & Adj. EBITDA

Revenues* (€m)



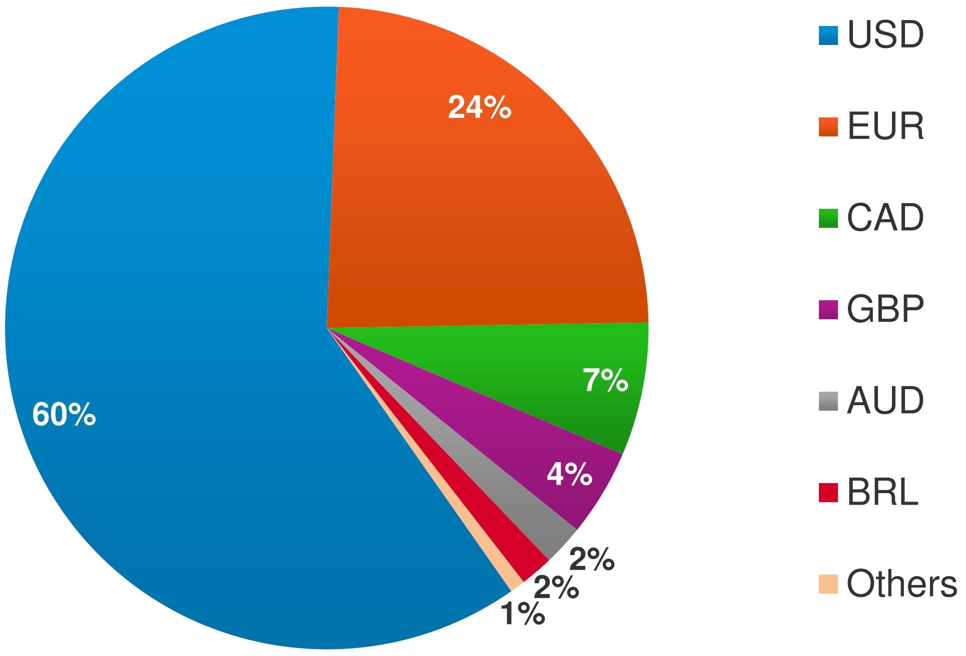
Adj. EBITDA* (€m)



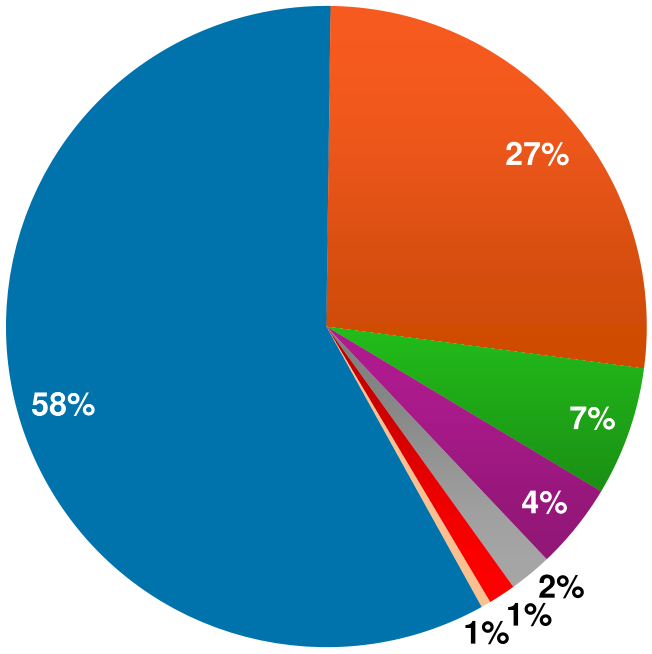
*From continuing operations. Change at constant currency
**Including legacy activities, Digital Cinema and Distribution Services in the Entertainment Services segment, and IZ-ON, M-GO and Virdata in the Other segment

H1 2016 – Foreign exchange exposure

H1 2016 group revenues by currency



H1 2016 group cost base by currency



- Increased exposure to the US dollar
- The cost base largely matched the revenue base, with very limited discrepancies

Debt structure and "non-cash" liquidity

H1

(in millions)	Issuer	Nominal Debt	IFRS Debt
Term Loan B - $	Tech Finance	$918	$876
Term Loan B - €	Tech Finance	€477	€447
Total senior debt		€1,305	€1,238
Other debt		€25	€25
Gross debt		€1,330	€1,263
Cash		€434	€434
Net debt		€896	€829
Average rate in H1		4.97%	6.56%

- Average rate in H1 2016
  - IFRS: 6.56%
  - Nominal: 4.97%

Significant liquidity available as of April 2016	in million € or $	
Undrawn committed credit lines		
RCF	€100m	Euribor/Libor + 4.25% - Term: July 2018
RCF	€125m	Euribor/Libor + 3.50% - Term: Jan 2019 + 1
Wells Fargo credit line	$125m	Libor + 2.25-2.75% - Term: April 2019
Credit Agricole credit line	€25m	Euribor/Libor + 1.80% - Term: May 2017
Uncommitted credit lines Other uncommitted facilities (for borrowings)	$40m	

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