

Q3 2016 REVENUES

20 OCTOBER 2016



technicolor.com



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Forward Looking Statements

Q3

- ▶ **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.



SOLID PERFORMANCE

Operating Businesses driving Group's growth

New major awards across activities



STRONG FINANCIAL STRUCTURE

Upgraded by Moody's to Ba3 from B1 with positive outlook



INTEGRATION ON TRACK

Further improvement in assets integration and achieving the targeted synergies



TECHNICOLOR EXPERIENCE CENTER

Dedicated to premium content, platforms and technology for new immersive experiences



2016 OBJECTIVES REITERATED

Q3 2016 Revenues by Segment



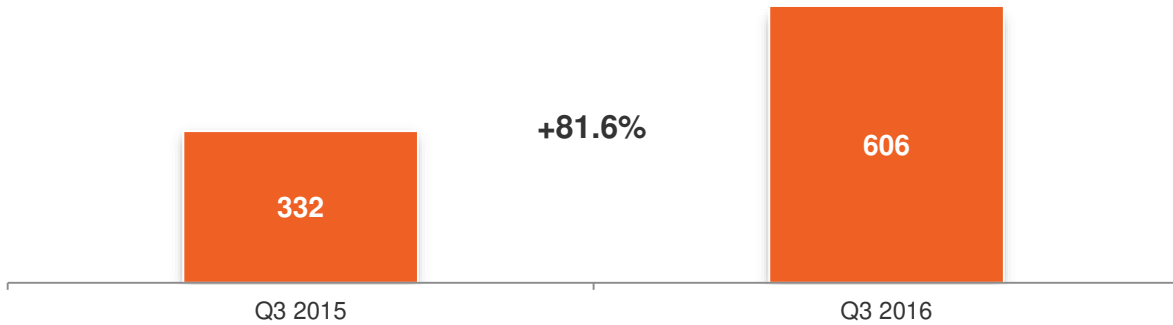
(in € million)	Q3 2015	Q3 2016	Δ % Current Currency	Δ % Constant Currency
Connected Home	332	606	+82.9%	+81.6%
Entertainment Services	423	486	+14.7%	+16.6%
<i>o/w Production Services</i>	141	185	+30.8%	+36.3%
<i>o/w DVD Services</i>	282	300	+6.5%	+6.7%
Technology	117	43	(63.7)%	(63.7)%
Group revenues	877	1,135	+29.3%	+29.8%

Connected Home (CH) – Revenue Highlights

Q3

Revenues (€m)

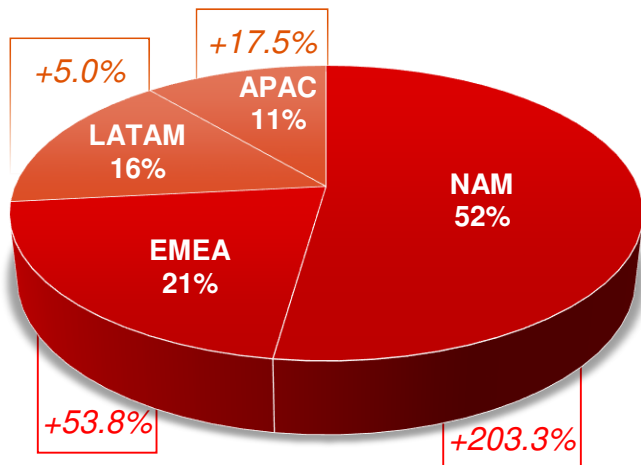
Change at constant currency (%)



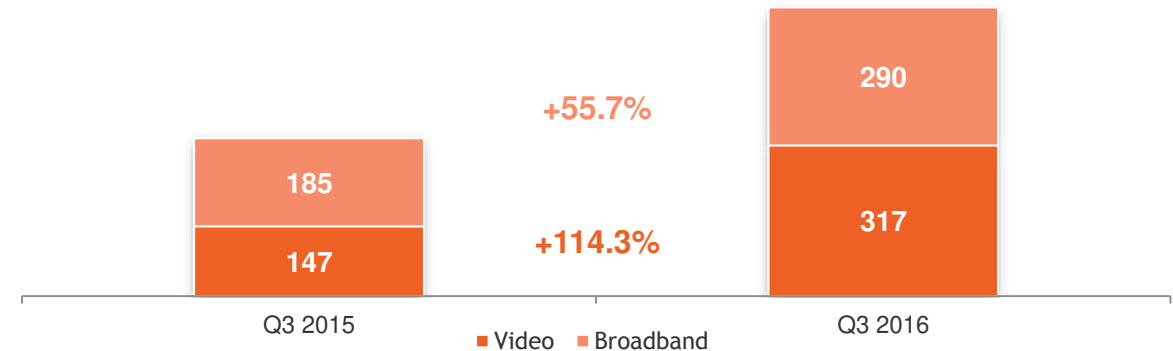
KEY HIGHLIGHTS

- ▶ **Revenues up 82%**, good performance across Regions with LATAM still affected by Brazil
- ▶ **Position with key accounts** in North America and EMEA progressing well
- ▶ **Very strong organic growth in Broadband** and **strengthened position in video with Tier 1 customers**
- ▶ **Further progress on major new upcoming programs** in next generation video and broadband solutions

Revenues by region (%)



Revenues by product (€m)



CH - Strong commercial activity in Q3 2016



VIDEO

- ▶ Secured a solid pipeline of new STB contracts in Q3, including OTT boxes

1 US CABLE OPERATOR



BROADBAND

- ▶ Fixed BB activity boosted by new technology: DOCSIS 3.1, LTE, Fiber and xDSL/G.fast



1 US TELECOM OPERATOR



An Altice company



CH - Integration progressing well

Q3



- ▶ Focus on execution in a challenged environment with component shortages and international shipping disruptions
- ▶ Synergy implementation well on track with supply chain migration performing well and R&D efficiency measures on schedule
- ▶ New product roadmap well engaged and strong pipeline of innovation with reinforced focus on Wi-Fi, new broadband technologies, virtualization and VR

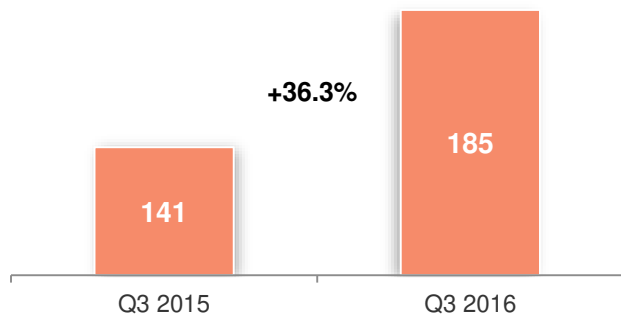
Entertainment Services – Highlights



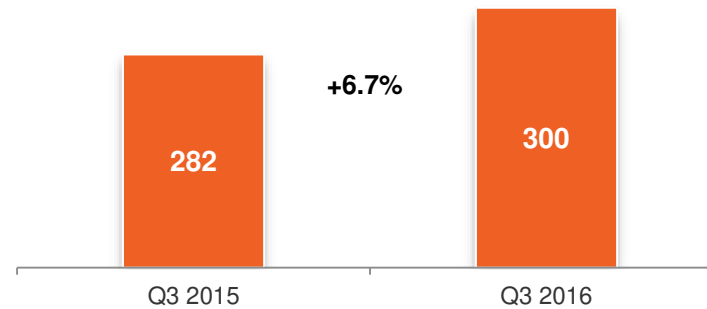
Revenues (€m)

Change at constant currency (%)

Production Services*



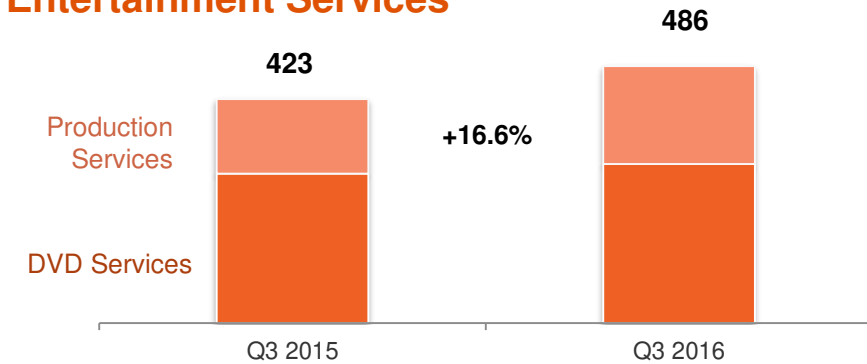
DVD Services



Revenues (€m)

Change at constant currency (%)

Entertainment Services*



PRODUCTION SERVICES HIGHLIGHTS

- ▶ > +36% at constant currency vs. Q3 2015, driven by:
 - Very high double-digit growth in VFX for Advertising
 - Strong momentum across VFX and Animation

DVD SERVICES HIGHLIGHTS

- ▶ > +7% at constant currency vs. Q3 2015, driven by:
 - Volumes up 18% due to customers additions in Q4 2015
 - Partially offset by mix and reduced packaging complexity

ENTERTAINMENT SERVICES HIGHLIGHTS

- ▶ Revenues up 16.6% at constant currency vs. Q3 2015
- ▶ Continued double-digit growth in Production Services driven by the success of its multi brand strategy
- ▶ Softer growth in DVD Services with confirmed dependency to the slate of releases



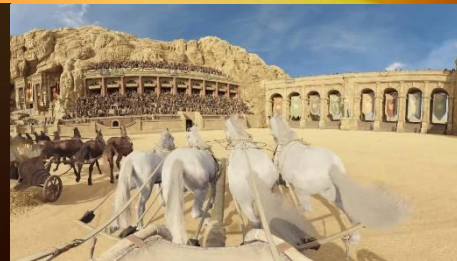
A quarter of achievements in Production Services

Q3

STRONG DOUBLE DIGIT GROWTH in VFX for Advertising, Animation and Games

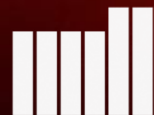
ROBUSTNESS OF ORDER PIPELINE reinforced with major wins in all market segments during Q3

DEVELOPING new immersive and premium experiences with several VR projects



MPC

MJ
KR
S
IMAGE/



technicolor

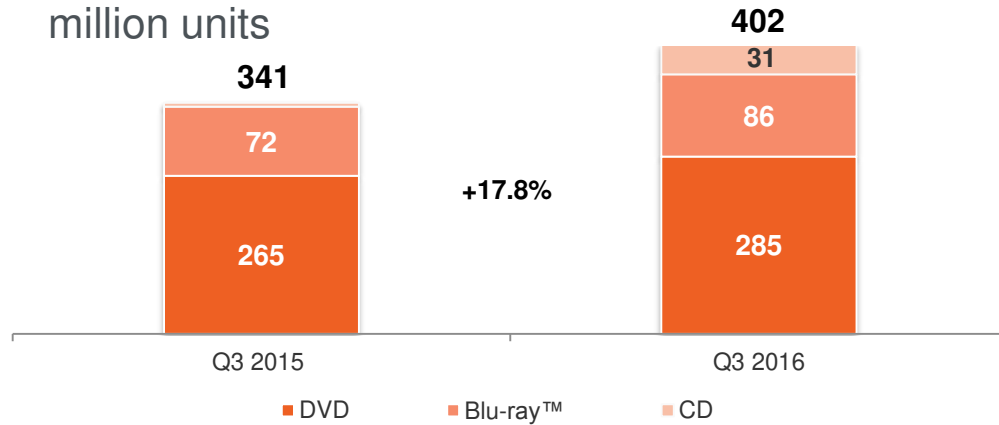
MRX

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DVD Services volume trends in Q3 2016

Q3

Overall disc volumes million units



KEY THEATRICAL RELEASES IN Q3 2016



KEY GAMES TITLES



DVD SERVICES HIGHLIGHTS

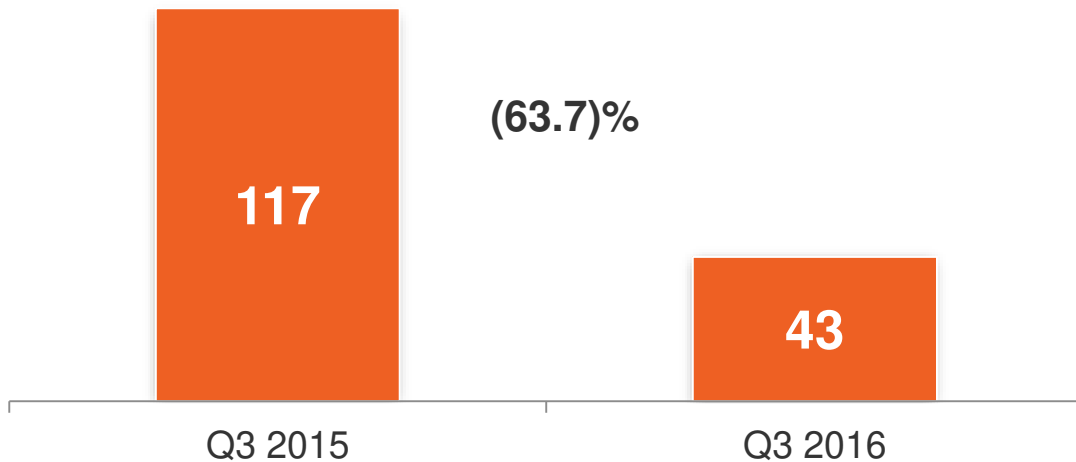
- ▶ Revenues up 6.7% at constant currency vs. Q3 2015 driven by new customers gain in Q4 2015
- ▶ Volume growth challenged by a very strong Q3 2015 due to the very high level of mega hits
- ▶ Softer growth in Games due to the shift of production timing of a key Xbox One title into Q4 2016

Technology – Revenue Highlights

Q3

Revenues (€m)

Change at constant currency (%)



KEY HIGHLIGHTS

Licensing Revenues

- ▶ **Negotiations on a number of Patent Licensing** agreements progressing well
- ▶ **MPEG LA revenues** down €60m year-over-year
- ▶ **Lower Trademark licensing revenues** due to the insolvency of a RCA licensee

Awarded and advanced Innovation

- ▶ **High Dynamic Range (“HDR”) technology** awarded by CSI as the best digital video processing technology
- ▶ **Pioneering multi-user VR Technology**, presented at IBC show in September 2016

2016 objectives confirmed

Q3

FREE CASH FLOW

> €240m

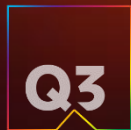
Adj. EBITDA

**€600m to
€630m**

**Net Debt to Adj.
EBITDA**

< 1.4x

APPENDIX



Year-to-Date 2016 Revenues by Segment

Q3

(in € million)	YTD 2015	YTD 2016	Δ % Current Currency	Δ % Constant Currency
Connected Home	984	1,985	+101.8%	103.1%
Entertainment Services	1,075	1,349	+25.5%	+28.0%
<i>o/w Production Services</i>	391	554	+41.8%	+47.5%
<i>o/w DVD Services</i>	684	795	+16.2%	+16.9%
Technology	375	219	(41.6)%	(41.0)%
Group revenues	2,499	3,555	+42.3%	+43.9%

THANK YOU

