PRESS RELEASE

TECHNICOLOR: FIRST HALF 2017 RESULTS

Paris (France), 26 July 2017 – Technicolor (Euronext Paris: TCH; OTCQX: TCLRY) announces today its results for the first half of 2017.

Frederic Rose, Chief Executive Officer of Technicolor, stated:

"Following a slow start to the year, we saw a marked improvement in the latter half of the period across all our operating businesses which we expect to carry through for the rest of the year."

First Half 2017 key highlights

- First half 2017 revenues were at €2,146 million and the Adjusted EBITDA at €107 million. This was largely attributed to:
  - The Connected Home Adjusted EBITDA decreased year-on-year as a result of lower revenues versus a very strong first half 2016 performance, which was exacerbated by the €30 million negative impact of memory price increases;
  - The Technology segment revenues declined compared to a very strong first half 2016 performance and due to the expiry of Digital TV agreements in anticipation of the ramp up of the joint licensing program with Sony.
- Entertainment Services saw a stable Adjusted EBITDA as Production Services revenue and profit growth was constrained by capacity ramp up and DVD Services improvement in margin was offset by a mix which was heavily weighted toward Standard Definition discs;
- Free cash flow excluding cash impacts of the CRT[1] case settlements amounted to €(67) million due to the lower Adjusted EBITDA. Group free cash flow amounted to €(148) million;
- Technicolor reinforced its cost optimization program while working on ongoing mitigation actions related to the memory cost impact.

Full Year 2017 objectives confirmed

As a result of the memory price increases affecting Connected Home profitability, Technicolor expects to deliver an Adjusted EBITDA in the range of €420 million to €480 million as announced on June 29, 2017.

The Group confirms its free cash flow objective (in excess of €150 million before cash impacts of the CRT cartel case settlements). These cash settlements amounted to €81 million and were paid in the first half of 2017.

These objectives are calculated based on constant exchange rates.

[1] CRT: Cathode Ray Tubes

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Segment review – H1 2017 result highlights

Connected Home revenues amounted to €1,252 million, down 11.2% year-on-year at constant rate mainly resulting from a continued weak macro-economic environment in Latin America and the delayed ramp in the early part of the year of a number of large contracts in Western Europe. After a slow start in the first quarter, Connected Home experienced very strong growth in the second quarter, particularly in North America which represented 63% of total revenues for the first half.

North America:

- Revenue growth materially accelerated in the second quarter with record deliveries across several cable customers, fueled in particular by large volumes of the Worldbox to Charter. As a result, Technicolor substantially outperformed the overall North American market;
- Twelve new product introductions, both in Video and Broadband are planned in the second half across North American customers;
- Commercial activity remained strong with a win rate of 76% on different tender offers.

Europe, Middle East and Africa:

- Revenues were affected by the end of some large deployments in the last part of 2016 and shipment delays to a large customer.

Latin America:

- Technicolor maintained its leading market share position both in Broadband and Video. Revenues were affected by continued difficult market conditions in Mexico which remained the most challenging market. Technicolor saw stabilization in Brazil and growth in other countries like Argentina and Chile.

Asia Pacific:

- Revenues were down year-on-year due to lower deliveries in India and Australia, partly compensated by growth in Japan and South Korea.

Revenue breakdown for Connected Home

		First Half		
In € million		**2016**	**2017**	Change[2]
Total revenues		1,378	**1,252**	(9.2)%
By region	North America	724	**790**	+9.1%
	Europe, Middle-East and Africa	316	**193**	(39.1)%
	Latin America	228	**168**	(26.2)%
	Asia-Pacific	110	**100**	(8.9)%
By product	Video	790	**748**	(5.3)%
	Broadband	588	**504**	(14.4)%

[2] Year-on-year change at current currency.

Adjusted EBITDA amounted to €57 million, or 4.6% of revenue, down 310 basis points compared to last year. The margin decline was driven by the gross margin squeeze resulting from memory price increases. Excluding the memory cost impact, Adjusted EBITDA margin would have reached 7.0%.

Gross margin reached 14.1%, down 230 basis points compared to the first half of 2016, mainly due to the negative impact of memory price increases that amounted to €30 million. The gross margin excluding the memory cost impact would have reached 16.5%.

	H1 2016		**H1 2017**		**Change YoY**	
	In € million	As a % of revenues	In € million	As a % of revenues	Reported	At constant rate
Revenues	**1,378**		**1,252**		*(9.2)%*	*(11.2)%*
Adj. EBITDA	**106**	**7.7%**	**57**	**4.6%**	*(46.0)%*	*(47.6)%*

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Entertainment Services revenues amounted to €838 million in the first half of 2017, down 3.3% at constant currency compared to the first half of 2016.

- **Production Services** revenues amounted to €383 million in the first half of 2017, up 4.9% at constant currency compared to the first half of 2016, driven by a strong performance in Animation, Games and Post-Production.

  The level of activity in VFX for film and TV was sustained with the teams working on more than 25 Film projects, including Warner Bros. *Wonder Woman* and Paramount's *Transformers: The Last Knight*, and over 10 TV projects, including season 5 of *Vikings* (History) and season 2 of *The Shannara Chronicles* (MTV/Spike). Several large VFX film projects began in the first half, including Disney's live-action adaptation of *The Lion King*. Capacity expansion program continued through the first half coupled with the hiring of additional creative talent.

  Revenue growth was strong in Animation driven by the delivery of DreamWorks Animation's *Captain Underpants: The First Epic Movie*, the ramp-up of several long form feature animation projects, such as Paramount's *Sherlock Gnomes* and a very solid pipeline in content IP.

  Post-Production activity experienced growth particularly in the theatrical sound business and saw growing success with Netflix Originals.

  VFX for Advertising was slightly lower compared to the first half of 2016, which included more VFX-heavy campaigns, resulting in a weaker mix compared to last year.

- **DVD Services** revenues reached €454 million in the first half of 2017, down c.9% at constant currency compared to the first half of 2016. Overall disc volumes recorded a year-on-year net increase in the second quarter compensating the weak performance of the first quarter and resulted in a reduction of less than 6% year-on-year. This demonstrated resiliency of the business given the comparative strength of the first half of 2016, which benefited from a number of major blockbuster releases including *Star Wars: The Force Awakens* and a higher number of *AAA Games*.

Volume trends in the first half of 2017 were driven in large part by robust DVD back catalog activity in North America, highlighting continued, broad-based consumer demand for packaged media content. Games volume declined, as there was only one major Xbox One title release during the first half, and represented only a very small percentage of total overall disc volume in the period.

Volume data for DVD Services

		First Half		
In million units		**2016**	**2017**	Change
Total combined volumes		**609.9**	**573.6**	***(5.9)%***
By format	DVD	424.7	409.8	*(3.5)%*
	Blu-ray™	130.2	118.6	*(8.9)%*
	CD	55.0	45.2	*(17.9)%*
By segment	Theatrical/Broadcast	527.1	507.0	*(3.8)%*
	Games	18.4	13.6	*(25.9)%*
	Software & Kiosk	9.4	7.8	*(16.4)%*
	Music & Audio	55.0	45.2	*(17.9)%*

Adjusted EBITDA reached €72 million in the first half of 2017, globally stable compared to the first half of 2016:

- Adjusted EBITDA of **Production Services** was stable year-on-year as Technicolor expanded its capacity and hired additional talent to deliver strong growth in the second half of 2017;

- In **DVD Services**, year-on-year percentage profitability improved as a result of cost saving actions directly related to the integration of Cinram North American assets in 2016. These improvements were, however, globally offset by product mix impacts.

		H1 2016		**H1 2017**		**Change YoY**	
		In € million	As a % of revenues	In € million	As a % of revenues	Reported	At constant rate
Revenues		**863**		**838**		*(2.9)%*	*(3.3)%*
o/w	Production Services	369	43%	383	46%	*+4.0%*	*+4.9%*
	DVD Services	494	57%	454	54%	*(8.1)%*	*(9.4)%*
Adj. EBITDA		**71**	**8.2%**	**72**	**8.5%**	*+0.6%*	*(1.3)%*

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Technology revenues amounted to €56 million in the first half of 2017, down €103 million compared to the first half of 2016 excluding MPEG LA revenues. This significant decline was caused by the strength of the first half of 2016 resulting from the success of our licensing efforts (revenues excluding MPEG LA were up 58% in that period). These agreements included one-off revenues including the lump sum payment related to an HEVC licensing deal and several upfront payments related to other licensing agreements.

In the context of its joint licensing program with Sony in Digital TV, Technicolor did not renew a number of its agreements in that field to allow the Group, as agent for the program to start discussions with manufacturers.

Adjusted EBITDA amounted to €19 million, or a margin of 33.2%. The margin decline was largely due to the fixed cost structure of the business. Licensing operations and Research & Innovations spending remained stable year-on-year.

The timeline of its ongoing licensing discussions is expected to result in new agreements being signed in the second half of 2017.

	H1 2016		**H1 2017**		**Change YoY**	
	In € million	As a % of revenues	In € million	As a % of revenues	Reported	At constant rate
Revenues	**177**		**56**		*(68,1)%*	*(68,2)%*
Adj. EBITDA	**130**	**73.9%**	**19**	**33.2%**	*(85,7)%*	*(85,8)%*

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Summary of consolidated results for the first half of 2017 (unaudited)

Summary P&L

In € million	First Half 2016 Restated[3]	First Half 2017	Change YoY Reported	Change YoY At constant rate
Group revenues from continuing operations	**2,420**	**2,146**	**(11.3)%**	**(12.6)%**
Group revenues excluding exited activities[4]	2,418	2,146	(11.3)%	(12.5)%
Adjusted EBITDA from continuing operations	**265**	**107**	**(59.8)%**	**(60.9)%**
As a % of revenues	11.0%	5.0%	(6.0)pts	
Adjusted EBIT before PPA[5] amortization	**179**	**22**	**(87.7)%**	**ns**
As a % of revenues	7.4%	-	-	
Adjusted EBIT from continuing operations	**152**	**(4)**	**ns**	**ns**
As a % of revenues	6.3%	-	-	
EBIT from continuing operations	**93**	**(37)**	**ns**	**ns**
As a % of revenues	3.8%	-	-	
EBIT excluding PPA[5] amortization	**120**	**(11)**	**ns**	**ns**
As a % of revenues	5.0%	**-**		
Financial result	(73)	(62)	+11	
Income tax	(30)	(11)	+19	
Share of profit/(loss) from associates	0	0	0	
Profit/(loss) from continuing operations	**(10)**	**(110)**	**(100)**	
Profit/(loss) from discontinued operations	(44)	4	+48	
Net income	**(54)**	**(106)**	**(52)**	

Group revenues from continuing operations totaled €2,146 million in the first half of 2017, down by 12.6% at constant currency compared to the first half of 2016, resulting mainly from lower revenues in the Connected Home segment and in DVD Services.

Adjusted EBITDA from continuing operations amounted to €107 million in the first half of 2017, down 60.9% at constant currency compared to the first half of 2016. The Adjusted EBITDA margin amounted to 5.0%, down by 6 points year-on-year due mainly to the margin squeeze in the Connected Home segment due to the memory cost impact and the much lower contribution of the high-margin Technology business.

Depreciation and Amortization amounted to €119 million out of which €26 million of amortization was related to purchase price allocation, mostly related to the 2015 acquisitions.

[3] Six months ended June 30, 2016 amounts have been restated due to the finalization of the 2015 acquisitions purchase price allocation (PPA) in the second semester of 2016. Selling and administrative expenses have been increased by €2 million to adjust the amortization of customer relationships recognized within these PPA.
[4] Digital Cinema and Distribution Services in the Entertainment Services segment, IZ-ON, M-GO and Virdata activities in the Other segment.
[5] Purchase Price Allocation.

EBIT from continuing operations totaled €(37) million in the first half of 2017. This was mostly due to the lower Adjusted EBITDA as restructuring costs and other non-current items recorded a significant decrease compared to last year. Restructuring provisions were mainly taken in the Connected Home segment and in DVD Services. Non-current items were much lower notwithstanding some additional integration fees in the Connected Home segment. Excluding the purchase price allocation amortization, EBIT from continuing operations was a loss of €11 million in the first half of 2017.

The Group's financial result totaled €(62) million in the first half of 2017 compared to €(73) million in the first half of 2016, reflecting:

- Net interest costs amounted to €(24) million in the first half of 2017 compared to €(44) million in the first half of 2016, reflecting lower interest expense both related to lower debt (317m€ of net repayments done in 2016) and lower average interest rates due to the 2017 refinancing;
- Other financial charges amounted to €(38) million in the first half of 2017 compared to €(29) million in the first half of 2016. These charges included the IFRS adjustment write off for €27 million, that was generated by the repayment of the old Term Loan maturing in 2020.

Income tax amounted to €11 million, lower by €19 million compared to last year, mostly due to lower results.

Net income was a loss of €106 million in the first half of 2017 compared to a loss of 54 million in the first half of 2017.

Summary statement of financial position and cash position

	First Half		Change
In € million	**2016**	**2017**	
Free cash flow excluding CRT settlements	122	(67)	(189)
Group free cash flow	**98**	**(148)**	**(246)**
Nominal gross debt	1,330	1,099	(231)
Cash position	434	183	(251)
Net financial debt at nominal value (non IFRS)	**896**	**916**	**+20**
IFRS adjustment	(67)	(7)	+60
Net financial debt (IFRS)	**829**	**909**	**+80**

- Capital expenditures amounted to €69 million, down by €5 million year-on-year;
- Cash outflow for restructuring totaled €29 million in the first half of 2017, down by €4 million year-on-year, mainly resulting from lower restructuring costs in the Technology segment;
- The change in working capital & other assets and liabilities was negative €29 million in the first half of 2017 mostly driven by the seasonality of DVD services;

Group free cash flow amounted to €(148) million in the first half of 2017, including:

- Financial charges were €37 million, down by €10 million year-on-year due to lower interest expense both related to lower debt (€317million of net repayments done in 2016) and lower average interest rates due to refinancing;

- Tax cash inflow was €3 million, improved by €43 million year-on-year, due to lower results and the monetization of research tax credit for around €10 million;
- Other cash charges reached €20 million, mainly reflecting pensions for €12 million and Connected Home integration cash outflow for €2 million;
- Cash impact of the CRT settlements amounted to €81 million.

Nominal gross debt totaled €1,099 million at end June 2017, up €16 million versus end December 2016, after partial refinancing of the Group's debt in March 2017.

The Group's cash position amounted to €183 million at end June 2017, down by €188 million compared to end December 2016, mainly reflecting the negative free cash flow and the dividend payment for €25 million.

Net debt at nominal value amounted to €916 million at end June 2017, compared to €712 million at end December 2016 mainly due to the lower cash position.

An analyst audio Webcast hosted by Frederic Rose, CEO, and Esther Gaide, CFO, will be held Thursday, 27 July 2017 at 9:00 am CEST.

Link to the Audio Webcast

http://www.technicolor.com/webcastH12017 (The presentation slides will be made available on our website prior to the Webcast)

***The replay** will be available at the latest by 12pm (CEST) on July 27th until October 25th, 2017*

Financial calendar

Q3 2017 business update	26 October 2017

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Warning: Forward Looking Statements

This press release 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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About Technicolor

Technicolor, a worldwide technology leader in the media and entertainment sector, is at the forefront of digital innovation. Our world class research and innovation laboratories enable us to lead the market in delivering advanced video services to content creators and distributors. We also benefit from an extensive intellectual property portfolio focused on imaging and sound technologies. Our commitment: supporting the delivery of exciting new experiences for consumers in theaters, homes and on-the-go.

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Technicolor shares are on the NYSE Euronext Paris exchange (TCH) and traded in the USA on the OTCQX marketplace (OTCQX: TCLRY).

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Summary of consolidated results as reported (unaudited)

In € million	For the 6-month period ended June 30, 2016 Restated[6]	2017	Change[7]
Group revenues from continuing operations	**2,420**	**2,146**	**(11.3)%**
Change at constant currency (%)		(12.6)%	
o/w Connected Home	1,378	1,252	(9.2)%
Entertainment Services	863	838	(2.9)%
Technology	177	56	(68.1)%
Other	2	0	ns
Adjusted EBITDA from continuing operations	**265**	**107**	**(59.8)%**
Change at constant currency (%)		(60.9)%	
As a % of revenues	11.0%	5.0%	(6.0)pts
o/w Connected Home	106	57	(46.0)%
Entertainment Services	71	72	+0.6%
Technology	130	19	(85.7)%
Other	(42)	(41)	+3.6%
Adjusted EBIT from continuing operations	**152**	**(4)**	**ns**
Change at constant currency (%)		ns	
As a % of revenues	6.4%	(0.2)%	(6.6)pts
EBIT from continuing operations	**93**	**(37)**	**ns**
Change at constant currency (%)		ns	
As a % of revenues	3.9%	(1.7)%	(5.6)pts
Financial result	(73)	(62)	+11
Income tax	(30)	(11)	+18
Share of profit/(loss) from associates	0	0	0
Profit/(loss) from continuing operations	**(10)**	**(110)**	**(100)**
Profit/(loss) from discontinued operations	(44)	4	+49
Net income (loss)	**(54)**	**(106)**	**(52)**
Group free cash flow	**98**	**(148)**	**(246)**
Net financial debt at nominal value (non IFRS)	**896**	**916**	**+20**
Net financial debt (IFRS)	829	909	+80

[6] The amounts for the six months ended June 30, 2016 have been restated due to the finalization in the second half of 2016 of the purchase price allocation (PPA) related to the acquisitions made in 2015.
[7] Change at current currency.

UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in € million)	For the 6-month period ended June 30, 2017 Unaudited	2016 Restated[8]
Continuing operations		
Revenues	2,146	2,420
Cost of sales	(1,848)	(1,969)
Gross margin	**298**	**451**
Selling and administrative expenses	(215)	(206)
Research and development expenses	(87)	(93)
Restructuring costs	(22)	(39)
Net impairment losses on non-current operating assets	(4)	(8)
Other income (expense)	(7)	(12)
Earnings before interest and tax (EBIT) from continuing operations	**(37)**	**93**
Interest income	1	1
Interest expense	(25)	(45)
Other financial income (expense)	(38)	(29)
Net financial income (expense)	**(62)**	**(73)**
Share of loss from associates	-	-
Income tax	(11)	(30)
Profit (loss) from continuing operations	**(110)**	**(10)**
Discontinued operations		
Net gain (loss) from discontinued operations	4	(44)
Net income (loss)	**(106)**	**(54)**
Attributable to:		
- Equity holders	(105)	(54)
- Non-controlling interest	(1)	-

(in euro, except number of shares)	Six months ended June 30, 2017	2016
Weighted average number of shares outstanding (basic net of treasury shares held)	412,472,546	411,485,478
Earnings (losses) per share from continuing operations		
- basic	(0.26)	(0.02)
- diluted	(0.26)	(0.02)
Earnings (losses) per share from discontinued operations		
- basic	0.01	(0.11)
- diluted	0.01	(0.11)
Total earnings (losses) per share		
- basic	(0.25)	(0.13)
- diluted	(0.25)	(0.13)

[8] The 2016 amounts as of June 30, 2016 have been restated due to the finalization of the 2015 acquisitions purchase price allocation (PPA) in the second semester of 2016. Selling and administrative expenses have been increased by €2 million to adjust the amortization of customer relationships recognized within these PPA.

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € million)	**June 30, 2017**	**December 31, 2016**
ASSETS		
Goodwill	971	1,019
Intangible assets	694	771
Property, plant and equipment	257	286
Other operating non-current assets	39	56
Total operating non-current assets	**1,961**	**2,132**
Investments and available-for-sale financial assets	19	19
Other non-current financial assets	20	39
Total financial non-current assets	**39**	**58**
Investments in associates and joint ventures	2	3
Deferred tax assets	406	423
Total non-current assets	**2,408**	**2,616**
Inventories	238	234
Trade accounts and notes receivable	756	806
Other operating current assets	239	284
Total operating current assets	**1,233**	**1,324**
Income tax receivable	39	53
Other financial current assets	12	17
Cash and cash equivalents	183	371
Total current assets	**1,467**	**1,765**
Total assets	**3,875**	**4,381**

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € million)	June 30, 2017	December 31, 2016
EQUITY AND LIABILITIES		
Common stock	414	413
Treasury shares	(158)	(157)
Subordinated perpetual notes	500	500
Additional paid-in capital & reserves	60	174
Cumulative translation adjustment	(335)	(229)
Shareholders' equity attributable to owners of the parent	**481**	**701**
Non-controlling interest	3	3
Total equity	**484**	**704**
Retirement benefits obligations	345	376
Provisions	19	35
Other non-current operating liabilities	136	153
Total operating non-current liabilities	**500**	**564**
Borrowings	1,080	998
Deferred tax liabilities	201	217
Total non-current liabilities	**1,781**	**1,779**
Retirement benefit obligations	28	28
Provisions	98	133
Trade accounts and notes payable	891	992
Accrued employee expenses	137	152
Other current operating liabilities	397	504
Total operating current liabilities	**1,551**	**1,809**
Borrowings	12	52
Income tax payable	41	35
Other current financial liabilities	6	2
Total current liabilities	**1,610**	**1,898**
Total liabilities	**3,391**	**3,677**
Total equity and liabilities	**3,875**	**4,381**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	For the 6-month period ended June 30, 2017	2016 Restated[9]
Net income (loss)	**(106)**	**(54)**
Income (loss) from discontinued activities	4	(44)
Profit (loss) from continuing activities	**(110)**	**(10)**
Summary adjustments to reconcile profit from continuing activities to cash generated from continuing operations		
Depreciation and amortization	119	106
Impairment of assets	4	8
Net changes in provisions	(32)	4
Gain (loss) on asset disposals	(2)	-
Interest (income) and expense	24	44
Other non-cash items (including tax)	44	46
Changes in working capital and other assets and liabilities	(29)	67
Cash generated from continuing activities	**18**	**265**
Interest paid	(26)	(37)
Interest received	1	2
Income tax paid	3	(40)
Net operating cash generated from continuing activities	**(4)**	**190**
Net operating cash used in discontinued activities	(75)	(18)
Net cash from operating activities (I)	**(79)**	**172**
Acquisition of subsidiaries, associates and investments, net of cash acquired	(22)	(24)
Proceeds from sale of investments, net of cash	10	18
Purchases of property, plant and equipment (“PPE”)	(25)	(35)
Proceeds from sale of PPE and intangible assets	1	1
Purchases of intangible assets including capitalization of development costs	(45)	(40)
Cash collateral and security deposits granted to third parties	(1)	(2)
Cash collateral and security deposits reimbursed by third parties	9	7
Loans (granted to) / reimbursed by third parties	-	-
Net investing cash used in continuing activities	**(73)**	**(75)**
Net investing cash used in discontinued activities	-	-
Net cash used in investing activities (II)	**(73)**	**(75)**
Increase of Capital	1	13
Proceeds from borrowings	648	-
Repayments of borrowings	(613)	(40)
Fees paid linked to the debt	(6)	(2)
Dividends and distributions paid to Group’s shareholders	(25)	(25)
Other	(19)	2
Net financing cash generated used in continuing activities	**(14)**	**(52)**
Net financing cash used in discontinued activities	-	-
Net cash used in financing activities (III)	**(14)**	**(52)**
Cash and cash equivalents at beginning of year	371	385
Net increase in cash and cash equivalents (I+II+III)	**(166)**	**45**
Exchange gains/(losses) on cash and cash equivalents	(22)	4
Cash and cash equivalents at end of year	**183**	**434**

[9] The 2016 amounts as of June 30, 2016 have been restated due to the finalization of the 2015 acquisitions purchase price allocation (PPA) in the second semester of 2016.

Reconciliation of adjusted indicators (unaudited)

Technicolor is presenting, in addition to published results and with the aim to provide a more comparable view of the evolution of its operating performance in the first half of 2017 compared to the first half of 2016 a set of adjusted indicators, which exclude the following items as per the statement of operations of the Group's consolidated financial statements:

- Restructuring costs, net;
- Net impairment charges;
- Other income and expenses (other non-current items).

These adjustments, the reconciliation of which is detailed in the following table, amounted to an impact on Group EBIT from continuing operations of €(32) million in the first half of 2017 compared to €(59) million in the first half of 2016.

In € million	First Half 2016 restated[10]	 2017	 Change[11]
EBIT from continuing operations	**93**	**(37)**	**(130)**
Restructuring charges, net	(39)	(22)	+17
Net impairment losses on non-current operating assets	(8)	(4)	+4
Other income/(expense)	(12)	(7)	+5
Adjusted EBIT from continuing operations	**152**	**(4)**	**(156)**
As a % of revenues	6.3%	-	-
Purchase price allocation ("PPA") amortization	27	26	(1)
Adjusted EBIT before PPA amortization	**179**	**22**	**(157)**
As a % of revenues	7.4%	-	-
Depreciation and amortization ("D&A")	86	85	(1)
Adjusted EBITDA from continuing operations	**265**	**107**	**(158)**
As a % of revenues	11.0%	5.0%	(6.0)pts

[10] The 2016 amounts as of June 30, 2016 have been restated due to the finalization of the 2015 acquisitions purchase price allocation (PPA) in the second semester of 2016.
[11] Change at current currency.

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Reconciliation of Group free cash flow (unaudited)

Technicolor defines "Free Cash Flow" as net cash from operating activities plus proceeds from sales of property, plant and equipment ("PPE") and intangible assets, minus purchases of PPE, purchases of intangible assets including capitalization of development costs.

In € million	December 31, 2016 Audited	June 30, 2016 Unaudited	June 30, 2017 Unaudited
Adjusted EBITDA	**565**	**265**	**107**
Changes in working capital and other assets and liabilities	106	67	(29)
Pension cash usage of the period (note 8.1)	(28)	(14)	(13)
Restructuring provisions – cash usage of the period (note 9.1)	(56)	(33)	(28)
Interest paid	(74)	(37)	(26)
Interest received	3	2	1
Income tax paid	(44)	(40)	3
Other items	(26)	(20)	(19)
Net operating cash generated from continuing activities	**446**	**190**	**(4)**
Purchases of property, plant and equipment (PPE)	(68)	(35)	(25)
Proceeds from sale of PPE and intangible assets	1	1	1
Purchases of intangible assets including capitalization of development costs	(85)	(40)	(45)
Net operating cash used in discontinued activities	(46)	(18)	(75)
Group free cash flow	**248**	**98**	**(148)**