

Recommendation of Technicolor's Board of Directors for the General Shareholders' Meeting of June 20, 2012

Paris (France), May 30, 2012 – The Board of Directors of Technicolor, which met yesterday in Paris, unanimously resolved to recommend to the Company's shareholders that they vote in favor of the resolutions relating to the implementation of the transaction agreed between Jesper Cooperatief U.A., an entity controlled by JPMorgan Chase & Co., ("Jesper") and Technicolor (the "JPMorgan Resolutions"). This recommendation is in accordance with the contracts entered on May 2, 2012 (the "JPMorgan Contracts").

The JPMorgan Contracts were approved by the Board of Directors on May 2, 2012 and are the result of extensive discussions with Jesper and other potential investors. The Board of Directors, at its May 2, 2012 meeting, concluded that Jesper provided the best offer, including from a financial standpoint, but it also concluded that significant long term value would be derived by Technicolor from being supported by JP Morgan Chase & Co., the leading worldwide entertainment financier.

The JPMorgan Contracts provide a fully-negotiated 30-month agreement with regard to the governance of the Company, that would provide key support towards achieving the strategic goals outlined in Technicolor's Amplify 2015 strategic plan and maximize shareholder value. Technicolor will benefit from its association with JP Morgan Chase & Co., its global brand, its experience and industry expertise. In addition, the proceeds from the capital increase contemplated by the JPMorgan Contracts amount to up to €158 million corresponding to up to 99,193,696 shares (as specified below) and will allow Technicolor to reduce its financial debt, increase headroom on financial covenants and benefit from JPMorgan Chase & Co.'s active support in further improving its balance sheet.

During its meeting held yesterday, the Board of Directors of Technicolor also reviewed the unsolicited proposed shareholders resolutions together with the attached binding and irrevocable offer letter submitted on May 25, 2012 by Vector Capital ("Vector"), an American investment fund that conducted discussions with Technicolor before April 30, 2012. The Board included such proposed resolutions (the "Vector Resolutions") in the agenda for the June 20, 2012 General Shareholders' Meeting. In its offer, Vector expressed support for the Company's strategy as defined in its Amplify 2015 strategic plan without specifying precisely its declaration of intent vis-à-vis the Company following the planned capital increase it proposes. The proceeds from the capital increase contemplated by the Vector Resolutions amount to up to €186 million corresponding to up to 109,114,822 shares (as specified below).

The Board notes, as Vector specified, that the approval of its resolutions by the General Shareholders' Meeting requires the prior rejection of the JPMorgan Resolutions proposed by the Board of Directors.



Accordingly, the Board of Directors does not recommend the Vector Resolutions, it being specified that, in the event that the JPMorgan Resolutions are rejected by the General Shareholders' Meeting, the JPMorgan Contracts shall be deemed null and void. In such a case, the Vector Resolutions shall be implemented only after having been adopted by the General Shareholders' Meeting.

The Company will post on its website, prior to the General Shareholders' Meeting, all requested information and documents in accordance with applicable rules as well as the full text of Vector's offer for the proper information of the shareholders.

Technicolor will file the required prospectuses with the *Autorité des marchés financiers* (AMF) relating to the capital increase transactions contained respectively in the JPMorgan Resolutions and the Vector Resolutions, in accordance with the terms of the JPMorgan Contracts and the Vector offer.

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, based on a thriving licensing business. Our commitment: supporting the delivery of exciting new experiences for consumers in theaters, homes and on-the-go. Euronext Paris: TCH • www.technicolor.com

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Impact from the JPMorgan Resolutions

Take up Rate by the existing shareholders	0%	100%
<i>(million of shares)</i>		
Number of shares issued in the reserved capital increase	72.3	72.3
Number of shares issued in the rights issue	20.2	26.9
Total number of shares issued	92.5	99.2
Number of shares issued to existing shareholders	0.0	20.1
Number of shares issued to JPMorgan	92.5	79.1
JPMorgan ownership post right issue	29.96%	25.18%
<i>(million euros)</i>		
Total investment by JPMorgan	147	126
Proceeds financed by existing shareholders	0	31
Total proceeds for Technicolor	147	158

Impact from the Vector Resolutions

Take up Rate by the existing shareholders	0%	100%
<i>(million of shares)</i>		
Number of shares issued in the reserved capital increase	47.5	47.5
Number of shares issued in the rights issue	46.2	61.6
Total number of shares issued	93.7	109.1
Number of shares issued to existing shareholders	0.0	50.5
Number of shares issued to Vector	93.7	58.6
Vector ownership post right issue	29.94%	18%
<i>(million euros)</i>		
Total investment by Vector	162	108
Proceeds financed by existing shareholders	0	79
Total proceeds for Technicolor	162	186