

Third Quarter 2011 Revenues

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Forward Looking Statements

Warning: Forward Looking Statements

This presentation contains certain statements that constitute "forward-looking statements" 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.



BUSINESS REVIEW

Q3 2011 Revenues down 7.4% at constant currency

Licensing affected by an unfavorable comparison to a very strong Q3 2010

Entertainment Services performance reflected strong customer demand for content creation services and a resilience in overall DVD volumes

Digital Delivery volumes impacted by challenging market conditions, particularly in Western Europe

9 month 2011 Revenues up 2.3% at constant currency

Resilient Technology activities year-to-date, with revenues up 5.4%

Growing activity levels in Entertainment Services, with revenues up 13.5%

Digital Delivery remained under pressure, with revenues down 11.0%

Objectives for 2011 and Update on financial situation



Full Year 2011 objective

The Group requires a strong Q4 2011 performance in Technology and Entertainment Services to compensate for the deterioration in Digital Delivery, in order to deliver on its objective of a FY 2011 adjusted EBITDA comparable or slightly up compared to 2010

In addition, the Group expects to generate a positive Free Cash Flow in H2 2011

Update on financial situation

As a result of seasonal working capital requirements, estimated net financial debt, excluding currency impact, has slightly increased at the end of Q3 2011

Key Achievements Q3

▶ Strengthened and Focused Business Profile

Disposal / Rationalisation

- Sale of a 25.7% stake in ContentGuard to Pendrell Technologies
- Completion of the sale of New York postproduction assets
- Closure of Mirabel photochemical facility

Expansion

- Agreement with DreamWorks Animation related to MediaNavi
- Opening of Postproduction Sound facility on the Paramount lot
- Continued increase in Blu-ray™ capacities
- Integration of LaserPacific digital postproduction services and team

Talents

- New hirings in Visual Effects to support growing activity levels
- Strengthened Animation team to support development of in-house animated properties

New clients & awards



Front end services, international release and trailer printing and distribution services, including Digital Cinema



Residential gateway with the introduction of an ADSL Internet access service router



Secured significant awards for the SD, HD and HD DVR STB categories both for DTV US and DTV PanAmericana



Secured significant awards for the SD, HD and HD DVR STB categories for SkyBrazil



Full range of production and downstream services for the latest DVD feature based on Mattel's brand Barbie™

Roll out of new services

MediaEcho™



Application to deliver enhanced and synchronized 2nd screen movie extras to tablet devices chosen by two major Studios

MediaAffinity™



Enriched media asset and services management being extended to VOD customers

MediaNavi™



CSI award in the TV Everywhere / Multi-screen Video category at IBC 2011 for the Group's initiative to develop emerging content distribution models

A new organization for “Connected Home”

►to return to profitability

Increase customer
intimacy

- Organization structured around 3 Regions, Americas, EMEA and APAC, fully integrated from sales to operations
- Accountable for revenue, customer satisfaction, profitability and cash

Innovation

- Focus on global development and engineering functions with a reinforced R&D organization working both on generic and customized platforms

Product costing

- Emphasis on Hardware product costing to improve competitiveness through stronger integration with a dedicated sourcing team

Quality

- Focus on improving development and customer program management processes

Re-organization of transversal functions to accompany the business segment in improving its operational efficiency and performance



FINANCIAL REVIEW

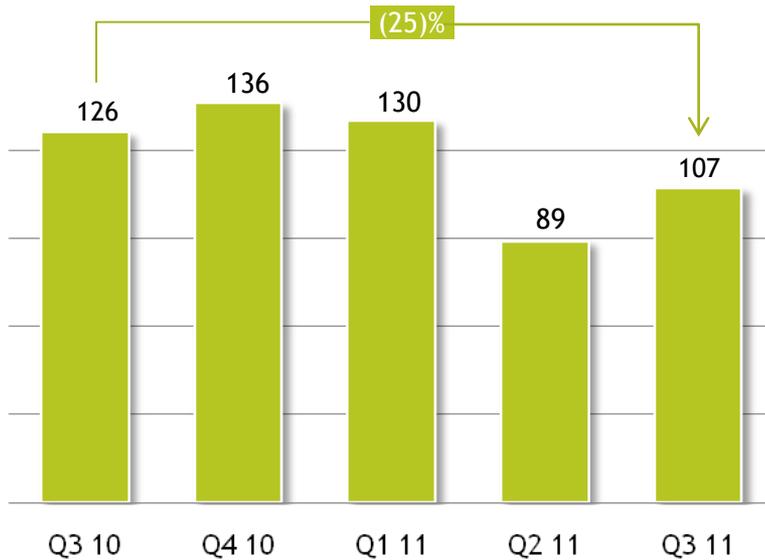
Q3 2011 Revenues by Division

(€ million)	Q3 2010	Q3 2011	Δ % Current Currency	Δ % Constant Currency
Technology	126	107	(14.9)%	(25.1)%
Entertainment Services	433	441	+1.9%	+6.2%
Digital Delivery	360	288	(20.1)%	(17.6)%
Other	1	1	ns	ns
Total revenues from continuing operations	920	837	(9.0)%	(7.4)%

Key points - Q3 2011

- **Technology:** Revenues down 25.1% YoY*, as Licensing activities were affected by an unfavorable comparison to Q3 2010, which had benefited from strong growth in worldwide Consumer Electronics market and the outcome of audits of past product volumes for certain MPEG-LA licensees
- **Entertainment Services:** Revenues up 6.2% YoY*, reflecting continued growth in Creation Services and Digital Cinema Distribution activities, as well as higher DVD and Blu-ray™ volumes
- **Digital Delivery:** Revenues down 17.6% YoY*, as a result of a drop in global shipments of Digital Home Products, due in particular to continued market weakness in Europe, partly offset by growth in Latin America and a more favorable overall product mix compared with Q3 2010

Technology Revenues, €m
Change at constant currency



Resilience of Licensing business

Revenues down 25.7% YoY* in Q3 2011, due to an unfavorable comparison to Q3 2010

Revenues up 5.0% YoY* on a nine-months basis, in a challenging CE market environment

Research & Innovation

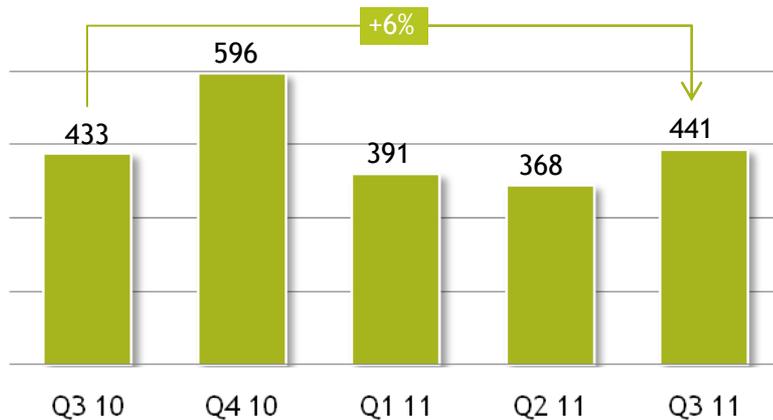
Agreement with DreamWorks Animation on MediaNavi in Technology Licensing

New tools for in-painting, one of the most time-consuming steps in 2D to 3D conversion, transferred to Digital Production activities

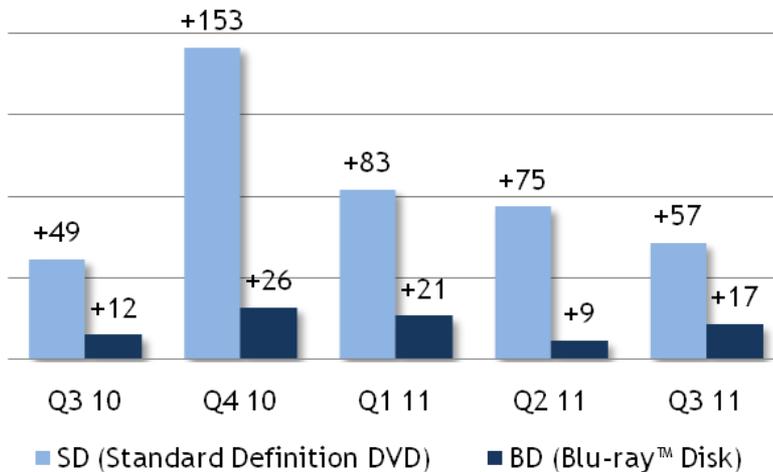
Entertainment Services - Highlights

Entertainment Services Revenues, €m

Change at constant currency



YoY volume change for SD and BD, million units



Strong growth in Creation Services

Addition of new capacities and market share gains in VFX for feature films and advertising

Continued growth in Animation revenues

Strong performance in Video Postproduction in the US and in Europe

Positive momentum in Digital Cinema

Growing conversion of theaters to digital cinema

Penetration rates* of 55% in the US and 45% in EU at end-Q3 2011 (vs. 47% and 38% at end-Q2 2011)

Sustained DVD Services performance

Fourth straight quarter of growth in combined DVD/Blu-ray™ volumes (excl. Warner Bros.)

Continued growth in the Blu-ray™ disc format

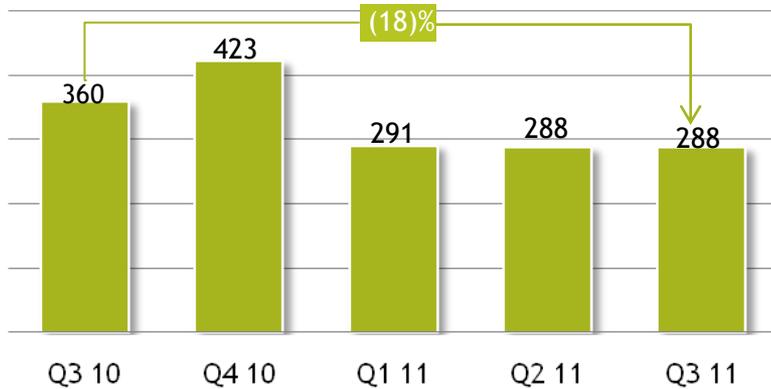
Ongoing resilience for Standard Definition DVD

Game/Software volumes up 19% vs. Q3 2010

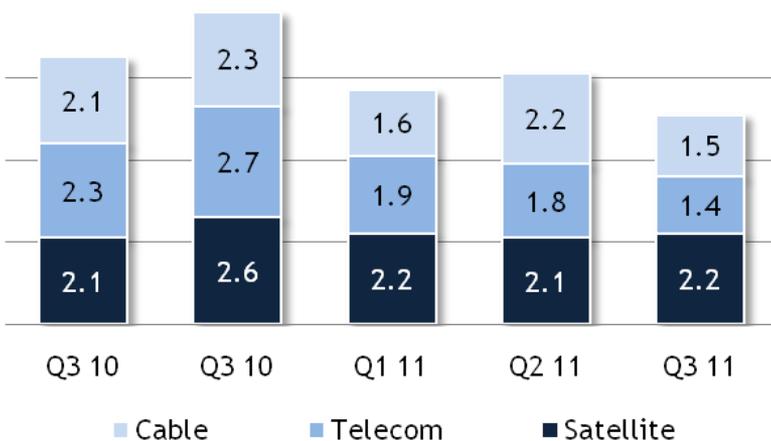
Digital Delivery - Highlights

Digital Delivery Revenues, €m

Change at constant currency



Connect volumes, million units



Challenging market environment for Connect business

Deterioration of market conditions in Western Europe, impacting Cable and Telecom volumes

Sustained customer demand in Latin America, driven by Broadband market

More favorable overall product mix vs. Q3 2010, driven by Satellite and Cable segments

Operational transformation underway

Digital Content Delivery Services

Continued market transition to digital workflows

Growth in C&A Services and new customers for Digital Services in Media Services activities

Launch of three new channels in Broadcast services activities

Flexibility Request Overview

Status

- Noteholders and lenders have approved by a large majority of around 90% Technicolor's proposed changes to its senior debt documents
- Approved amendments expected to become effective very soon

Disposals

- The existing €100m proceeds annual basket for disposals will be deleted
- No disposal of the Technology division can be concluded without creditor consent
- Disposals of size (where the net proceeds are in excess of €10m) permitted if:
 - To third parties on an arm's length basis in exchange for cash and/or other assets
 - The transaction is deleveraging / leverage neutral or cash flow accretive / neutral
 - More onerous test for any sales of Technology assets

Joint-ventures

- Technicolor can only make investments in Joint Ventures where (amongst other conditions):
 - Aggregate net investment in Joint Ventures in a given year does not exceed €25m
 - if investments in Joint Ventures in a given year are €25 million or more, new investment to comply on a pro forma basis with a one-time test on existing interest cover and leverage financial covenants, adjusted to reflect the contribution of the JV

Acquisitions

- Acquisitions funded with Technicolor shares will be permitted up to €200 million per year subject to a maximum of 20% shareholder dilution in terms of number of shares per year
- Acquisitions in cash will be limited to €50 million per year

Benefits from the Consent Request



Greater strategic and operational flexibility to take advantage of potential strategic opportunities



Strategic opportunities to be focused on portfolio optimization and risk profile improvement



Credit profile maintained / All financial covenants and other terms and conditions of the debt to remain unchanged



Continued focus on debt reduction
Net cash proceeds from disposals to prepay senior debt



technicolor

