

Full Year 2011 Results and Strategic Roadmap



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Forward Looking Statements

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 and include any statement which does not directly relate to a historical fact or current fact. 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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FINANCIAL REVIEW

Full Year 2011

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FY 2011 Business Highlights

Highest licensing revenues since 2003 and significant progress in launch of new patent licensing programs

Strong innovation pipeline: significant progress in M-GO, accelerated metadata solutions and launch of several new algorithms for our VFX activities

Record year in Digital Production revenues and DVD volumes

Launch in December of an action plan to restore profitability in Connected Home

FY 2011 Results Highlights

(€ million)	2010	2011
Revenues from continuing operations	€3,574m	€3,450m
Adjusted EBITDA* from continuing operations	€505m 14.1% sales	€475m 13.8% sales
EBIT from continuing operations	€38m 1.1% sales	€(33)m (1.0)% sales
Net income from continuing operations	€156m	€(303)m
Consolidated net result	€(69)m	€(324)m
Operating Cash Flow** from continuing operations	€303m	€261m
Group Free Cash Flow	€(100)m	€81m
Net debt (as per IFRS)	€993m	€957m

- Group revenues down (1.1)% at constant rates

- Adjusted EBITDA down (5.9)% compared with 2010
- Slight decrease in Adjusted EBITDA margin to 13.8%

- EBIT negatively impacted by asset impairment and restructuring charges of €271 million

- Positive exceptional financial results in FY 2010
- Impact of tax one-off depreciation in FY 2011

- Aligned with the Adjusted EBITDA performance
- Capex comparable with 2010 level

- Higher FCF generation reflecting good overall working capital performance

* Excluding net impairment charges, restructuring and other income/(loss)

** Adjusted EBITDA minus restructuring and capex cash-out

2011 Revenues by Division

(€ million)	Q4 2010	Q4 2011	Δ % Constant Currency	H2 2010	H2 2011	Δ % Constant Currency	FY 2010	FY 2011	Δ % Constant Currency
Technology	136	130	(5.5)%	261	237	(14.9)%	450	456	+2.1%
Entertainment Services	596	579	(2.1)%	1,029	1,021	+1.4%	1,697	1,779	+8.0%
Digital Delivery	423	343	(17.9)%	783	631	(17.8)%	1,423	1,210	(13.1)%
Other	0	2	+127.2%	2	2	+15.4%	4	5	+17.8%
Total from continuing operations	1,155	1,054	(8.3)%	2,075	1,891	(7.9)%	3,574	3,450	(1.1)%

KEY TAKEAWAYS - FY 2011 REVENUES

- Technology up 2.1% YoY*: very strong H1 vs. last year, partially offset by softer H2, reflecting the Group's decision to continue some contract negotiations
- Entertainment Services up 8.0% YoY*: healthy growth in DVD Services and Creation Services more than compensate for the drop in Theatrical Services revenues
- Digital Delivery down 13.1% YoY*: weak performance of Connected Home reflecting lower volumes, adverse geographical and product mix effects and continued slowdown in customer demand in Europe

* Year-over-Year change at constant currency

H2 & FY 11 Adjusted EBITDA by Division

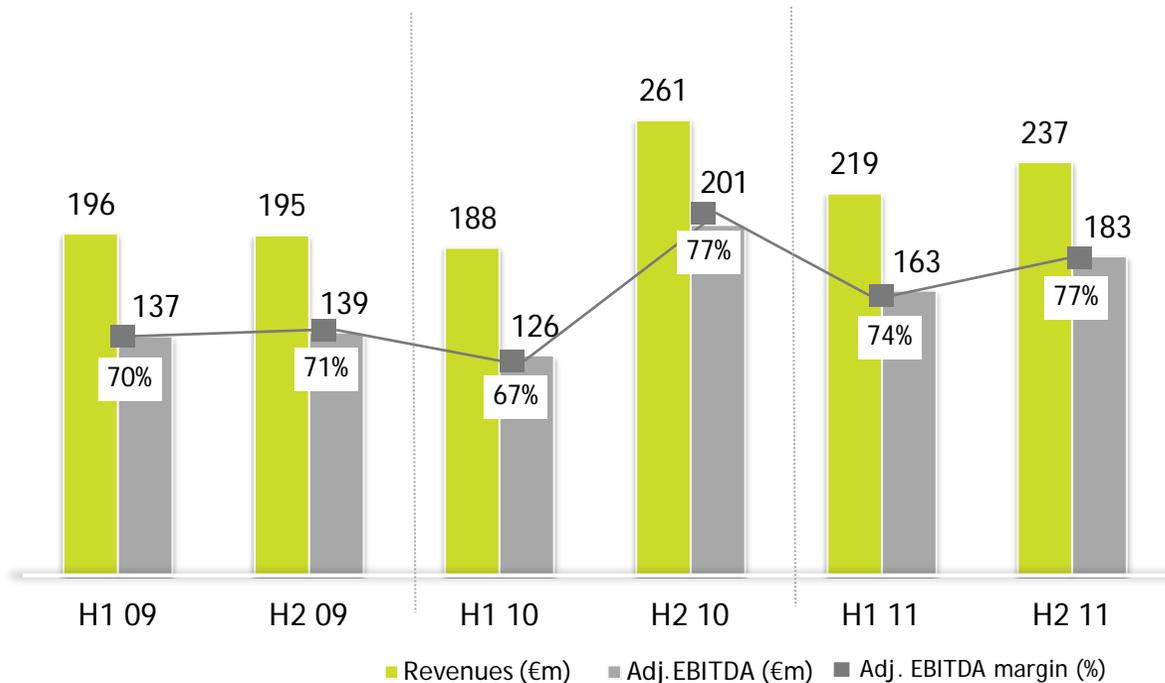
(€ million)	H2 2010	H2 2011	Change	FY 2010	FY 2011	Change
Technology % Revenues	201 77.0%	183 77.2%	(9.1)% +0.2pt	327 72.7%	346 75.9%	+5.9% +3.2pts
Entertainment Services % Revenues	157 15.3%	165 16.2%	+5.2% +0.9pt	217 12.8%	239 13.4%	+10.4% +0.6pt
Digital Delivery % Revenues	45 5.7%	(4) (0.7%)	nm nm	55 3.9%	(29) (2.4%)	nm nm
Other	(40)	(36)	(11.3)%	(94)	(81)	(13.5)%
Total from continuing operations % Revenues	363 17.5%	308 16.3%	(15.1)% (1.2)pt	505 14.1%	475 13.8%	(5.9)% (0.3)pt

KEY TAKEAWAYS - FY 2011 ADJUSTED EBITDA

- Technology: profitability maintained at a high level throughout the year, thanks to continued optimization in patent management
- Entertainment Services: profitability up, benefiting from a greater weight of digital revenues and a better mix in DVD Services
- Digital Delivery: profitability materially down, reflecting the €(43)M loss in Connected Home due to lower volumes, less favorable mix and company-specific challenges

Technology - Highlights

Revenues and Adjusted EBITDA



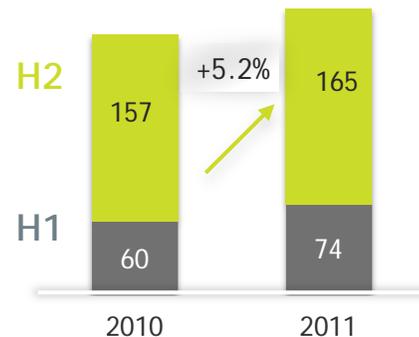
- €237m of Technology revenues in H2, over €450m in FY 2011
- Active transfer of technologies to the Divisions
- Increase in Adjusted EBITDA due to revenue level and continuing optimization in patent management
- First licensing contract for OMSD
- Technicolor joins MVC pool

Entertainment Services - Highlights

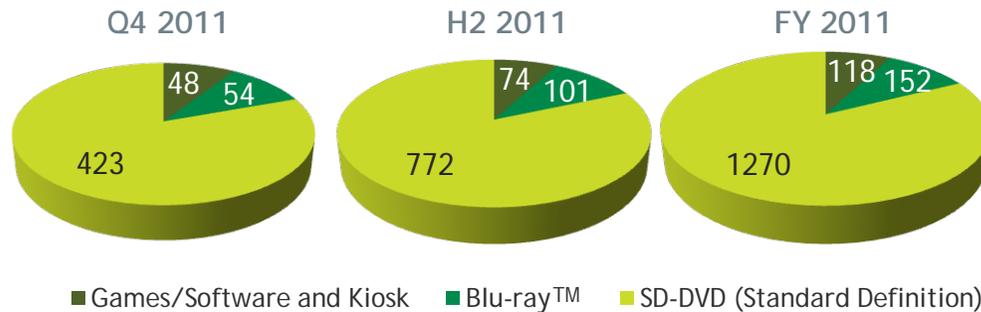
H2 Revenues, €m



H2 Adj. EBITDA, €m



DVD volumes in Q4, H2 and in FY 2011
in million units

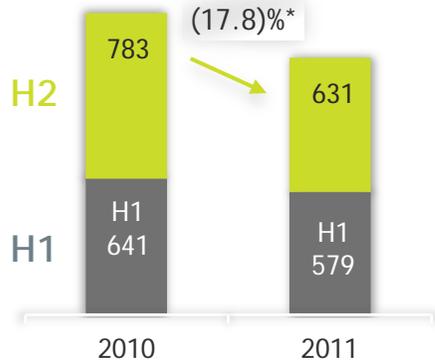


- Strong performance of Creation Services and DVD Services
- Record year with 1.5 billion DVD units replicated in FY 2011
- Acceleration of Digital Cinema conversion
- Increase in Adj. EBITDA reflecting a strengthened business profile

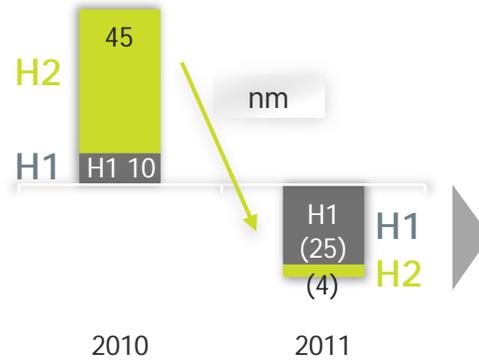
* Change at constant currency rates

Digital Delivery - Highlights

H2 Revenues, €m



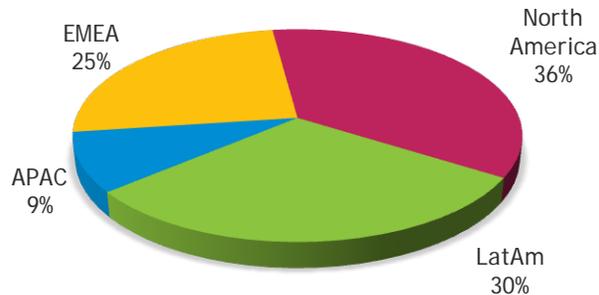
H2 Adj. EBITDA, €m



FOCUS ON CONNECTED HOME

- Revenue decline as expected in H2 2011
- Turnaround action plan launched in December
- Expected cost savings of €32 million in FY 2012

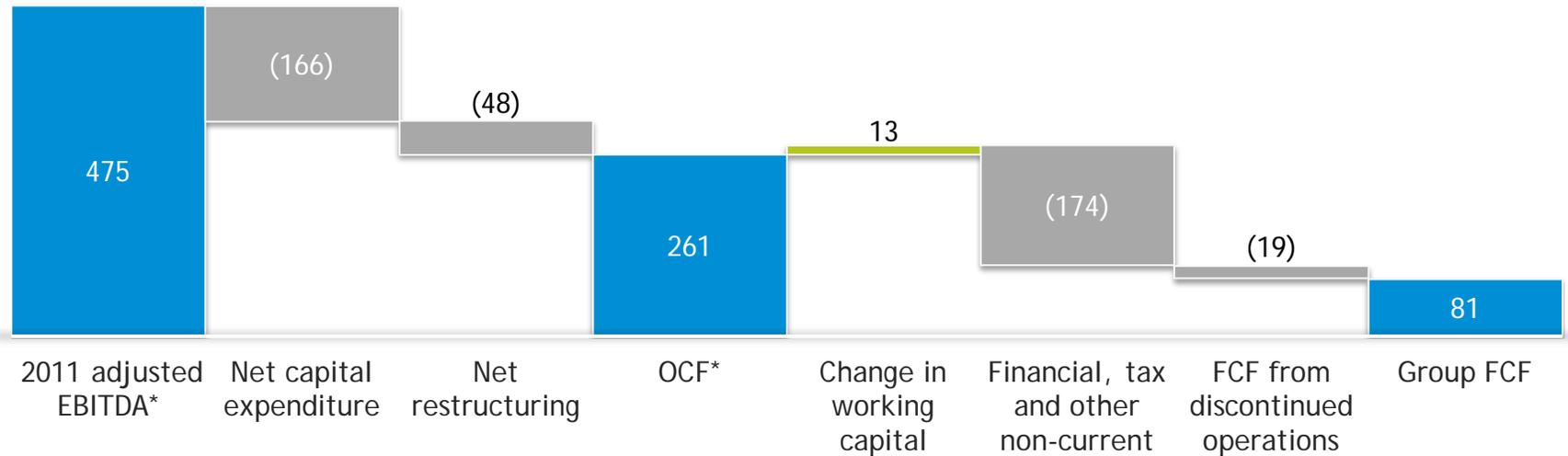
Connected Home revenue mix by Region in 2011



* Change at constant rates

FY 2011 Cash Flow

Operating Cash Flow* and Group Free Cash Flow, €m



KEY POINTS - OPERATING CASH FLOW*

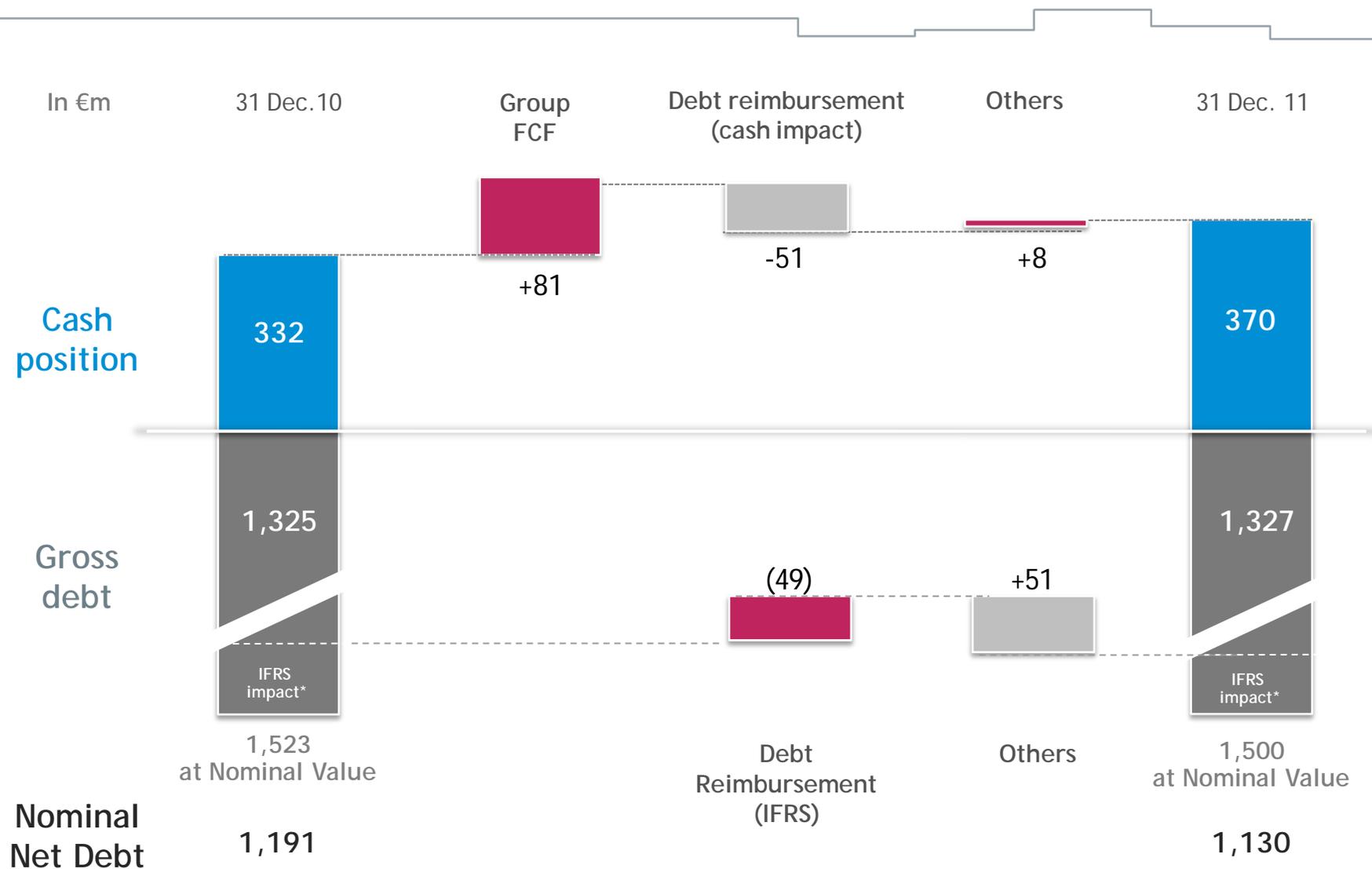
- Operating Cash Flow from continuing operations of €261 million or 7.6% of revenues
- Stable Capital expenditures YoY, with:
 - capacity expansion in Blu-Ray™,
 - expansion of VFX animation infrastructure
 - capitalized R&D in Connected Home
- €48 million cash-out due to restructuring

KEY POINTS - GROUP FREE CASH FLOW

- Positive Group FCF of €81 million:
 - mainly driven by Working Capital performance in particular at receivables level
- Limited negative FCF generation of discontinued activities

* From continuing operations

Net debt



* Accounting impact of fair value adjustment of the Group's reinstated debt



FY 2012 OBJECTIVES

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Objectives for FY 2012

Adj. EBITDA in the range of €475-500M, reflecting :

- continued strength in Technology and Entertainment Services
- a return to Adj. EBITDA breakeven in Connected Home
- an increase in operating expenses to support growth businesses
- an uncertain macro environment

Positive Free Cash Flow despite higher restructuring cash out and investments in growth businesses

The Group will operate within its covenants and maintain its focus on debt reduction



STRATEGIC ROADMAP

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Technicolor enables your media experience

OUR MISSION:

Enhance media experience on any screen, in theaters, at home and on the go

OUR ACTIVITIES:

- Deliver innovative solutions to media creators and distributors
- License our extensive intellectual property portfolio focused on imaging and sound technologies

>80% of consumer electronic manufacturers integrate our IP

Subtitling Movies
in **35** languages

45,000+ digital cinema deliveries in 2011

>150M households served by our gateways and set-top boxes

>70% of blockbusters touched by us

c. 1.5Bn DVD and Blu-Ray™ shipped per year to **95,000+** locations

2,000+ Visual Effects shots every year

Brought the characters to life for all **8** Harry Potter movies



OUR ENVIRONMENT: an increasingly digitized Media World

- Digital shift provides new growth opportunities

OUR STRATEGIC AMBITION: lead innovation in media monetization solutions

OUR ROADMAP: Amplify 2015...

- Boost innovation pipe and expand licensing
- Develop innovative solutions to address expanding digital markets
- Leverage existing assets for scale or access to broader ecosystems

AMPLIFY 2015 GOALS:

Adj. EBITDA > €600 million

Free Cash Flow > €400 million over 2012-2015

Net Debt* / Adj. EBITDA below 1.2x

* Based on nominal debt

Benefiting from the all-embracing digital shift in media...

2008/2011

Media digitization on the rise ...

Increasing use of Visual Effects

- + 30% of VFX shots for an Harry Potter movie

Distribution Digitized

- + 80% in value of Electronic Video distribution (US)

Multiplication of movie versions

- 2000+ potentially created for each movie

TV Delinearized

- + 66% of users watching shifted TV (US)

2012/2015

... enabling even more choices, more screens, more interactivity

Increasing Number of users

- + 200 million Pay-Tv subscribers (WW)

New revenue opportunities opening

- + \$1.8 billion Video-related on-line advertising (WW)

Deployment of connected Video Screens

- + 2 billion Connected video-enabled devices (WW)

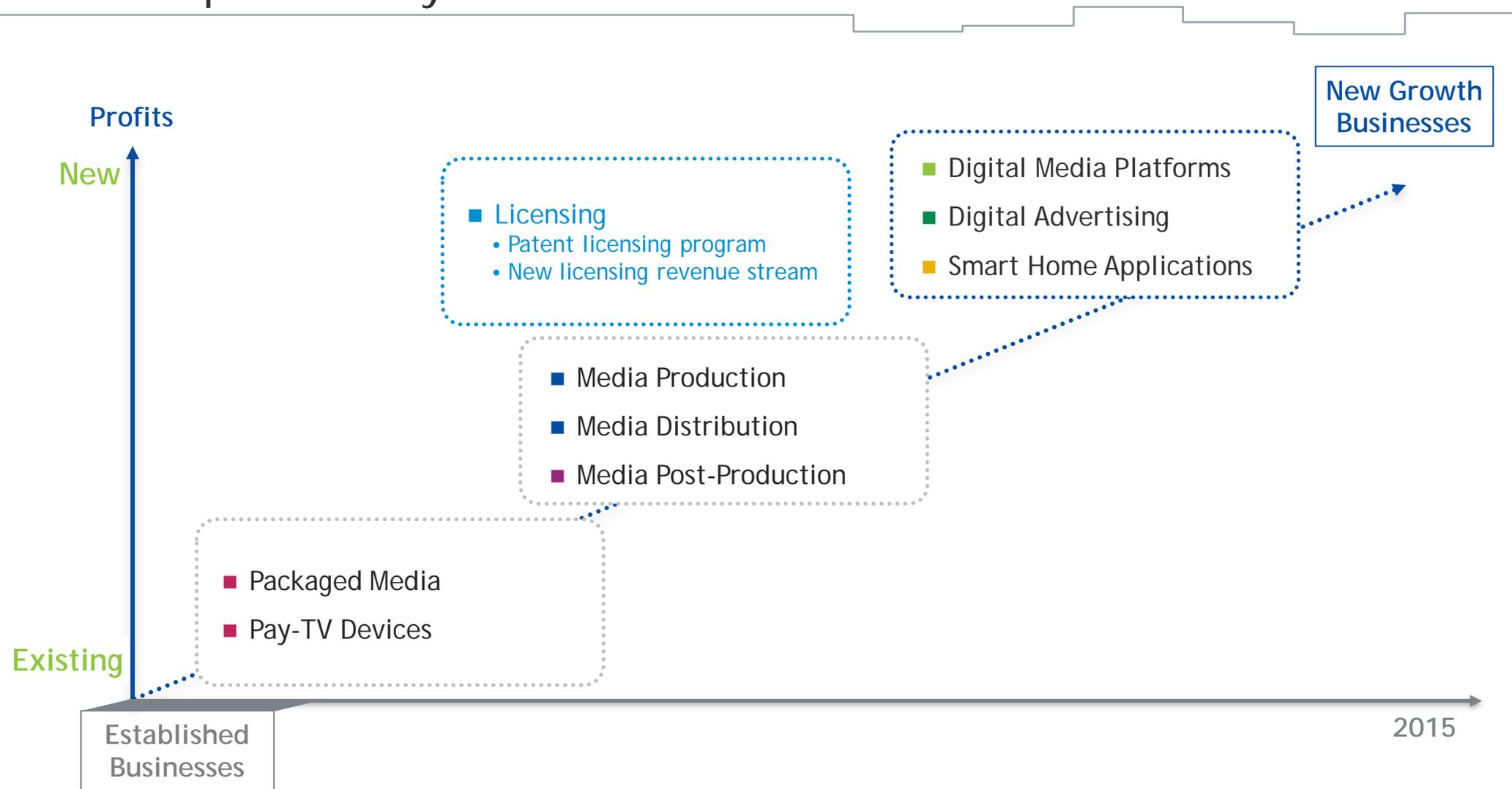
"On-demand" becoming the standard

- + \$4.1 billion for on-line and Video on Demand (WW)

**Technicolor enabled and started
benefiting from this shift...**

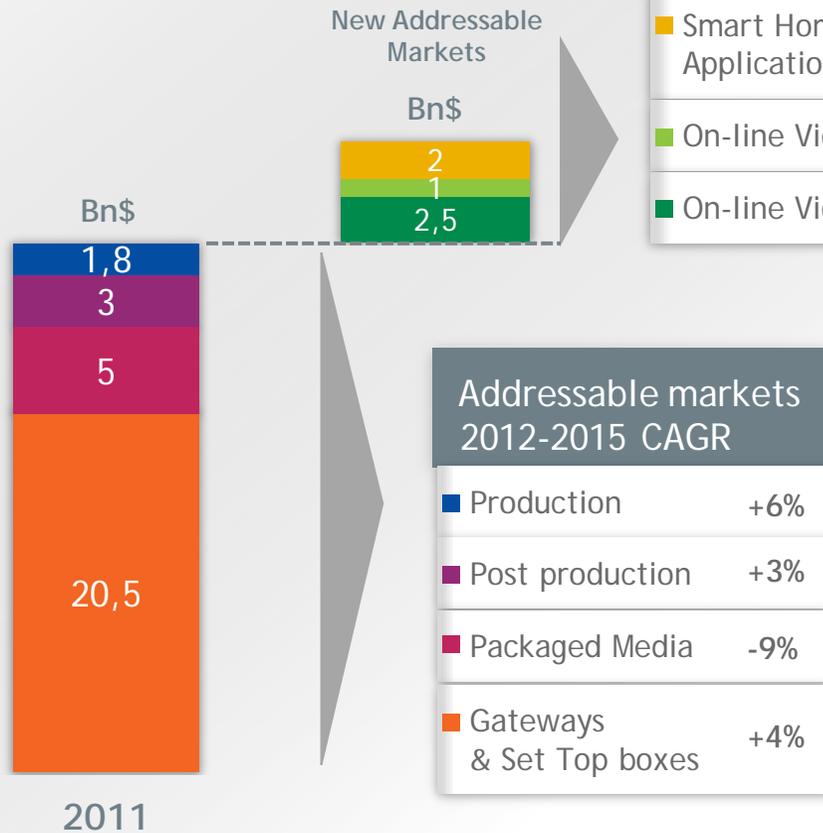
**... and is now poised to leverage
new growth opportunities**

...by capturing new value creation streams in complementary businesses



Technicolor positioned on new and growing addressable markets

MEDIA CREATION & DISTRIBUTION MARKETS in value



LICENSING MARKETS in volumes

Installed Base in volumes

2011: 1.6Bn connected devices

2015: 4.4Bn connected devices



Power shifts to end-user... new growth opportunities for Technicolor



The end user is driving fundamental changes for our clients

What the end-users want:

Choice and abundance

Ease of use and nomadism

Instantaneous interactions

Engagement :
like, follow, share

Convenience and quality

Freemium

What our customers need to deliver to end-users...

Target / Personal
Media and Advertising

Social
Entertainment

Interactive
Media Eco-System

Seamless
(anywhere, any device,
any source, any media)

Linear and on-demand
Media

Richer
Immersive Media

... in order to achieve:

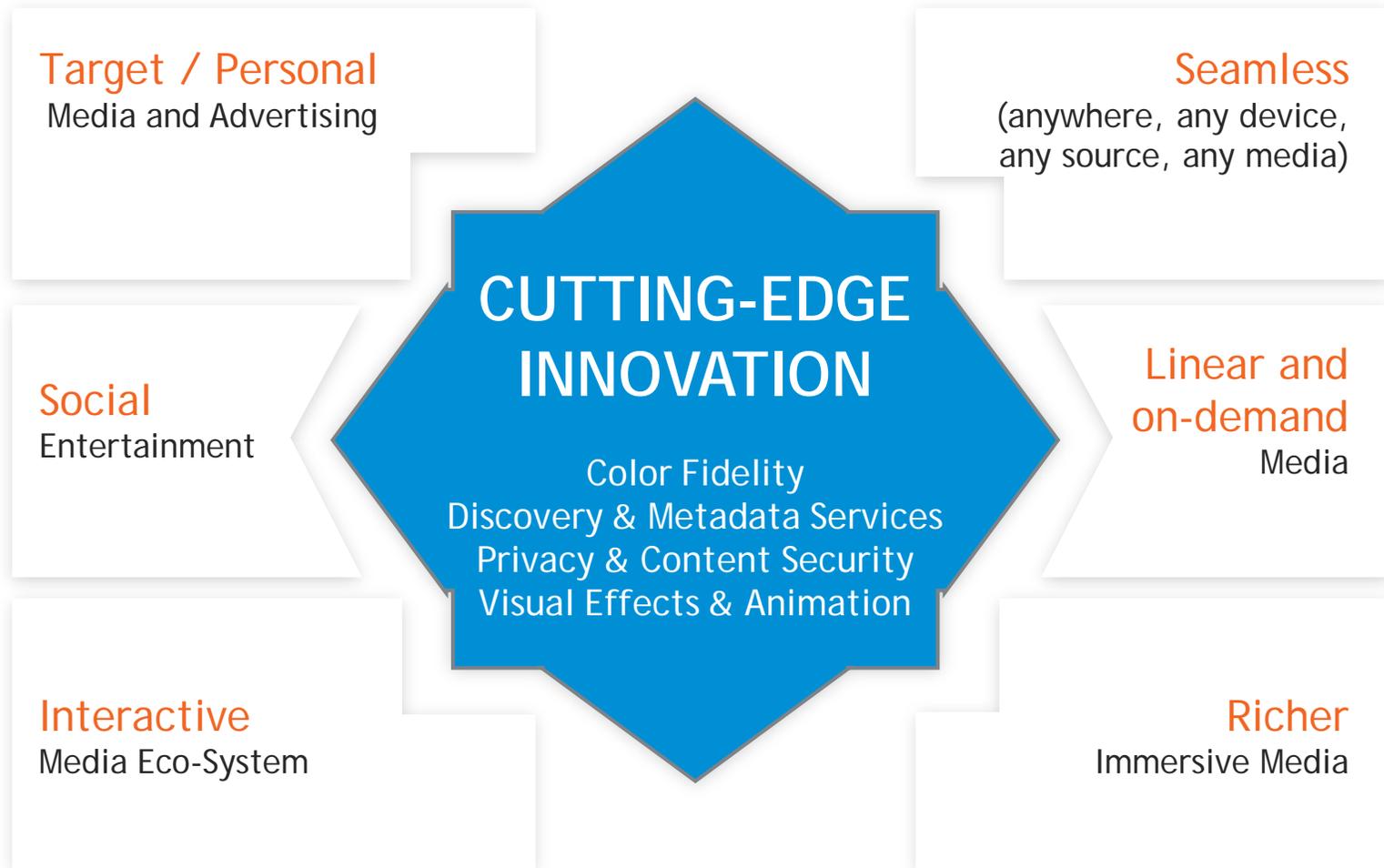
Differentiated consumer experience

End-user stickiness

Control of complex eco-systems

New Monetization Strategies

Technicolor: Positioned to address these needs with cutting-edge innovation



Unique and complementary capabilities to address the industry's needs

Award-winning creative talent pool

150+ talents winning 12 major awards touching over 70% of blockbusters in 2011

Leading expertise in digital media distribution

230 million Digital Home devices shipped to date

CUTTING-EDGE INNOVATION

c.400 world-class scientific researchers

Longstanding relationships with leading players

Studios, Advertisers, Pay TV, OTT, CE manufacturers...

First-class licensing capabilities

A very strong and well-managed IP portfolio with c. 40,000 patents



2015
amplify

A strategy built
on 3 pillars

1. Boost innovation
pipe and expand
licensing

2. Develop
innovative solutions
to address
expanding digital
markets

3. Leverage existing
assets for scale
or access to broader
ecosystems

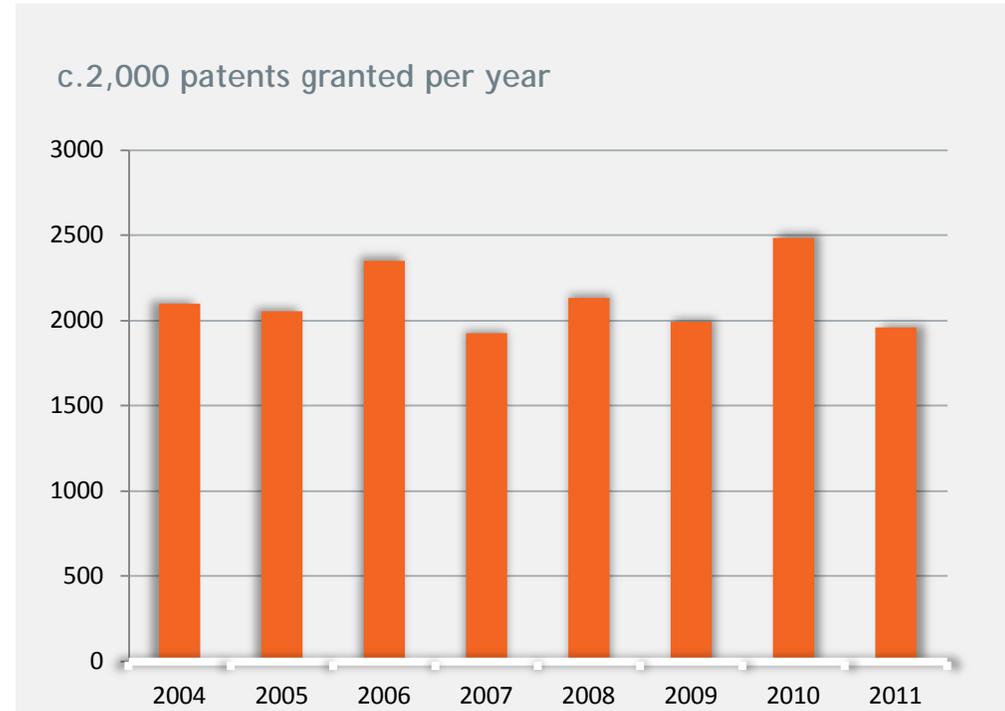
1 Boost innovation pipe to fuel a high quality patent portfolio

A STEADY INNOVATION PIPE ...

Over 70% of filings since 2008:

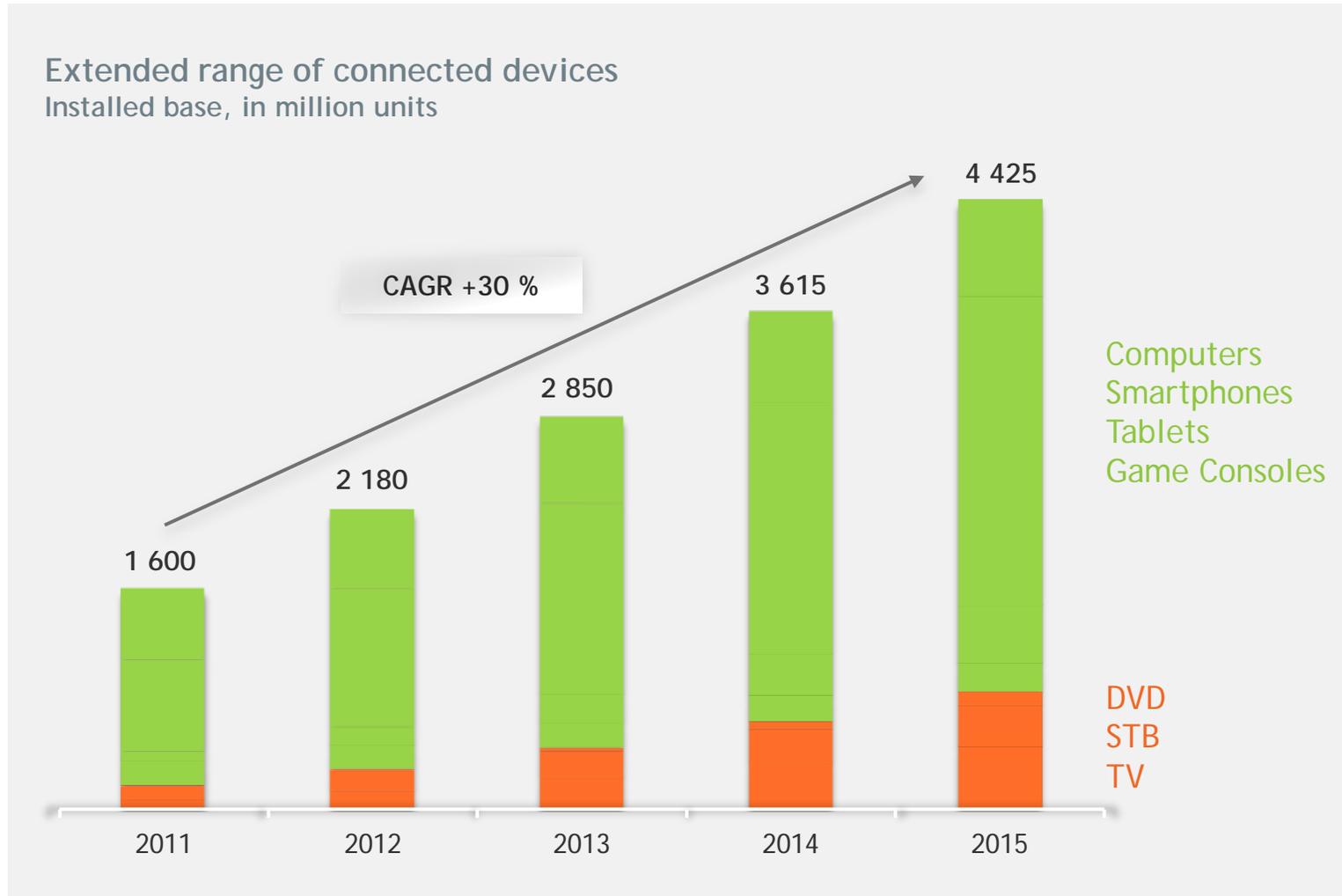
- Video Compression
- Wireless and Home Networks
- User Interface
- Security & Privacy
- Interactivity
- Video Processing
- Metadata & Discovery

... AND PATENTS



Strong focus on relevance and quality through an active Patent Portfolio Management Policy

1 Grow licensing programs to tap into connected devices boom ...



Source: Digital Home Market Database, IDATE, September 2011

1 ... enter new markets and expand licensing models

New Services and Applications	<ul style="list-style-type: none">■ Smart Home, connected automotive, alternative content distribution platforms and services (OTT, ISPs ...)
New Geographies	<ul style="list-style-type: none">■ China, India, Brazil
Technology Licensing	<ul style="list-style-type: none">■ Promoting technology adoption and monetizing technology solutions in addition to patents■ Initial domains:<ul style="list-style-type: none">■ Dynamic image profile management■ Spatial audio■ 3D depth management tools

New applications and services, new geographies and Technology Licensing to generate at least €40 million of Adj. EBITDA in 2015

2 Develop innovative solutions to address expanding digital markets



- Backed by Hollywood studios
- Key consumer electronic partnerships
- US launch: H1 2012



M-GO: A new platform to help end users discover, view and share all forms of media

2 Develop innovative solutions to address expanding digital markets

MONETIZATION MODEL DRIVERS

- Penetration: preloaded and downloaded applications
- Activation rate
- Movie transactions
- Advertising and affiliation revenue
- Geographic expansion

■ As of April 2012, preloaded on most partners' connected devices on the US market



Solutions for digital media monetization

INNOVATION AND LICENSING
**INNOVATIVE MEDIA MONETIZATION SOLUTIONS
FOR CREATORS AND DISTRIBUTORS**
MEDIA CREATION
MEDIA DISTRIBUTION

A move already
initiated...

- IP agent
(*OMSD patent portfolio*)
- Focus portfolio:
 - Disposal of ContentGuard portfolio
 - Share in DigitalSmiths

- Consolidation operations in postproduction:
 - Laser Pacific (*US*)
 - PostWorks (*US*)
 - ADJ, SIS, Scanlab, Duboi

- Acquisition of Digital Cinema assets (*US*)
- Film agreement with Deluxe (*WW*)
- M-GO partnerships with Samsung, Intel and Vizio

...to be
amplified
through 2015

- Complementary Patent Portfolio
- Target acquisitions in Technology Portfolio

- Expansion in Europe and Asia Pacific for Production and Post-production services

- Target acquisitions and partnerships to boost M-GO development
- Packaged Media
- Connected Home

UNDISPUTED LEADERSHIP

- Global # 1 in DVD/Blu-Ray™ market
- Global footprint, servicing all major markets
- 4 Major Studios representing 60 % of the box office



INDUSTRY TRENDS

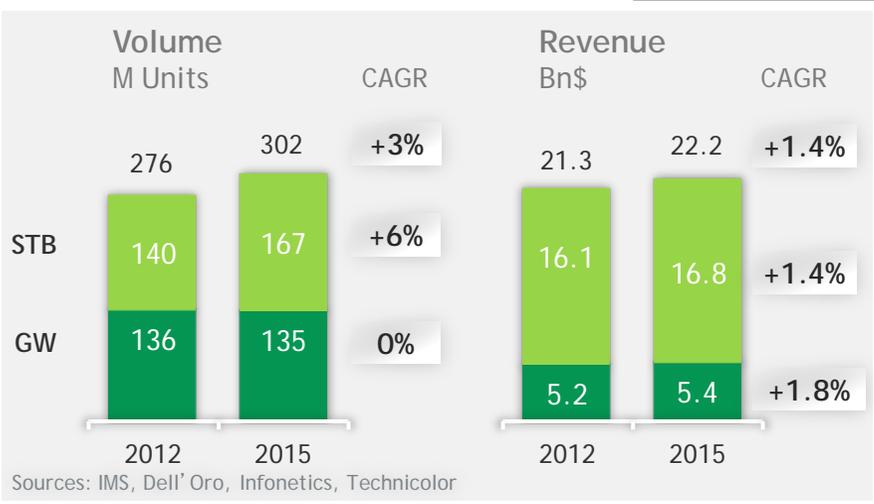
- A manageable market deceleration: (5)% CAGR in volumes over the 2012-2015 period
- Continued shift to blu-ray

2012-2015 STRATEGY

- Further expand customer base
- Blu-ray™ capacity expansion in line with market growth
- Lowest cost structure in the industry:
 - Replication units in low cost countries
 - 65% of variable costs and 50% temporary staff in peak periods
- Additional margin opportunities
 - Through innovative Supply Chain solutions

3 Leverage existing asset portfolio: turning around Connected Home business

LARGE AND DYNAMIC MARKET



INDUSTRY TRENDS

- Strong price pressure due to market fragmentation
- Accelerated growth in emerging countries
- Increased investment in software
- Emergence of Smart Home applications (*automation, surveillance, health, energy and utility management*)

2012-2015 STRATEGY

- Implement turnaround plan announced in December:
 - €32 million reduction in cost structure
 - Return to Adj. EBITDA breakeven in 2012
- Deployment of the Digital Home Software Suite to develop a Smart Home ecosystem
- Participate in consolidation to add scale

PROFIT GROWTH

Adjusted EBITDA
> €600 million
versus €475 million
in 2011

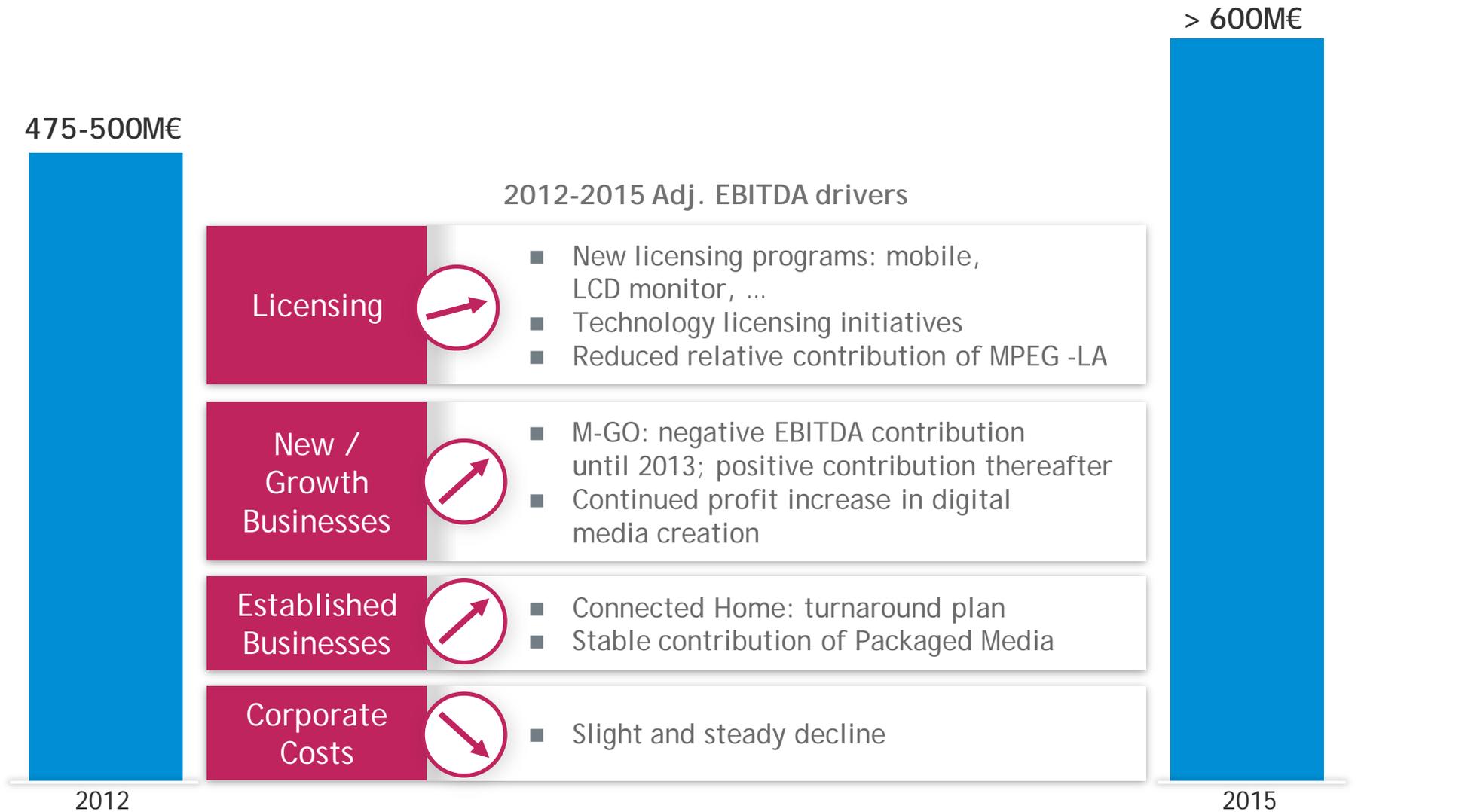
FREE CASH FLOW

Free cash flow
generation
> €400 million
over 2012-2015

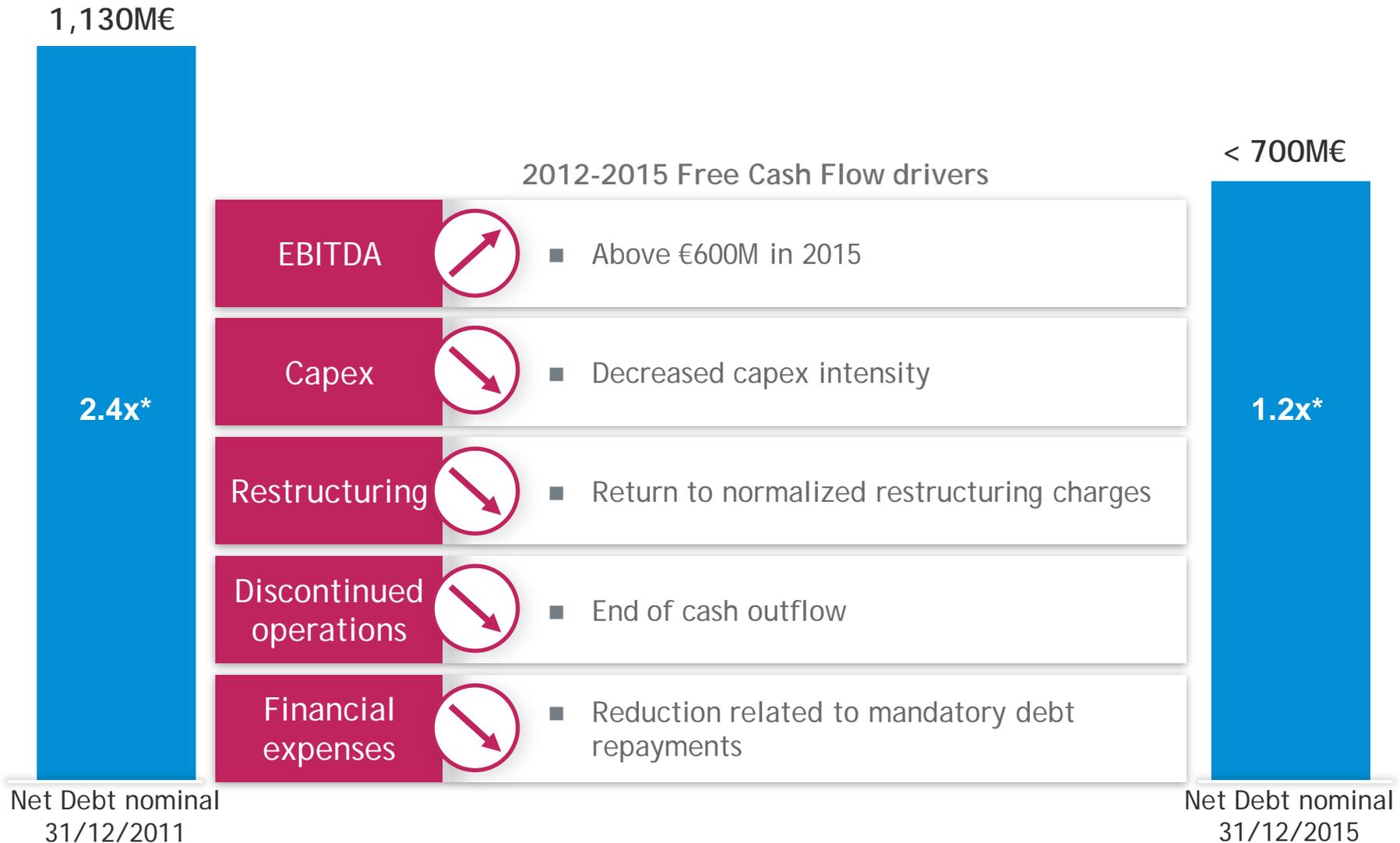
SIGNIFICANT DELEVERAGING

Net Debt* / Adj. EBITDA
below 1.2x
versus 2.4x in 2011

Amplify 2015 ambition: profit growth

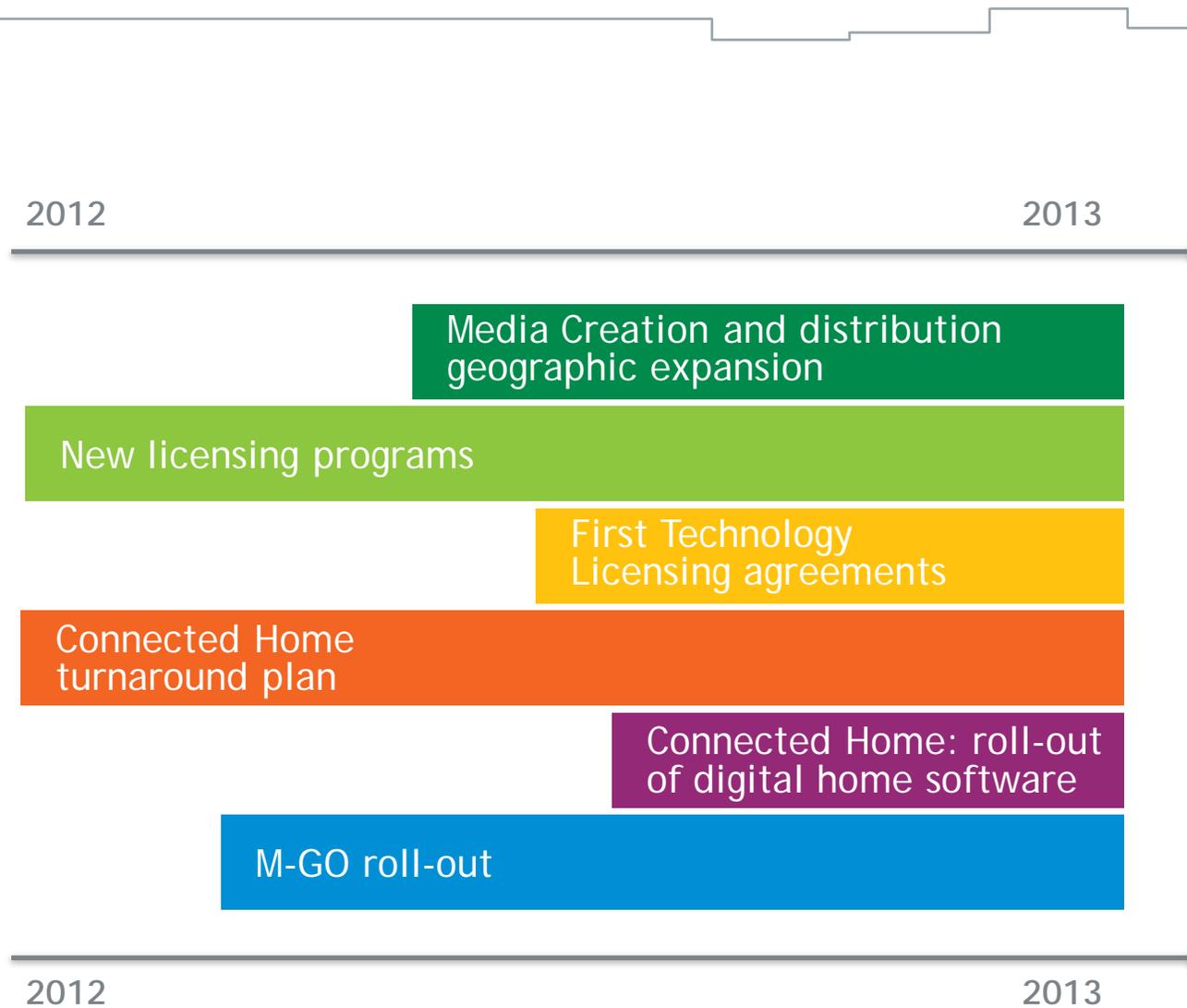


Amplify 2015 targets: free cash flow generation and significant deleveraging



* Nominal Net Debt/EBITDA

Main achievements targeted by 2013



Key takeaways

A NEW WORLD

Media digitization drives fundamental changes in consumer habits and spending

A NEW AMBITION

Leading Innovation in Media Monetization Solutions

A NEW ROADMAP



NEW GOALS

A strengthened financial profile



APPENDIX

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H2 & FY 2011 EBIT

(€ million)	H2 2010	H2 2011	Change	FY 2010	FY 2011	Change
Adjusted EBITDA from continuing operations	363	308	(15.1)%	505	475	(5.9)%
<i>As a % of revenues</i>	17.5%	16.3%	(1.2)pt	14.1%	13.8%	(0.3)pt
Depreciation and amortization (D&A)*	163	113	(50)	271	243	(28)
<i>As a % of revenues</i>	7.9%	6.0%	(1.9)pt	7.6%	7.0%	(0.6)pt
Adjusted EBIT from continuing operations (a)	200	195	(2.5)%	234	232	(0.6)%
<i>As a % of revenues</i>	9.6%	10.3%	0.7pt	6.5%	6.7%	0.2pt
Total adjustments on EBIT (b)	(185)	(240)	(55)	(196)	(265)	(69)
<i>o/w restructuring charges, net</i>	(27)	(73)	(46)	(41)	(83)	(42)
<i>o/w impairment losses on non-current operating assets, net</i>	(183)	(175)	8	(183)	(188)	(5)
<i>o/w other income/(expense)</i>	25	8	(17)	28	6	(22)
EBIT from continuing operations (a)+(b)	15	(45)	(60)	38	(33)	(71)

KEY TAKEAWAYS - H2 2011 EBIT

- Restructuring charges of €(73) million taken in H2 2011 mostly related to cost reduction actions announced in December 2011
- Impairment charges of €(175) million resulting from:
 - €(147) million Goodwill impairment charges on Digital Delivery, reflecting a degraded European economic environment, the late rollout of certain new contracts and an increase in development costs
 - €(28) million net write-off on capitalized R&D and Mirabel (Canada) photochemical film fixed assets

* Including impact of provision for risks, litigations and warranties

H2 & FY 2011 Net Result

(€ million)	H2 2010	H2 2011	Change	FY 2010	FY 2011	Change
EBIT from continuing operations	15	(45)	(60)	38	(33)	(71)
Financial costs, net	(96)	(95)	1	116	(187)	(303)
Share of profit / (loss) from associates	0	1	1	0	0	-
Income tax	16	(70)	(86)	2	(83)	(85)
Profit / (loss) from continuing operations	(65)	(209)	(144)	156	(303)	(459)
Loss from discontinued operations	(100)	(3)	97	(225)	(21)	204
Net result, Group share	(165)	(212)	(47)	(69)	(324)	(255)

KEY TAKEAWAYS- H2 2011 NET RESULT

- Financial costs of €(95) million, including net interest charges of €(75) million
- Income tax of €(70) million, including a €(55) million deferred tax charge
- Limited loss from discontinued operations

* Including impact of provision for risks, litigations and warranties

Balance sheet at 31 Dec. 2011

(€ million)	31 Dec. 2010	31 Dec. 2011
Total non-current assets	2,299	1,907
o/w goodwill	644	481
o/w other intangible assets	512	459
o/w property, plants and equipment	430	401
Total current assets	1,635	1,512
o/w inventories	153	118
o/w trade receivables	666	585
o/w cash and equivalents	332	370
o/w assets held for sale	90	66
Total assets	3,934	3,419

(€ million)	31 Dec. 2010	31 Dec. 2011
Total equity	505	155
Total non-current liabilities	2,038	1,940
o/w long term debt	1,278	1,242
o/w retirement benefits obligations	332	349
Total current liabilities	1,391	1,324
o/w short term debt	47	85
o/w trade payables	528	499
o/w retirement benefits obligations	46	37
o/w liabilities held for sale	103	52
Total equity & liabilities	3,934	3,419