



PRESS RELEASE

NOT FOR DISTRIBUTION IN THE UNITED STATES

Technicolor launches the two capital increases approved by the General Shareholders' Meeting that will strengthen its balance sheet and stabilize its shareholder base

Reserved Capital Increase

- Gross proceeds: €94,943,012
- Subscription price: €2.00 per newly issued share
- Subscription reserved to Petalite, an investment vehicle controlled by Vector

Rights Issue

- Gross proceeds: €96,163,572.96
- Subscription price: €1.56 per newly issued share
- Subscription ratio: 5 newly issued shares for 22 existing shares
- Subscription period: from July 18, 2012 until August 2, 2012 inclusive
- Commitment by the Funds and Petalite to subscribe on a pro rata basis
- Commitment by Petalite to backstop up to 75% of the Rights Issue

Paris (France), July 12, 2012 – Technicolor S.A. (Euronext Paris: TCH) ("**Technicolor**") announces the launch of the two capital increases, approved by the General Shareholders' Meeting on June 20, 2012, which will lead Vector Capital ("**Vector**"), through its private equity funds (the "Funds") and the Luxembourg company Petalite Investments S.à r.l. ("Petalite"), to become a significant shareholder of Technicolor.

These capital increases, of an amount comprised between €167 million and €191 million, will allow Technicolor to strengthen its balance sheet and enhance its capabilities to implement its "Amplify 2015" strategic roadmap. They will also contribute to stabilizing Technicolor's shareholder base, which will benefit from Vector's expertise in technology. Vector publicly expressed its long-term commitment to the Company.

In the Reserved Capital Increase, Petalite will subscribe to 47,471,506 new shares for a total amount, including issuance premium, of €94,943,012.



Petalite and the Funds irrevocably committed to subscribe to the Rights Issue on a pro rata basis through the exercise of all of its preferential subscription rights, to 11,095,797 new shares representing a total amount, including issuance premium, of €17,309,443.32.

In addition, Petalite irrevocably committed to backstop the Rights Issue up to 75% of its amount, through the potential subscription following the end of the subscription period, upon decision of the Board of Directors, to a number of additional shares representing a maximum amount of €54,813,236.40.

The level of participation of existing shareholders in the Rights Issue will determine Vector's final stake in Technicolor. Following the Rights Issue, Vector will hold between 18% and 29.94% of Technicolor's share capital.

The prospectus related to the transaction has been made available today to the public. It concerns:

- the admission to trading on Euronext Paris of new shares to be subscribed to in cash through a capital increase without shareholders' preferential subscription rights in favor of Petalite (the "**Reserved Capital Increase**") of a gross amount of €94,943,012 through the issue of 47,471,506 new shares at a unit price of €2.00, and
- the issue and admission to trading on Euronext Paris of new shares to be subscribed to in cash through a capital increase with shareholders' preferential subscription rights (the "**Rights Issue**"), of a gross amount of €96,163,572.96 through the issue of 61,643,316 new shares at a unit price of €1.56 with a ratio of 5 new shares for 22 existing shares.

Pursuant to Articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and articles 211-1 to 216-1 of its General Regulations (*Règlement général*), the *Autorité des marchés financiers* (the "AMF") has granted the visa number 12-335 dated July 12, 2012 to the prospectus.

This prospectus consists of:

- the *document de référence* of Technicolor, filed with the AMF on March 27, 2012 under number D.12-0224;
- a first update of the *document de référence*, filed with the AMF on June 11, 2012 under number D.12-0224-A01;
- a second update of the *document de référence*, filed with the AMF on July 11, 2012 under number D.12-0224-A02;
- the *note d'opération*; and
- the summary of the prospectus included in the *note d'opération*.



Following the publication of its 2012 first half results, Technicolor will file with the AMF a supplement to the *note d'opération* (the “**Supplemental Note**”) on July 25, 2012 which will principally include the first half 2012 financial statements.

Copies of the prospectus are available free of charge at the registered office of Technicolor at 1-5 rue Jeanne d'Arc, 92130 Issy-les-Moulineaux, on Technicolor's website (www.technicolor.com) and on the AMF's website (www.amf-france.org) and from Morgan Stanley & Co. International plc as lead arranger and bookrunner. Potential investors are urged by Technicolor to consider the risk factors set forth in chapter 2 of the *note d'opération* and chapter 3 of the *document de référence*.

Timetable

Technicolor is now in a position to launch the two steps of the transaction, as all conditions precedent have been satisfied. The timetable of the transaction is as follows:

- The settlement of the Reserved Capital Increase will occur on July 16, 2012;
- The subscription period for the Rights Issue will be open from July 18 to August 2, 2012;
- The rights will be traded from the opening of the subscription period. The trading of the rights will end upon the closing of the subscription period;
- The Supplemental Note will be filed with the AMF following the first half 2012 results publication on July 25, 2012;
- The visa on the Supplemental Note is expected on July 26, 2012;
- There will be a withdrawal period for investors who have exercised their rights and subscribed to new shares prior to publication of the Supplemental Note. The withdrawal period will be open from July 27 to July 30, 2012;
- Technicolor will issue a press release announcing the results of the Rights Issue on August 10, 2012;
- The settlement and delivery of the Rights Issue will occur on August 14, 2012. The new shares will be immediately admitted to trading on Euronext Paris.

Governance agreement

Vector and Technicolor have entered into a governance agreement on July 10, 2012 that will last for a period of 48 months from the settlement of the Reserved Capital Increase. Under this agreement, Vector has expressed its support for the Company's strategy with a view to achieving the strategic goals outlined in Technicolor's Amplify 2015 strategic plan and maximizing shareholder value.

Following the implementation of the transaction, Technicolor's Board will be composed of nine members: two representatives from Vector, six independent directors and the Chief Executive Officer of Technicolor.



The Company will establish a strategic committee (the “**Amplify 2015 Committee**”), in addition to the audit committee and the remuneration, nominations and governance committee (the “**Remuneration Committee**”). The two Vector representatives, Alexander R. Slusky and David L. Fishman, will sit on Technicolor’s Board immediately upon completion of the Reserved Capital Increase. They will both be appointed as members of the Amplify 2015 Committee and Mr. Slusky will be appointed as Chairman of the Remuneration Committee.

Subject to customary exceptions, Vector has agreed to retain its shares for 1 year commencing on the settlement of the Reserved Capital Increase. The main terms and conditions of the governance agreement are described in further details in the prospectus.

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

About Vector Capital

Vector Capital is a leading global private equity firm located in San Francisco specializing in the technology sector. Founded in 1997, Vector Capital manages over \$2 billion in equity capital from a variety of investors, including the world’s most respected university endowments, foundations, financial institutions, and family offices. Vector Capital has a highly focused investment strategy that emphasizes technology companies with a high degree of intellectual property that are in a state of transformation. Since inception, Vector Capital has made more than 35 investments in public and private companies with an aggregate value of more than \$2.5 billion, across sectors including digital media, infrastructure software, and internet services.

Contacts Technicolor:

Investor Relations: +33 1 41 86 55 95

investor.relations@technicolor.com

Press:

Technicolor: +33 1 41 86 53 93

technicolorpressoffice@technicolor.com

Brunswick: +33 1 53 96 83 83

Marie-Laurence Bouchon • mbouchon@brunswickgroup.com



Important notice

This communication does not constitute an advertisement, offer of or invitation to acquire any securities of Technicolor in France, the United States, the United Kingdom, Canada or any other jurisdiction.

The information contained in this communication may not be relied upon in deciding whether or not to acquire Technicolor securities. The shareholders of Technicolor are urged to read the prospectus which has received the visa no. 12-335 from the *Autorité des marchés financiers* on July 12, 2012 carefully and in its entirety and any other relevant documents filed with the AMF because they will contain important information.

European Economic Area

With respect to the member States of the European Economic Area other than France (the "Relevant Member States") which have implemented directive 2003/71/EC, as amended, in particular by directive 2010/73/EU (the "Prospectus Directive"), no action has been undertaken or will be undertaken to make an offer to the public requiring a publication of a prospectus in any Relevant Member State. As a consequence, the shares may only be offered or sold in any Relevant Member States pursuant to an exemption under the Prospectus Directive.

United States

The securities referenced herein have not been, and will not, be registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, exercised or sold, directly or indirectly, in the United States absent registration with the Securities and Exchange Commission (SEC) or an exemption from such registration. Technicolor does not intend to register any part of the offering in the United States or to conduct a public offering in the United States.

Canada

The securities referenced herein will be offered in Canada on a private placement basis to shareholders who qualify as accredited investors under applicable Canadian securities laws and who sign and deliver to Technicolor an investor letter in the form provided by Technicolor. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence under applicable securities laws. Canadian shareholders are urged to read the international offering memorandum that will be prepared by Technicolor, together with the Canadian offering memorandum attached thereto, copies of which will be made available to Canadian shareholders who qualify as accredited investors under applicable Canadian securities laws.

United Kingdom

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) in the United Kingdom, persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (iii) who are high net worth entities and other persons falling within Article 49(2) of the Order or (iv) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied



upon by anyone in the United Kingdom who is not a Relevant Person. Any investment or investment activity to which this communication relates is available in the United Kingdom only to Relevant Persons and will be engaged in the United Kingdom only with Relevant Persons.

The release, publication or distribution of this press release may be restricted in certain countries by applicable laws and regulations. Persons who are physically located in those jurisdictions and in which this press release is released, published or distributed must inform themselves about and observe such restrictions.

This press release may not be published, transferred or distributed, directly or indirectly, in the United States of America, Australia or Japan.

PROSPECTUS SUMMARY

AMF visa no. 12-335 dated July 12, 2012

This summary comprises key disclosure items known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and cautionary note		
A.1	Cautionary note to reader	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the securities that are the subject of a tender offer or whose admission to trading on a regulated market is sought should be based on consideration by the investor of the Prospectus as a whole.</p> <p>If legal action concerning the information contained in the Prospectus is brought before a court, the investor filing suit may be required, under the national laws of the Member States of the European Union or parties to the European Economic Area, to pay the costs of translation of the Prospectus before the legal proceedings commence.</p> <p>Civil liability attaches to those persons who have prepared the summary including any translation thereof only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information to aid investors when considering whether to invest in such securities.</p>

Section B – Issuer		
B.1	Legal and commercial name	Technicolor SA (the “ Company ” and, together with its consolidated subsidiaries, the “ Group ”).
B.2	Registered office/Legal form/Governing law/Country of incorporation	<ul style="list-style-type: none"> - Registered office: 1-5 rue Jeanne d’Arc, 92130 Issy-les-Moulineaux. - Legal form: Public limited company (<i>société anonyme</i>) with a Board of Directors. - Governing law: French law. - Country of incorporation: France.
B.3	Nature of operations and principal business activities	<p>As the worldwide technological leader in the Media & Entertainment sector, the Group is at the cutting edge of digital innovation. Through its top-class research and innovation laboratories, the Group holds key positions in the markets for the provision of advanced video services for content creators and distributors. The Group also has an extensive intellectual property portfolio centered on image and sound technologies, and based on a powerful licensing business.</p> <p>The Group’s activities are organized into three operating segments, namely Technology, Entertainment Services and Digital Delivery.</p> <p>Technology, which generated consolidated revenues of €456 million in 2011 (13% of the Group’s consolidated revenues) and adjusted EBITDA of €346 million, is organized around the following businesses: Research & Innovation, Licensing and MediaNavi.</p>

		<p>Entertainment Services generated consolidated revenues of €1,779 million in 2011 (52% of the Group's consolidated revenues) and adjusted EBITDA of €239 million. Entertainment Services develops and offers video-related technologies and services for the Media & Entertainment industry. These services relate to content production, preparation and creation (Creation Services), content distribution through both physical media (Film Services and DVD Services) and digital media (Digital Cinema). Since 2012, Entertainment Services has also offered preparation and content management services (Digital Content Management Services) following the transfer of this business segment from Digital Delivery to Services Entertainment.</p> <p>Digital Delivery generated consolidated revenues of €1,210 million in 2011 (35% of the Group's consolidated revenues) and shipped a total of 23.2 million access products in 2011 (2010: 24.9 million units). Adjusted EBITDA in 2011 was a loss of €29 million.</p>
<p>B.4a</p>	<p>Significant recent trends affecting the issuer and the industries in which it operates</p>	<ul style="list-style-type: none"> ▪ <u>First-half 2012 results</u> <p>The Group will disclose its first-half 2012 results in a press release to be issued by the Company on July 25, 2012, once such results have been approved by the Board of Directors.</p> <p>The interim financial report, including the consolidated financial statements of the Company as at June 30, 2012, which will have been subject to limited review by the Company's Statutory Auditors, will be posted on the Company's website on July 25, 2012.</p> <p>In addition, the Company will file a supplement to this Securities Note with the AMF, including the consolidated financial statements of the Company as at June 30, 2012 (the "Supplemental Note")</p> <p>Investors are advised to read these documents, which will be available after the opening of the subscription period for the rights issue, described in the Securities Note, before making their investment decision. Pursuant to Paragraph II of Article 212-25 of the AMF General Regulations, investors who have already subscribed for shares issued as part of the rights issue, in accordance with the Securities Note, before the Supplemental Note is published, shall have the right to withdraw their subscription orders within two trading days after the publication of the Supplemental Note. This withdrawal right will only apply to the exercise of preferential subscription rights, excluding acquisitions or disposals of preferential subscription rights on the market. Investors who withdraw their subscription orders will be refunded the subscription price.</p> <ul style="list-style-type: none"> ▪ <u>Outlook for the 2012 fiscal year and significant recent trends</u> <p><i>Outlook for the 2012 fiscal year</i></p> <p>When it published its annual results for the 2011 fiscal year on February 24, 2012, the Group announced that its objectives for 2012 were:</p> <ul style="list-style-type: none"> • to generate adjusted EBITDA of between €475 million and €500 million; • to continue to generate positive free cash flow for the Group despite higher restructuring expenses and investments in growth activities; and • to respect the covenants in the Group's credit agreements. <p>The Group confirmed these objectives when it presented its first quarter 2012 revenue on April 26, 2012. The adjusted 2012 EBITDA objective, which qualifies as a forecast for the purposes of the Prospectus, was the subject of a statutory auditors' report on the forecasts, dated June 11, 2012. As at the date of the Prospectus, the Group confirms these objectives.</p>

Significant recent trends affecting the Group's activities

The Services Entertainment markets have held up well since the beginning of the year with the exception of the photochemical film market, which continues its rapid decline. The market for decoders and gateways reflects different trends from one region to another with markets in Latin America and Asia-Pacific remaining highly dynamic, and a European market showing signs of improvement.

▪ Transaction proposed by Vector

Background

On May 3, 2012, the Company announced that it had agreed with Jesper Cooperatief U.A., an investment vehicle indirectly owned by JPMorgan Chase & Co. ("**Jesper**"), on the terms of a proposed investment by Jesper in the Company's capital (the "**Jesper Transaction**"), and to have entered into with Jesper, on May 2, 2012:

- a subscription agreement pursuant to which Jesper undertook, subject to the fulfillment of certain conditions precedent, to subscribe to two capital increases:
 - the first, in the amount of €15,649,542.40, including share premium, through the issue of 72,280,964 new shares at a price of €1.60 per share, with cancellation of preferential subscription rights, in favor of Jesper (the "**Jesper Capital Increase**");
 - the second, in the amount of €1,983,861.92, including share premium, through the issue of 26,912,732 new shares at a price of €1.56 per share, with maintenance of shareholders' preferential subscription rights, which would be underwritten by Jesper for 75% of its amount; and
- a governance agreement under which Jesper would be granted minority representation on the Board of Directors of the Company, in consideration for a number of undertakings (collectively with the subscription agreement, the "**Jesper Agreements**").

The completion of the Jesper Transaction was subject, in particular, to the approval of the Combined Shareholders' Meeting of the Company on June 20, 2012 (the "**2012 Shareholders' Meeting**").

In a letter dated May 25, 2012, two US-based investment funds, Vector Capital IV, L.P. and Vector Entrepreneur Fund III, L.P. (the "**Funds**" and, together with Vector Capital Corporation, the management company of the Funds and their affiliates "**Vector**"), holding 0.6% of the Company's capital, asked the Company to register draft resolutions on the agenda of the 2012 Shareholders' Meeting, in order to offer shareholders an alternative to the Jesper Transaction. Vector and Petalite Investments S.à r.l. (an investment vehicle wholly-owned by the fund Vector TCH Cayman Ltd., itself 100%-owned by the funds Vector Capital IV International, L.P., Vector Capital III International, L.P. and Vector Entrepreneur Fund III, L.P., hereinafter "**Petalite**") submitted to the Company on the same day a firm and irrevocable offer (the "**Initial Offer**"), containing:

- subscription undertakings in respect of:
 - a capital increase reserved for Petalite, in the amount of €90,195,861.40, including share premium, through the issue of 47,471,506 new shares at a price of €1.90 per share;
 - a rights issue, in the amount of €96,163,572.96, including share premium, through the issue of 61,643,316 new shares at a price of €1.56 per share, which would be underwritten by Petalite for 75% of its amount; and
- undertakings in respect of governance and transfers of securities of the Company.

On June 8, 2012, the Company received a proposal to amend the Jesper Agreements (the “**Proposed Amendment to the Jesper Agreements**”), which included an increase in the unit subscription price of the shares to be issued under the Jesper Capital Increase from €1.60 to €1.90, and the inclusion of a new condition in the resolutions providing for the completion of the Jesper Transaction. The Company’s Board of Directors, which met on the same day to discuss the Proposed Amendment to the Jesper Agreements, found that the uncertainty generated by the new condition outweighed the benefits of the Proposed Amendment to the Jesper Agreements, which it accordingly rejected.

On June 13, 2012, Vector and Petalite submitted to the Company a firm and irrevocable offer, improving the financial terms of the Initial Offer (the “**Improved Offer**”), and raising the subscription price per share of the shares to be issued as part of the capital increase reserved for Petalite from €1.90 to €2.00, with the governance and securities transfers undertakings of Vector and Petalite remaining unchanged compared to the Initial Offer. The Funds undertook to submit to the 2012 Shareholders’ Meeting amendments to the resolutions they had submitted on May 25, 2012, in order to reflect the terms of the Improved Offer.

On June 20, 2012, during the 2012 Shareholders’ Meeting, the JPMorgan entities that are shareholders of the Company filed amendments raising the unit subscription price of the shares to be issued as part of the Jesper Capital Increase from €1.60 to €1.90. The Funds, in turn, submitted amendments reflecting the terms of the Improved Offer.

The 2012 Shareholders’ Meeting adopted the amended resolutions submitted by the Funds, thereby approving the capital increases proposed by Vector and Petalite under the terms of the Improved Offer, and rejected the amended resolutions allowing for the completion of the Jesper Transaction.

Accordingly, in letters dated June 21, 2012, the Company notified Jesper that the Jesper Agreements were null and void, and accepted the Improved Offer.

On July 10, 2012, the Company and Vector signed a governance agreement (the “**Governance Agreement**”), the provisions of which supersede the commitments on governance and transfers of securities undertaken by Vector and Petalite in the Improved Offer. The Company also sent a letter to Vector and Petalite, which was countersigned by both parties, pursuant to which the Company agrees to reimburse Vector, up to a maximum amount of €1 million, for the legal advisors’ fees and the fees paid in respect of the regulatory formalities incurred by Vector or its Affiliates for the purposes of completing the Reserved Capital Increase and the Rights Issue.

Description of undertakings made by Vector and Petalite in the Improved Offer

The transaction submitted by Vector and Petalite under the Improved Offer approved by the 2012 Shareholders’ Meeting (the “**Transaction**”), consists of two capital increases described in this Securities Note:

- an initial capital increase in the amount of €4,943,012, including share premium, without shareholders’ preferential subscription rights, through the issuance of 47,471,506 new shares at a price of €2.00 per share, fully reserved for Petalite, a limited liability company formed under the laws of Luxembourg, having its registered office at 65 boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, and registered at the Luxembourg Register of Trade and Companies under the number B 167037 (the “**Reserved Capital Increase**”); and
- a second capital increase in the amount of €6,163,572.96, including share premium, with maintenance of shareholders’ preferential subscription rights, through the issuance of 61,643,316 new shares at a price of €1.56 per share, in a ratio of five new shares for 22 existing shares (the “**Rights Issue**”, and, together with the Reserved Capital Increase, the “**Capital Increases**”).

Under the terms of the Improved Offer, (i) Petalite and the Funds have irrevocably undertaken to the Company to subscribe to the Rights Issue, on a pro-rata basis covering all of their preferential subscription rights, or a total of 11,095,797 new shares amounting to €17,309,443.32 and (ii) Petalite has irrevocably undertaken to the Company to ensure the completion of the Rights Issue by undertaking to subscribe, upon a decision by the Board of Directors of the Company following the subscription period, to a maximum number of new shares corresponding to three-quarters of the amount of the Rights Issue, less the total number of new shares subscribed during the subscription period (on a pro-rata and over-subscription basis), *i.e.*, a maximum of 35,136,690 new shares amounting to a maximum of €54,813,236.40. Vector has undertaken to guarantee Petalite's subscription undertakings under the Improved Offer.

The subscription undertakings of Petalite and the Funds are subject to the fulfillment of certain conditions precedent, which are linked to the approval of the Transaction by the 2012 Shareholders' Meeting, the *visa* of the AMF on the Prospectus and the permission of the relevant competition authorities. As at the date of the Prospectus, these conditions precedent have been fulfilled.

Under the Improved Offer (and the Initial Offer), the Funds also proposed to the 2012 Shareholders' Meeting the appointment of Mr. Alexander Slusky and Mr. David Fishman as new members of the Board of Directors. The 2012 Shareholders' Meeting approved these appointments, which shall only become effective when the Reserved Capital Increase has been completed, according to the indicative timetable, on July 16, 2012.

Description of the Governance Agreement

Under the terms of the Governance Agreement, Vector will be granted minority representation on the Board of Directors (two representatives out of a total of nine directors, who will be members of the Amplify 2015 Committee, and one of whom will be chairman of the Remuneration, Nomination and Governance Committee), in return for a certain number of commitments by Vector, in particular: (i) an undertaking not to solicit in a tender offer by a third party that has not been recommended by the Board of Directors; (ii) an undertaking by Vector not to transfer its shares in the Company (with certain exceptions) for a period of one year from the settlement-delivery date of the Reserved Capital Increase; (iii) an undertaking not to acquire, directly or indirectly, alone or in concert, 30% or more of the capital of the Company (with certain exceptions) for a period of 18 months (which may be increased to 30 months pursuant to certain conditions specified in the Governance Agreement) from the settlement-delivery date of the Reserved Capital Increase; (iv) an undertaking, for a period of 30 months from the settlement-delivery date of the Reserved Capital Increase, not to submit draft resolutions to the Shareholders' Meeting proposing to: (x) dismiss any director of the Company, (y) appoint directors of the Company (other than those Vector is entitled to appoint pursuant to the Governance Agreement) or (z) change the number of directors on the Board of Directors; (v) an undertaking, for a period of 30 months from the settlement-delivery date of the Reserved Capital Increase, to discuss in good faith with the Company all draft resolutions to be submitted to the Shareholders' Meeting; (vi) an undertaking, for a period of 30 months from the settlement-delivery date of the Reserved Capital Increase, not to vote, at the shareholders' meeting, in an unreasonable manner (x) against resolutions which have been approved by the Board of Directors or (y) in favor of resolutions proposed by other shareholders which have not been approved by the Board of Directors and (vii) an undertaking to make all transfers of securities in an orderly manner, to avoid, to the extent practicable, any adverse effects on such securities in the market. Vector has agreed to cause Petalite and its Affiliates to enter into equivalent undertakings and to ensure the compliance by Petalite and each of their respective Affiliates with the undertakings entered into pursuant to the Governance Agreement.

		Moreover, the Company has agreed to appoint a new independent director, satisfying criteria relating to expertise and experience, and the independence criteria set forth in the Code of Corporate Governance for listed companies published by the <i>Association Française des Entreprises Privées</i> (AFEP) and the <i>Mouvement des Entreprises de France</i> (MEDEF) (the “ AFEP-MEDEF Code ”), to be nominated by the Remuneration, Nomination and Governance Committee, from among the candidates proposed by the Vector representative chairing this Committee. This new independent director will also be a member of the Audit Committee.																																	
B.5	Description of the group to which the issuer belongs	The Company has 120 consolidated subsidiaries as at December 31, 2011 (consisting of 100 companies based outside of France and 20 based in France).																																	
B.6	Principal shareholders	<p>• Shareholding</p> <p>To the Company’s knowledge, as of the date of this Prospectus, the breakdown of share capital and voting rights is as follows:</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>Number of shares held</th> <th>% shares held</th> </tr> </thead> <tbody> <tr> <td>Public⁽¹⁾</td> <td>179,076,242</td> <td>80.03</td> </tr> <tr> <td>Apollo Management Holdings L.P.⁽²⁾</td> <td>19,201,372</td> <td>8.58</td> </tr> <tr> <td>West Face Capital Inc.⁽²⁾</td> <td>11,386,038</td> <td>5.09</td> </tr> <tr> <td>The Royal Bank of Scotland Group Plc.⁽²⁾</td> <td>11,346,421</td> <td>5.07</td> </tr> <tr> <td>Vector Capital IV, L.P.</td> <td>1,333,800</td> <td>0.59</td> </tr> <tr> <td>Vector Entrepreneur Fund III, L.P.</td> <td>16,200</td> <td>0.01</td> </tr> <tr> <td>Employees and former employees⁽³⁾</td> <td>285,118</td> <td>0.13</td> </tr> <tr> <td>TSA (Government)⁽⁴⁾</td> <td>508,205</td> <td>0.23</td> </tr> <tr> <td>Treasury shares⁽⁴⁾</td> <td>605,687</td> <td>0.27</td> </tr> <tr> <td>Total</td> <td>223,759,083</td> <td>100</td> </tr> </tbody> </table> <p>⁽¹⁾ Estimate obtained by subtraction. ⁽²⁾ Information obtained from declarations of crossings of regulatory and company-defined ownership thresholds. ⁽³⁾ Shares held by the Technicolor company investment funds (FCPE). ⁽⁴⁾ Shares in fully registered form.</p> <p>On June 17, 2010, the Board of Directors, using the powers conferred on it by the combined general meeting held on January 27, 2010, decided to consolidate the Company’s shares through an exchange of 10 shares of €0.10 nominal value for each new share of €1 nominal value on July 15, 2010. At December 31, 2011, 1,469,580 non-consolidated former shares were in circulation.</p> <p>These shares can be submitted for consolidation for a two-year period beginning July 15, 2010, i.e., until July 16, 2012.</p> <p>Société Générale Securities Services must receive such shares prior to 3:00 PM on July 16, 2012, so that holders of non-consolidated shares can be granted the preferential subscription rights to be detached from each consolidated share.</p> <p>Pursuant to Article L. 228-6 of the Commercial Code and the decision taken by the Board of Directors on June 17, 2010, any unclaimed new shares at the end of the two-year period mentioned above will be sold on the market, with the net sale proceeds received available on reserve for a period of 10 years in an escrow account opened with a financial institution. Any former shares not presented for consolidation will lose their voting rights and their right to dividends will be suspended.</p> <p>Any preferential subscription rights detached from the unclaimed new shares will be sold on the market, with the net sale proceeds received available on reserve for a period of 10 years in an escrow account opened with a financial institution.</p>	Shareholders	Number of shares held	% shares held	Public ⁽¹⁾	179,076,242	80.03	Apollo Management Holdings L.P. ⁽²⁾	19,201,372	8.58	West Face Capital Inc. ⁽²⁾	11,386,038	5.09	The Royal Bank of Scotland Group Plc. ⁽²⁾	11,346,421	5.07	Vector Capital IV, L.P.	1,333,800	0.59	Vector Entrepreneur Fund III, L.P.	16,200	0.01	Employees and former employees ⁽³⁾	285,118	0.13	TSA (Government) ⁽⁴⁾	508,205	0.23	Treasury shares ⁽⁴⁾	605,687	0.27	Total	223,759,083	100
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	<ul style="list-style-type: none"> • Control <p>The Company is not controlled by any of its shareholders. In addition, to the Company's knowledge, there is no shareholders' agreement relating to the Company.</p> <p>Pursuant to the Governance Agreement, Vector undertakes not to acquire, alone or in concert, 30% or more of the Company's capital, for at least 18 months from the settlement-delivery date of the Reserved Capital Increase. This term may be extended by one or two additional six-month periods, each according to changes in the Company's share price. However, Vector will be released from this commitment (i) following (x) any subscription of new shares or equity securities issued by the Company, (y) any reduction of the Company's capital or (z) any share buyback by the Company; (ii) in the event that there is a tender offer initiated by a third party concerning the Company's shares or (iii) in the event that a third party would hold more than 10% of the Company's share capital.</p> <p>In compliance with the undertaking described above and the provisions attached thereto, Vector does not intend to take control of the Company.</p>
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B.7 Selected historical key financial information

The tables below present selected financial data extracted from the Group's audited consolidated statement of financial position and income statement for the fiscal years ended December 31, 2011, 2010 and 2009, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union.

Selected items from the income statement⁽¹⁾

<i>in € millions</i>	December 31, 2011	December 31, 2010	December 31, 2009
Revenue from continuing operations	3,450	3,574	3,619
Adjusted EBITDA ⁽²⁾	475	505	499
Profit (loss) from continuing operations before net financial income (expense) and tax	(33)	38	99
Interest expense ⁽³⁾	(187)	116	(68)
Income tax	(83)	2	(35)
Net profit (loss) from continuing operations	(303)	156	(4)
Net profit (loss) from discontinued operations	(21)	(225)	(338)
Net profit (loss) for the year	(324)	(69)	(342)
Net profit (loss) from discontinued operations ⁽⁴⁾			
• Net profit (loss) from Grass Valley and Media Networks activities	(19)	(221)	(342)
• Net profit (loss) from other discontinued operations	(2)	(4)	4

⁽¹⁾ 2011, 2010 and 2009 results are presented in accordance with IFRS 5. The net profit (loss) from continuing operations therefore does not include discontinued operations.

⁽²⁾ Adjusted EBITDA excludes charges for depreciation of assets, amortization charges, the impact of provisions for contingencies, guarantees and litigation, restructuring costs and other income and expenses.

⁽³⁾ Includes net interest income (expense) and other net financial income (expense).

⁽⁴⁾ **Grass Valley and Media Networks:** on January 28, 2009, the Company announced its decision to sell the Grass Valley and Media Networks businesses (including Convergent, PRN and Screenvision). In 2010, the Group decided to end the sale process of the PRN business, which was therefore consolidated within continuing operations as part of the Entertainment Services segment.

Other discontinued operations prior to 2009: these include the Silicon Solutions and Audio-Video and Accessories businesses. In 2011, there was no change to the scope of the discontinued operations compared with 2010.

Selected items from the statement of financial position

<i>in € millions</i>	December 31, 2011	December 31, 2010	December 31, 2009
Non-current assets	1,907	2,299	2,238
Current assets (excluding cash and cash equivalents)	1,142	1,303	1,513
Cash and cash equivalents	370	332	569
Total assets	3,419	3,934	4,320
Debts and non-current liabilities	1,940	2,038	692
Debts and current liabilities	1,324	1,391	4,081
Share capital	224	175	1,012
Equity capital attributable to shareholders of Technicolor	151	503	(455)
Non-controlling interests	4	2	2
Total equity and liabilities	3,419	3,934	4,320

To the Company's knowledge, no significant change has occurred in the Group's financial and commercial situation since the publication of the First Annual Report Update on June 11, 2012.

- Financial highlights of second-half 2011 and 2011 fiscal year results

The main highlights of the second-half 2011 and 2011 fiscal year results were as follows:

- Adjusted EBITDA of €475 million in 2011, increase in Technology and Entertainment Services, partly offsetting decrease in Digital Delivery;
- Adjusted EBITDA margin of 13.8% in 2011, nearly stable compared to 2010;
- Strong Group free cash flow (for continuing operations and discontinued operations or operations held for sale by the Group) reaching €81 million in 2011.

The Licensing business generated its highest revenues since 2003 and made significant progress in the launch of new patent licensing programs.

In terms of innovation, the Group made significant progress on M-GO, a new platform to help end-users to discover, view and share all forms of media, while pursuing the continued development of metadata-based solutions and deployment of color re-alignment technology in special effects.

In Services Entertainment, the Group had a record year in Digital Production's revenues and in DVD volumes.

In Digital Delivery, 2011 revenue declined and in December 2011, a turnaround action plan was launched, with the objective of returning the segment to a break-even level in 2012.

The Group's consolidated net loss totaled €324 million in 2011, compared with a loss of €69 million in 2010. The Group's net income in 2011 was impacted by restructuring costs and impairment losses on assets and also includes the net financial result which amounted to an expense of €187 million in 2011 (compared with an income of €16 million in 2010)

Restructuring costs for continuing operations totaled €83 million in 2011 compared with €41 million in 2010. This increase in restructuring charges was largely related to the cost reduction actions announced in December 2011, for a total amount of €3 million, concerning mainly the Connected Home business, European Photochemical Film activities as well as the Group's transversal functions. The Group recorded impairment charges for an amount of €188 million. Goodwill impairment charges were booked for a total of €147 million in 2011 in Digital Delivery, reflecting a worsening European economic environment, the late rollout of certain new contracts and an increase in development costs. Net asset write-offs (excluding goodwill) amounted to €41 million in 2011 (compared with €22 million in 2010). The main assets impacted were capitalized R&D and Mirabel (Canada) Photochemical Film fixed assets.

Available Group cash flow amounted to €81 million in 2011, of which €49 million was generated in the second half of 2011, more than three times higher than in the second half of 2010, reflecting a healthy generation of operating cash flow, despite a lower level of activity, a strict control of working capital and lower consumption of cash from discontinued activities or activities held for sale.

Net financial debt included in the consolidated financial statements reached €57 million at December 31, 2011, compared to €93 million at December 31, 2010. The nominal value of net debt (non-IFRS) amounted to €1,130 million at December 31, 2011, down €1 million compared with December 31, 2010.

- Financial highlights of first-quarter 2012 results

In the first-quarter 2012, Group revenues from continuing operations amounted to €800 million compared to a strong first quarter 2011 at €812 million. The segmental performances were as follows:

- Technology: continued strength in Licensing revenues.
- Entertainment Services: resilient revenue performance, compensating almost entirely for the rapid decline in photochemical film activities.
- Digital Delivery: stabilization at Connected Home level as the division recorded stable revenues year-on-year.

In first-quarter 2012, Entertainment Services started new services for studios, in particular with the opening of sound facilities both in Los Angeles and France. Connected Home won new contracts in Latin America and Asia-Pacific, strengthening its position in fast growing markets, while maintaining its focus on improving its overall top line with the introduction of new services and products. The action plan announced at the end of December 2011 has already started to generate some improvements.

On July 3, 2012, the Group sold its Broadcast Services activity to Ericsson.

B.8	Selected key pro forma financial information	Not applicable: the Company has not prepared pro forma financial information.
B.9	Profit forecast or estimate	When it published its annual results for the 2011 fiscal year on February 24, 2012, the Group announced that one of its objectives for 2012 was to generate adjusted EBITDA of between €75 million and €500 million. The Group confirmed this objective when it presented its first quarter 2012 revenue on April 26, 2012. This objective, which qualifies as a forecast for the purposes of the Prospectus, was the subject of a statutory auditors' report, dated June 11, 2012, on the forecasts. As at the date of the Prospectus, the Group confirms this objective.
B.10	Reserves on the historical financial information	Not applicable: the reports prepared by the Company's auditors on the company accounts and consolidated accounts for the fiscal years ended December 31, 2009, 2010 and 2011 do not contain reserves.
B.11	Net working capital	Not applicable: the Company has sufficient net working capital to fund its current obligations.

Section C – Securities

C.1	Type, class and identification number of new shares	The new shares are ordinary shares of the same class as the Company's existing shares bearing dividend rights. ISIN code FR0010918292.
C.2	Currency of Issuance	Euros.
C.3	Number of shares issued/Par value per share	<ul style="list-style-type: none"> ▪ <u>Reserved Capital Increase</u> 47,471,506 fully paid-up shares of €1.00 nominal value. ▪ <u>Rights Issue</u> 61,643,316 fully paid-up shares of €1.00 nominal value.

C.4	Rights attached to the shares	<p>Under current French law and the Company's by-laws, the main rights and privileges attached to new shares issued in connection with Capital Increases are as follows:</p> <ul style="list-style-type: none"> • right to dividends; • voting rights; • preferential subscription rights to securities of the same class; • right to participate in any surplus in the event of liquidation.
C.5	Restrictions on the free transferability of the securities	<p>Not applicable: no statutory clause limits the free transferability of the securities comprising the share capital of the Company.</p>
C.6	Application for admission to trading	<ul style="list-style-type: none"> ▪ <u>Reserved Capital Increase</u> On Euronext Paris, from the planned issue date of July 16, 2012, on the same listing line as the existing shares of the Company (ISIN code FR0010918292). ▪ <u>Rights Issue</u> On Euronext Paris, from the planned issue date of August 14, 2012, on the same listing line as the existing shares of the Company (ISIN code FR0010918292).
C.7	Dividend policy	<p>The payment of dividends or any other distribution is based on the Group's financial results, including its net income and its investment policy. No dividend was paid in respect of the 2010, 2009 and 2008 fiscal years. Moreover, the 2012 Shareholders Meeting decided not to distribute a dividend for fiscal 2011.</p>

Section D – Risks		
D.1	Key risks specific to the issuer or its industry	<p>The principal risk factors specific to the Company and its industry are shown below:</p> <ul style="list-style-type: none"> • risks relating to the financial restructuring of the Group, in particular, risks connected with the duration of the Safeguard Plan (<i>plan de sauvegarde</i>) that was entered by the Nanterre Commercial Court on February 17, 2010, and risks relating to the Group's debt; • market risks (interest rate risk, foreign exchange risk, liquidity risk, risk arising from the valuation of financial instruments); • business risks including risks relating to commercial activity, risks relating to the Group's ability to develop products and services that meet the technological demands of the Group's clients, risks related to market developments, technologies and consumer demand, risks relating to developments in the Media & Entertainment industry, risks relating to the Group's dependence on suppliers or partners, and risks relating to revenue from patent licenses; • risks linked to impairment of certain tangible and intangible assets, including goodwill; and • legal risks.

D.3	Key risks specific to the new shares	<p>The principal risk factors specific to the new shares are as follows:</p> <ul style="list-style-type: none"> • The market for preferential subscription rights may offer only limited liquidity and may be subject to a high degree of volatility. • The shareholders will experience a dilution of their stake in the capital of the Company resulting from the Reserved Capital Increase. The shareholders who do not exercise their preferential subscription rights in the Rights Issue will experience further dilution. • The market price of the shares of the Company may fluctuate and fall below the subscription price of the shares issued upon exercise of the preferential subscription rights. • The volatility and liquidity of the Company's shares may fluctuate significantly. • Sales of shares in the Company or of preferential subscription rights may occur on the market during the subscription period in the case of preferential subscription rights or during or after the subscription period in the case of shares, and may have a negative impact on the market price of the Company's shares or the value of the preferential subscription rights. • In the event of a decrease in the market price of the Company's shares, the preferential subscription rights could lose some of their value. <p>The withdrawal right available to investors who have subscribed for new shares prior to publication of the Supplemental Note will only relate to the exercise of preferential subscription rights, and will not give rise to a right by investors who have completed acquisitions or disposals of preferential subscription rights on the market to withdraw the market transaction. Accordingly, an investor who purchases preferential subscription rights and then exercises its withdrawal option could lose all or part of its investment in the event such investor fails to sell its preferential subscription rights on the market or fails to sell them at a price at least equal to their purchase price.</p>
Section E – Offer		
E.1	Total proceeds and an estimate of the total expenses of the issuance	<ul style="list-style-type: none"> - Gross proceeds of the Reserved Capital Increase : €4,943,012. - Maximum gross proceeds of the Rights Issue : €6,163,572.96. - Maximum gross proceeds of the Capital Increases : €191,106,584.96. - Estimate of the Capital Increases expenses: approximately € million (including legal advisors' fees and fees paid in respect of the regulatory administrative formalities incurred by Vector or its affiliates in completing the Reserved Capital Increase and the Rights Issue, which will be reimbursed, up to a maximum of €1 million, by the Company within 10 business days from the settlement-delivery date of the Rights Issue).
E.2a	Reasons for the offer/Use of proceeds/Estimated maximum net amount of the Capital Increases	<ul style="list-style-type: none"> ▪ <i>Reasons for the offer</i> <p>The Capital Increases, amounting to gross proceeds of between approximately €167 million and €191 million, will be used to reduce the Company's debt, increase its financial flexibility, stabilize its shareholder base and assist it in carrying out its "Amplify 2015" strategic plan. In accordance with the terms of credit agreements to which the Company is a party, 80% of the net proceeds of the Capital Increases will be used to repay financial debt of the Company.</p>

		<ul style="list-style-type: none"> ▪ <i>Use of proceeds</i> 80% of the estimated net proceeds of the Capital Increases, i.e., approximately €146 million (if the Rights Issue is fully subscribed), will be used to repay financial debt of the Company, which includes term loans and bonds and 20% of the estimated net proceeds of the Capital Increases, i.e., approximately €37 million (if the Rights Issue is fully subscribed), will be used to increase the Company's liquidity. Repayment will take place during the third quarter of 2012 and will be made without penalty. This reimbursement would result in a reduction of approximately €31 million in the Company's debt and a financial loss of approximately €6 million, representing a partial reversal of the gain on the liability recognized at its fair value in 2010. The full-year saving in respect of financial expense, based on nominal rates, is estimated at approximately €2 million. The Company's credit agreements contain net interest expense coverage and debt ratio covenants. All else being equal, the interest coverage ratio would be improved by reducing interest expense by approximately €2 million and the debt ratio would be improved by reducing net debt by about €68 million. ▪ <i>Estimated maximum net proceeds of the Capital Increases</i> Approximately €83.1 million.
E.3	Terms and conditions of the offer	<ul style="list-style-type: none"> ▪ <u>Reserved Capital Increase</u> <i>Subscription price of the new shares</i> €2.00 per share (representing €1.00 nominal value and €1.00 share premium). The subscription price was proposed by Vector and Petalite under the Improved Offer. It represents a premium of 3.5% to the closing price of Technicolor's shares on the trading day preceding the issuance of the AMF's <i>visa</i> on the Prospectus (€1.932 as at July 11, 2012). <i>Beneficiary of the Capital Increase</i> As of July 13, 2012, Petalite will subscribe to all the new shares. <i>Subscription</i> Subscriptions to the Reserved Capital Increase will be received by Société Générale Securities Services (SGSS, Service aux Emetteurs, 32 rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3) on July 13, 2012. ▪ <u>Rights Issue</u> <i>Subscription price of new shares</i> €1.56 per share (representing €1.00 nominal value and €0.56 share premium). The subscription price represents a discount of 19.3% to the closing price of Technicolor's shares on the trading day preceding the issuance of the AMF's <i>visa</i> on the Prospectus (€1.932 as at July 11, 2012). <i>Preferential subscription rights</i> Subscription to the new shares shall be reserved, by preference: <ul style="list-style-type: none"> • to holders of the existing shares recorded in their securities accounts at the end of the day on July 17, 2012, who will be allotted preferential subscription rights; and • to transferees of preferential subscription rights. The holders of preferential subscription rights may subscribe: <ul style="list-style-type: none"> • on a pro-rata basis, to five new shares for 22 existing shares held. 22 preferential subscription rights carry the right to subscribe to five new shares at a price of €1.56 per share; and

- on an over-subscription basis, to the number of new shares they request on top of those attributable to them when exercising their entitlements on a pro-rata basis.

For the non-consolidated shares, Société Générale Securities Services must receive such shares prior to 3:00 PM on July 16, 2012, so that holders of non-consolidated shares can be granted the preferential subscription rights to be detached from each consolidated share.

Any preferential subscription rights detached from the unclaimed new shares will be sold on the market, with the net sale proceeds received available on reserve for a period of 10 years in an escrow account opened with a financial institution.

Theoretical value of the preferential subscription right

€0.07 (based on the closing price of Technicolor's shares on the trading day preceding the issuance of the AMF's *visa* on the Prospectus (€1.932 as at July 11, 2012) and the theoretical share price after the Reserved Capital Increase, i.e. €1.94).

The issue price for new shares will reflect a discount of 19.7% compared with the theoretical share price after the Reserved Capital Increase and a discount of 16.7% compared with the theoretical value of the ex-rights share.

Intent to subscribe by the main shareholders of the Company or members of its administrative, management or supervisory bodies

The Funds and Petalite, which will together hold 48,821,506 shares (1,350,000 and 47,471,506 shares, respectively), or 18.0% of the share capital and voting rights of the Company following the settlement and delivery of the Reserved Capital Increase, which must take place before the opening date of the subscription period of the Rights Issue, have irrevocably undertaken to the Company to (i) subscribe to the Rights Issue, on a pro-rata basis, for the full amount of their preferential subscription rights, or a total of 11,095,797 new shares amounting to €17,309,443.32, and (ii) if subscriptions on a pro-rata and, as the case may be, over-subscription basis have not absorbed the full amount of the Rights Issue, to subscribe, at the end of the subscription period, to an additional number of new shares, up to a total of 35,136,690 new shares, corresponding to an amount of €54,813,236.40, to be allocated by the Board of Directors to Petalite, the additional number of new shares being equal to the difference, if positive, between (x) the number of new shares representing 75% of the amount of the Rights Issue (or €72,122,679.72), and (y) the total number of new shares subscribed during the subscription period (on a pro-rata and over-subscription basis). Vector has undertaken to guarantee Petalite's subscription undertakings under the Improved Offer.

Moreover, during the subscription period of the Rights Issue, the Funds and Petalite reserve the right to (i) place a subscription order on an over-subscription basis as part of the Rights Issue and (ii) acquire preferential subscription rights on the market.

No other shareholder has informed the Company of its intention to subscribe to the Rights Issue.

Subscription undertaking by Petalite

The issuance of new shares is not the subject of an underwriting agreement.

However, Petalite has undertaken to ensure the completion of the Rights Issue by undertaking to subscribe to a number of shares offered that have not been subscribed, so that the total number of new shares subscribed (on a pro-rata or over-subscription basis, or in application of the allotment to be made by the Board of Directors pursuant to Article L. 225-134 of the French Commercial Code) represents three-quarters of the amount of the Rights Issue. Vector has undertaken to guarantee Petalite's subscription undertakings under the Improved Offer.

This subscription undertaking does not constitute a firm underwriting (*garantie de bonne fin*) as defined by Article L. 225-145 of the French Commercial Code.

Countries in which the Rights Issue will be open to the public

Only in France.

Restrictions applicable to the offering

The distribution of this Prospectus, the sale of shares and preferential subscription rights and the subscription of new shares may, in some countries, including the member states of the European Union (other than France), the United States of America, the United Kingdom or Canada, be subject to specific regulations.

Procedure for the exercise of preferential subscription rights

In order to exercise their preferential subscription rights, holders must apply to their authorized financial intermediary at any time between July 18, 2012 and August 2, 2012 inclusive and pay the corresponding subscription price. Preferential subscription rights not exercised will automatically become null and void at the end of the subscription period, i.e., on August 2, 2012 at the end of stock exchange trading.

Note that investors who have already subscribed for shares issued as part of the Rights Issue before the Supplemental Note is published, shall have the right to withdraw their subscription orders within two trading days after the publication of the Supplemental Note (according to the indicative timetable, on July 27 and July 30, 2012). Investors who withdraw their subscription orders will be refunded the subscription price.

Shareholders with administered registered shares or bearer shares: subscriptions to the Rights Issue will be received by account-holding financial intermediaries until August 2, 2012 inclusive.

Fully registered shareholders: subscriptions to the Rights Issue will be received by Société Générale Securities Services (SGSS, Service aux Emetteurs, 32 rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3) until August 2, 2012 inclusive.

Timetable of the Capital Increases

June 20, 2012	2012 Shareholders' Meeting resolving on the Capital Increases.
June 20, 2012	Publication by the Company of a press release announcing the results of the vote at the 2012 Shareholders' Meeting.
July 2, 2012	Publication in the <i>Bulletin des annonces légales obligatoires</i> mandatory legal notices, BALO) of the notice suspending the right to exercise stock options.
July 9, 2012, at midnight	Start of the suspension of the right to exercise stock options.
July 11, 2012	Filing of the Second Annual Report Update.
July 12, 2012	AMF <i>visa</i> on the Prospectus.
July 12, 2012	Publication of a press release by the Company describing the main features of the Capital Increases and information on the availability of the Prospectus and announcing the launch of the Rights Issue.
July 13, 2012	Subscription by Petalite for the new shares issued as part of the Reserved Capital Increase.
July 13, 2012	Publication by NYSE Euronext of the notice of admission to trading of the shares issued as part of the Reserved Capital Increase.
July 16, 2012	Settlement-delivery of the new shares issued as part of the Reserved Capital Increase – Admission of the new shares to trading on Euronext Paris.
July 16, 2012	Publication by NYSE Euronext of the notice of issuance relating to the Rights Issue.

		<p>July 16, 2012 End of consolidation period for former shares.</p> <p>July 17, 2012 Date on which the existing shares must be recorded for accounting purposes on the securities accounts of shareholders so that preferential subscription rights can be granted</p> <p>July 18, 2012 Beginning of the subscription period of the Rights Issue – Detachment of rights and start of trading of preferential subscription rights on Euronext Paris.</p> <p>July 25, 2012 Publication of the Group’s first-half 2012 results.</p> <p>July 26, 2012 AMF visa on the Supplemental Note.</p> <p>July 27, 2012 Beginning of the withdrawal period for investors who subscribed for new shares prior to publication of the Supplemental Note.</p> <p>July 30, 2012 End of the withdrawal period for investors who subscribed for new shares prior to publication of the Supplemental Note.</p> <p>August 2, 2012 End of the subscription period of the Capital Increase with Maintenance of Preferential Subscription Rights – End of listing of preferential subscription rights.</p> <p>August 10, 2012 If appropriate, meeting of the Company’s Board of Directors to approve the allotment of shares not subscribed under the Rights Issue to Petalite. If appropriate, subscription by Petalite to the shares not subscribed under the Capital Increase with Maintenance of Preferential Subscription Rights.</p> <p>August 10, 2012 Publication of a press release by the Company announcing the results of the Rights Issue.</p> <p>August 13, 2012 Distribution by NYSE Euronext of the notice of admission of the new shares, indicating the final amount of the Rights Issue and, if appropriate, the allotment schedule for subscriptions on an over-subscription basis.</p> <p>August 14, 2012 Settlement-delivery of the Rights Issue – Admission of the new shares to trading on Euronext Paris.</p> <p>No later than October 9, 2012, at midnight Resumption of the right to exercise stock options.</p>
E.4	Interests material to the issue/Offering including conflicting interests	<p>As at the date of the Prospectus, the Funds together held 1,350,000 shares, representing 0.60% of the Company’s share capital and voting rights.</p> <p>As at the date of the Prospectus, Vector does not have (i) any material information other than what is publicly available on the Group’s business, prospects or forecasts nor (ii) any privileged information (within the meaning of Article 621-1 of the AMF General Regulations) regarding the Company, its business, income statement, balance sheet, cash flow or future prospects.</p> <p>Under the terms of the Improved Offer, (i) the Funds and Petalite have irrevocably undertaken to the Company to subscribe to the Rights Issue, on a pro-rata basis for all of their preferential subscription rights, or a total of 11,095,797 new shares amounting to €17,309,443.32 and (ii) Petalite has irrevocably undertaken to the Company to ensure the completion of the Rights Issue by undertaking to subscribe, upon a decision by the Board of Directors of the Company following the subscription period, to a maximum number of new shares corresponding to three-quarters of the amount of the Rights Issue, less the total number of new shares subscribed during the subscription period (on a pro-rata and over-subscription basis), or a maximum of</p>

		<p>35,136,690 new shares amounting to €54,813,236.40. Vector has undertaken to guarantee Petalite's subscription undertakings under the Improved Offer.</p> <p>Under the terms of the Governance Agreement, Vector will be granted minority representation on the Board of Directors (two representatives out of a total of nine directors, who will be members of the Amplify 2015 Committee, and one of whom will be chairman of the Remuneration, Nomination and Governance Committee), in return for a certain number of commitments by Vector, in particular (i) the undertaking not to solicit a tender offer by a third party that has not been recommended by the Board of Directors; (ii) an undertaking by Vector not to transfer its shares in the Company (with certain exceptions) for a period of one year from the settlement-delivery date of the Reserved Capital Increase; (iii) an undertaking not to acquire, directly or indirectly, alone or in concert, 30% or more of the capital of the Company (with certain exceptions) for a period of 18 months (which may be increased to 30 months pursuant to certain conditions specified in the Governance Agreement) from the settlement-delivery date of the Reserved Capital Increase; (iv) an undertaking, for a period of 30 months, from the settlement-delivery date of the Reserved Capital Increase, not to submit draft resolutions to the Shareholders' Meeting proposing to: (x) dismiss any directors of the Company, (y) appoint directors of the Company (other than those Vector is entitled to appoint pursuant to the Governance Agreement) or (z) change the number of directors on the Board of Directors; (v) an undertaking, for a period of 30 months from the settlement-delivery date of the Reserved Capital Increase, to discuss in good faith with the Company all draft resolutions to be submitted to the Shareholders' Meeting; (vi) an undertaking, for a period of 30 months from the settlement-delivery date of the Reserved Capital Increase, not to vote, at the Shareholders' Meeting, in an unreasonable manner (x) against resolutions which have been approved by the Board of Directors or (y) in favor of resolutions proposed by other shareholders which have not been approved by the Board of Directors and (vii) an undertaking to make all transfers of securities in an orderly manner, to avoid, to the extent practicable, any adverse effects on such securities in the market. Vector has agreed to cause Petalite and its Affiliates to enter into equivalent undertakings and to ensure the compliance by Petalite and each of their respective Affiliates with the undertakings entered into pursuant to the Governance Agreement.</p> <p>Moreover, the Company has agreed to appoint a new independent director, satisfying criteria relating to expertise and experience, and the independence criteria set forth in the AFEP-MEDEF Code, to be nominated by the Remuneration, Nomination and Governance Committee, from among the candidates proposed by the Vector representative chairing this Committee. This new independent director will also be a member of the Audit Committee.</p>
E.5	<p>Person or entity offering to sell the securities/Lock-up agreements</p>	<p><i>Person or entity offering to sell the securities</i></p> <p>The preferential subscription rights allotted to the 605,687 treasury shares of the Company, or 0.27% of the share capital at the date of this Prospectus, shall be sold on the market before the end of the subscription period in accordance with the provisions of Article L. 225-210 of the French Commercial Code.</p> <p><i>Lock-up agreement</i></p> <p>Under the terms of the Governance Agreement, Vector is committed to retaining its shares for 365 days from the settlement-delivery date of the Reserved Capital Increase, subject to certain exceptions contained in the Governance Agreement. Vector has undertaken to guarantee the undertakings of Petalite and its respective affiliates pursuant to the provisions of the Governance Agreement.</p>
E.6	<p>Amount and percentage of dilution</p>	
<p>▪ <u>Impact of Capital Increases on Company shareholding</u></p> <p>For illustrative purposes, the distribution of the Company's share capital after the Capital Increases would be as follows:</p>		

Impact following the Reserved Capital Increase

Shareholders	Number of shares held	% shares held	% voting rights
Public ⁽¹⁾	179,076,242	66.02%	66.16%
Petalite	47,471,506	17.50%	17.54%
Vector Capital IV, L.P.	1,333,800	0.49%	0.49%
Vector Entrepreneur Fund III, L.P.	16,200	0.01%	0.01%
Apollo Management Holdings L.P. ⁽²⁾	19,201,372	7.08%	7.10%
West Face Capital Inc. ⁽²⁾	11,386,038	4.20%	4.21%
The Royal Bank of Scotland Group Plc. ⁽²⁾	11,346,421	4.18%	4.19%
Employees and former employees ⁽³⁾	285,118	0.11%	0.11%
TSA (Government) ⁽⁴⁾	508,205	0.19%	0.19%
Treasury shares ⁽⁴⁾	605,687	0.22%	–
Total	271,230,589	100%	100%

⁽¹⁾ Estimate obtained by subtraction.

⁽²⁾ Information obtained from declarations of crossings of regulatory and company-defined ownership thresholds.

⁽³⁾ Shares held by the Technicolor company investment funds (FCPE)

⁽⁴⁾ Shares in fully registered form.

Impact following the Capital Increases

Impact of the Capital Increases on shareholding in the event that all shareholders subscribe on a pro-rata basis to the Rights Issue.

Shareholders	Number of shares held	% shares held	% voting rights
Public ⁽¹⁾	219,913,044	66.06%	66.18%
Petalite	58,260,485	17.50%	17.53%
Vector Capital IV, L.P.	1,636,936	0.49%	0.49%
Vector Entrepreneur Fund III, L.P.	19,882	0.01%	0.01%
Apollo Management Holdings L.P. ⁽²⁾	23,565,320	7.08%	7.09%
West Face Capital Inc. ⁽²⁾	13,973,774	4.20%	4.21%
The Royal Bank of Scotland Group Plc. ⁽²⁾	13,925,153	4.18%	4.19%
Employees and former employees ⁽³⁾	349,918	0.11%	0.11%
TSA (Government) ⁽⁴⁾	623,706	0.19%	0.19%
Treasury shares ⁽⁴⁾	605,687	0.18%	–
Total	332,873,905	100%	100%

⁽¹⁾ Estimate obtained by subtraction.

⁽²⁾ Information obtained from declarations of crossings of regulatory and company-defined ownership thresholds.

⁽³⁾ Shares held by the Technicolor company investment funds (FCPE)

⁽⁴⁾ Shares in fully registered form.

Impact of the Capital Increases on shareholding in the event that only Petalite and the Funds subscribe to the Rights Issue up to 75% of its amount and no other shareholder subscribes to the Rights Issue.

Shareholders	Number of shares held	% shares held	% voting rights
Public ⁽¹⁾	179,076,242	56.41%	56.53%
Petalite	93,397,175	29.42%	29.47%
Vector Capital IV, L.P.	1,636,936	0.51%	0.51%
Vector Entrepreneur Fund III, L.P.	19,882	0.01%	0.01%
Apollo Management Holdings L.P. ⁽²⁾	19,201,372	6.05%	6.06%
West Face Capital Inc. ⁽²⁾	11,386,038	3.59%	3.59%
The Royal Bank of Scotland Group Plc. ⁽²⁾	11,346,421	3.57%	3.58%
Employees and former employees ⁽³⁾	285,118	0.09%	0.09%
TSA (Government) ⁽⁴⁾	508,205	0.16%	0.16%
Treasury shares ⁽⁴⁾	605,687	0.19%	–
Total	317,463,076	100%	100%

⁽¹⁾ Estimate obtained by subtraction.

⁽²⁾ Information obtained from declarations of crossings of regulatory and company-defined ownership thresholds.

⁽³⁾ Shares held by the Technicolor company investment funds (FCPE)

⁽⁴⁾ Shares in fully registered form.

▪ **Impact of the Capital Increases on shareholders**

Reserved Capital Increase

A shareholder holding 1% of the Company's share capital prior to the Reserved Capital Increase (to which the shareholder cannot subscribe as it is reserved to Petalite) would hold 0.82% of the Company's share capital, on a non-diluted basis, after completion of this capital increase (i.e., a dilution of 18%).

Rights Issue

A shareholder holding 1% of the Company's share capital prior to the Rights Issue would hold:

- 0.82% of the Company's share capital on an undiluted basis, following completion of the Capital Increases (a dilution of 18% resulting from completion of the Reserved Capital Increase), if the shareholder in question has subscribed to the Rights Issue and it is fully subscribed;
- 0.67% of the Company's share capital, on a non-diluted basis, following completion of the Capital Increases (a dilution of 33%), if the shareholder in question does not subscribe to the Rights Issue and it is fully subscribed.

E.7	Estimated expenses charged to the investors by the issuer	Not applicable: No expenses have been charged to the investors by the Company.
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