

First Quarter 2015 Revenues

23 April 2015

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FEEL THE WONDER

Forward Looking Statements



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HIS 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.



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UCH 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.



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OR a more complete list and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des marchés financiers.

Agenda



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**Q1 2015
REVENUE
HIGHLIGHTS**



Slides 7 to 15

**Q1 2015
SEGMENT
REVIEW**



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2015 GUIDANCE

Q1 2015 REVENUE HIGHLIGHTS

Q1 2015 Highlights

Solid Performance in Q1 2015: Revenues up 8.3% at current currency

Technology: Revenues above €120 million in Q1 2015

Entertainment Services: Continued double-digit growth in Production Services, DVD services down versus a very strong Q1 2014

Connected Home: On track for full year growth and continued margin improvement

Credit profile: Moody's rating upgraded to B1 (vs. B2), driven by strong financial performance

Full year 2015 guidance confirmed

Q1 2015 Revenues by Division

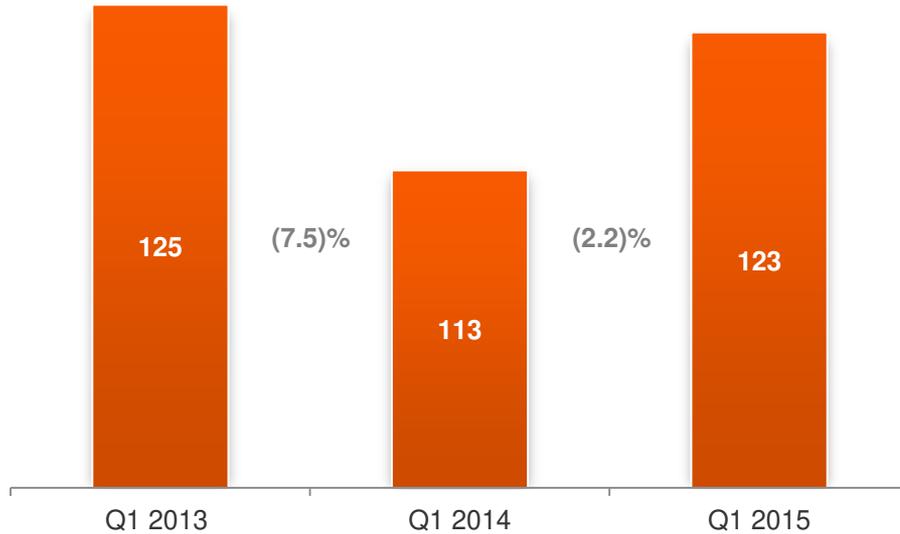
(in € million)	Q1 2014	Q1 2015	Change	Δ % Current Currency	Δ % Constant Currency
Technology	113	123	+10	+9.0%	(2.2)%
Entertainment Services	328	358	+30	+9.2%	(4.1)%
Connected Home	291	317	+26	+8.9%	(0.8)%
Group revenues (excl. legacy activities & Other)	732	798	+66	+9.1%	(2.5)%
Legacy activities	5	1	(4)	(87.8)%	(89.9)%
Other	7	7	0	(0.4)%	(19.0)%
Group revenues	744	805	+61	+8.3%	(3.2)%

Q1 2015 SEGMENT REVIEW

Technology – Revenue Highlights

Revenues (€m)

Change at constant currency



Key Highlights

- Revenues up 9% at current currency vs. Q1 2014
- Licensing revenues totaled €118 million, increasing by 7% YoY at current currency
- Revenues generated by the MPEG LA pool were significantly higher, driven by favorable €/US\$ exchange rate movements
- Solid performance across direct programs, but lower vs. Q1 2014, which included a lump sum payment related to LG smartphone licensing agreement
- Significant business development in Technology Licensing

Technology – Showcasing Technology Relevance



Global coalition representing leading companies in entertainment, technology, consumer electronics and distribution to establish next generation video technologies (4K, HDR, WCG...)

Technicolor, DirecTV, Dolby, Fox, LG, Netflix, Panasonic, Samsung, Sharp, Sony, Walt Disney, Warner Bros.



Address market demand for efficient, transparent and balanced commercialization of HEVC technologies, with at least 500 essential HEVC patents at launch

Technicolor, Philips, Mitsubishi Electric, General Electric, Dolby

MPEG-H AUDIO

World's first live broadcast demo of MPEG-H Audio standard, a new interactive and immersive TV audio system, showing live sports and music productions

Technicolor, Fraunhofer IIS, Qualcomm



Technology – Significant progress in Technology Licensing



Partnering with
Chinese mobile device
manufacturer TCL

Agreement signed in March 2015 to embed Technicolor's Color Enhance technology on the new Alcatel Onetouch premium smartphone

ALCATEL
onetouch.
idol3



Launching an end-to end HDR offering @



HDR grading for legacy and new content for movies, TV shows and commercials

Intelligent Tone Management plugin licensing for major color grading systems to enable broadcasters to create HDR content in their own facilities

World's first UHD and HDR free over-the-air live demonstration live broadcast based on proposed ATSC 3.0 technologies

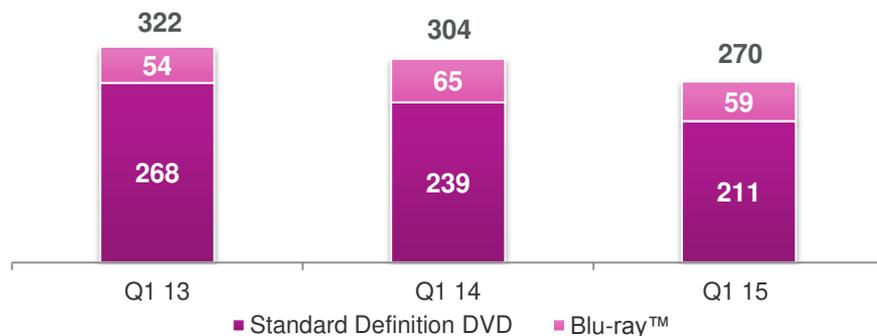
Entertainment Services – Highlights

Revenues excl. legacy Activities & IZ-ON (€m)

Change at constant currency



YoY volume change for SD and BD, million units



Key Highlights

Production Services

- **Significant revenue increase** YoY, driven by double digit growth in VFX and Animation activities
- **Seamless integration of Mr. X**
- **Digital Cinema joint-venture with Deluxe**, binding agreement, expected to be completed in Q2 2015
- **Focus of Distribution Services** solely on digital servicing platform and exit from low margin services

DVD Services

- **Revenues driven by lower volumes** vs. Q1 2014 that benefited from a very positive impact of *Frozen*
- **Lower rate of decline compared to H2 2014 trend**
- **Weak release of major Games** in Q1 2015 (seasonally low)

Accelerating Production Services growth in Animation and Advertising



Exclusive Agreement to Acquire Production House Mikros Image

- Strengthen company's position in the Animation market identified as a major growth driver for the Group
- Bolster to rank n° 1 in France's Advertising market
- Transaction expected to be completed in Q2 of 2015



Technicolor acquires OuiDo Productions

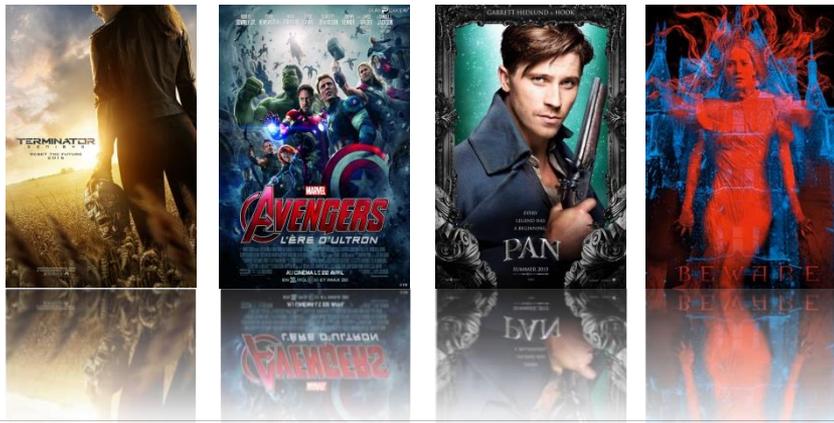
Allow to offer film, TV and OTT clients a complete end-to-end solution from pre-production services to animation and all the way through to post-production



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Entertainment Services – Record activity level

Increased work scope for tent-pole movies



Strong activity pipeline in Broadcast



Sustained growth in VFX for Commercials



Rewarded talents

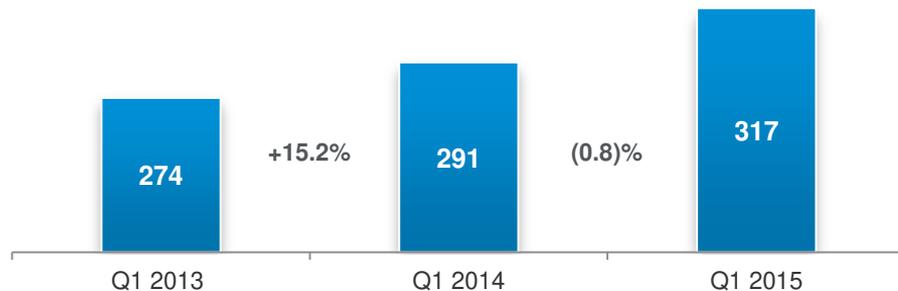
- Technicolor's theatrical sound mixing team won the **Oscar and Bafta** for their unique contributions to *Whiplash*
- Successful challenge for Technicolor's color-finishing team, *Birdman* received **4 Oscars, 2 Golden Globes and 1 Bafta**



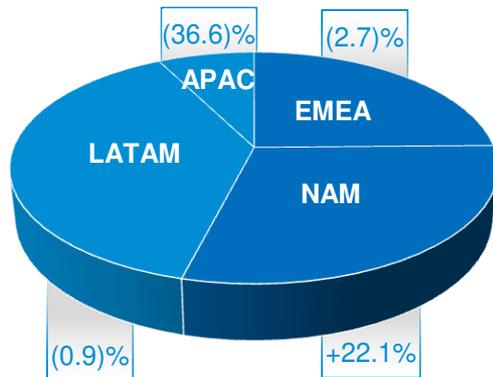
Connected Home – Revenue Highlights

Revenues (€m)

Change at constant currency



YoY change in revenues, at constant currency



Key Highlights

- **Revenue up 8.9%** vs. Q1 2014 at current currency
- **Strong mix improvement** in most regions
- **Double-digit revenue growth** in North America, driven by sustained demand from Cable customers
- **Solid revenue growth in LatAm**, driven by mix increase
- **New awards and customers wins** that will lead to strong revenue growth in H2 2015
- **Continued gross margin improvement**, driven by solid operating execution, supply-chain efficiency and improved product mix
- **EBITDA margin also increased** vs. Q1 2014, notwithstanding stronger R&D expenses

Connected Home – Innovative and creative leader



Large shipments of 4K set top boxes in India for the ICC Cricket World Cup 2015



Advance in next-generation video technologies and creative design dealing with complex integration challenges



Real-time test platform for new MPEG-H interactive and immersive TV Audio

2015 GUIDANCE

2015 Guidance confirmed – A first step towards Drive 2020

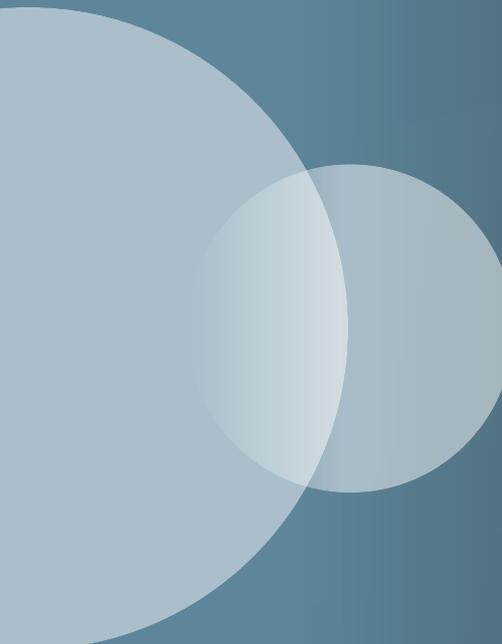
Adjusted EBITDA between €560 million and €590 million

Free Cash Flow of at least €230 million

Net debt to Adjusted EBITDA ratio of around 0.75x
at end December 2015

DRIVE 2020





Thank you

