

Technicolor Announces the Redemption of the Disposal Proceeds Notes and Tranche I of the Notes Redeemable in Shares

Paris (France) – 29 December 2010 – In accordance with its sauvegarde plan and the resolutions adopted by the General Shareholders' Meeting of 27 January 2010, Technicolor (Euronext Paris: TCH; NYSE: TCH) announces that on 31 December 2010 it will redeem tranche I of the Notes Redeemable in Shares (NRS) and the Disposal Proceeds Notes (DPN) issued on 26 May 2010.

These redemptions, which were expected as a result of the capital market operations which occurred earlier this year, are in accordance with the timetable and terms of the securities issued on 26 May 2010 pursuant to the Group's financial restructuring, and whose terms were communicated in the *Note d'Opération* approved by the *Autorité des Marchés Financiers* on 27 April 2010.

Pursuant to these redemptions, the Company will issue 95,196,744 new shares, which will bring the total number of shares of the Company to 174,846,625 shares as of 31 December 2010.

Redemption of the NRS I

The Company will redeem on 31 December 2010 313,890,656 NRS I out of a total of 319,219,813 NRS I, through the issuance of 45,196,744 new shares. In accordance with the terms and conditions of the NRS I, the redemption will be made at the rate of 0.144 new shares for each NRS I (including interest).

The redemption of a total of 5,328,181 NRS I, representing approximately 1.7% of the tranche I, was deferred until 31 December 2011 at the request of the holders. Pursuant to the terms of the NRS, the notes whose redemption was deferred will not receive interest during the deferral period, except in the event of a dividend distribution.

The total number of NRS remaining outstanding amounts to 324,547,477 NRS, maturing on 31 December 2011, which will result at that time in the issuance of approximately 51 million of new shares

Redemption of the DPN

The Company will redeem on 31 December 2010 the entirety of the DPN for an amount of €265,053,696 (including interest). In accordance with the DPN terms and conditions, the redemption will be made in cash and new shares as follows:



- Amount redeemed in cash : €52,303,696, including the proceeds from the disposal of Screenvision US announced on 14 October 2010;
- Amount redeemed in new shares: €212,750,000, corresponding to 50 million new shares with a nominal value of €1 issued at €4.255 per share, calculated on the basis of the volume weighted average price per share from November 3 to December 28, inclusive. This redemption is made in accordance with paragraph 4.4.9 of the *Note d'Opération* dated as of 27 April 2010, and within the limit authorized by the 9th resolution of the General Shareholders' Meeting of 27 January 2010.

In addition, pursuant to the provisions of the French Monetary and Financial Code, and in connection with its quarterly financial information for the third quarter of 2010, the Company indicates that its financial debt and cash at 30 September 2010 were close to the 30 June 2010 levels. The net debt as per the financial statements at 30 June 2010 amounted to €1,276 million, including the DPN maturing on 31 December 2010, and the net cash situation amounted to 416 million euros at 30 June 2010.

Finally, given the business activity in the fourth quarter 2010, the Group confirms that it anticipates revenue growth for continuing activities in the fourth quarter of 2010 compared to the fourth quarter of 2009 at constant currency, and adjusted EBITDA¹ as a percentage of revenues slightly up in the second half of 2010 compared to the second half of 2009.

Technicolor is a company listed on NYSE Euronext Paris and NYSE stock exchanges, and this press release contains certain statements that constitute "forward-looking statements" within the meaning of the "safe harbor" of the U.S. Private Securities Litigation Reform Act of 1995. 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 U.S. Securities and Exchange Commission and its filings with the French Autorité des marchés financiers.

About Technicolor

Technicolor is home to industry-leading creative and technology professionals committed to the creation, management and delivery of entertainment content to consumers around the world. Propelled by a culture of innovation and underpinned by a dedicated research organization, the company's thriving licensing business possesses an extensive intellectual property portfolio focused on imaging and sound technologies. Serving motion picture, television, and other media clients, the company is a leading provider of high-end visual effects, animation, and postproduction services. In support of network service providers and broadcasters globally, Technicolor ranks among the world's leading suppliers of digital content delivery services and home access devices, including set-top boxes and gateways. The company also remains a large physical media service provider, being one of the world's largest film processors and independent manufacturers and distributors of DVDs and Blu-ray™ discs.

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¹ EBITDA from continuing activities minus restructuring and impairment charges, and minus other income and expenses

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