



PRESS RELEASE

## Technicolor successfully completes its refinancing

### Placement of new term loans improve financial structure and cost of financing

**Paris (France), July 12, 2013** – Technicolor (Euronext Paris: TCH) announces today that it has successfully completed its refinancing transaction, allowing the Company to borrow new funds at a lower interest rate, effectively extend its debt maturity profile to 2020 and benefit from significantly greater covenant flexibility.

The amendments and consents sought pursuant to its consent solicitations have become effective. Tech Finance has accepted all notes tendered and all loans submitted pursuant to its offers to purchase and has funded the purchase mainly through an aggregate principal amount of €838 million borrowed under a new term loan at an average nominal interest of 7.3%.

Tech Finance purchased an aggregate principal amount of €905 million of Technicolor's outstanding senior debt in the offers to purchase, corresponding to almost all of the outstanding notes and 61% of Credit Agreement participations. The average nominal interest of the purchased debt amounted to 8.4%, while the average nominal interest of the total existing senior debt amounted to 8.2%. As of today, the remaining existing senior debt not held by Tech Finance, amounts to €282 million with a bullet debt maturing in 2017 in the amount of €218 million (compared to €890 million before the refinancing).

As a result of the refinancing transaction, the total consolidated amount of senior gross debt bears interest at an average nominal rate of 7.4%, an 80 basis point improvement, leading to a pro-forma reduction of €14.8 million in overall annual interest charges. The company's debt structure is now based almost entirely on loans and the final maturity of the majority of debt has been extended to 2020.

The refinancing transaction also provides additional covenant flexibility following the amendment of Technicolor's senior debt documentation and the new covenant-light loan. Many of the existing debt's operating and financial covenants have been removed, while other terms, including mandatory prepayments requirements and economic terms, remain the same.

#### **Frederic Rose, Chief Executive Officer of Technicolor stated:**

*"The successful completion of our refinancing, notwithstanding challenging financial market conditions, marks another important step in Technicolor's financial structure improvement. We have been able to reduce our average interest expense, effectively extend the maturity of our debt, and gain greater operating flexibility to deliver on our Amplify 2015 objectives."*

### Debt overview post-refinancing

- The aggregate principal amount of the new term loan includes and a dollar tranche for \$830 million (Libor + 600 bps, with a floor of 1.25%) and a euro tranche for €200 million (Euribor + 625bps, with a floor of 1.25%).
- The principal amount of the new term loan will be amortized by 5% every year.
- The remaining existing senior debt amounts to €282 million and consists almost entirely of participations under the 2010 Credit Agreement.
- A new €100 million 5-year revolving credit facility available to the Technicolor Group has also been put in place as part of the refinancing transaction.

| In € million                         | Before Refinancing<br>(as of May 31, 2013) |   | After Refinancing |                                      |
|--------------------------------------|--|---|-------------------|--------------------------------------|
|                                      | Amount                                     | Maturity                                | Amount            | Maturity                             |
| <b>Existing Debt (nominal value)</b> | <b>1,186</b>                               | Around 75% bullet debt maturing in 2017 | <b>282</b>        | Around 75% bullet debt maturing 2017 |
| Loans                                | 724  |   | 282               |                                      |
| Notes                                | 462  |   | 0*                |                                      |
| <b>New Debt (term loan B)</b>        |  |   | <b>838</b>        | Around 65% bullet debt maturing 2020 |
| <b>Gross Debt</b>                    | <b>1,186</b>                               |   | <b>1,120</b>      |                                      |

\*remaining notes amount to €6,000

### Key financial impacts

- Approximately €77 million of the positive IFRS adjustment recognized when the debt was initially recognized at its fair value in 2010 will be reversed and recognized as a non-cash expense within the “other financial income (expense)” line item in our consolidated interim statement of operations in the second half of 2013.
- The approximate transaction costs (including tender and consent fees, arrangement fees and original issue discount but excluding advisor fees), which affect the Company’s cash level, represent approximately €117 million. In addition to these costs, Technicolor decided to use €67 million of its cash for the financing of the tendered debt.
- Technicolor and Tech Finance have paid all consideration to which Technicolor’s creditors are entitled to The Bank of New York Mellon as tender agent, including consent fees and tender consideration (including accrued but unpaid interest and an early tender premium in the notes offer, in accordance with the terms of the offers to purchase). Technicolor expects The Bank of New York Mellon to make payments to creditors entitled to such consideration on or around July 12, 2013.



\*\*\*

**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.*

**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](http://www.technicolor.com)

**Contacts**

**Press:** +33 1 41 86 53 93

[technicolorpressoffice@technicolor.com](mailto:technicolorpressoffice@technicolor.com)

**Investor relations:** +33 1 41 86 55 95

[investor.relations@technicolor.com](mailto:investor.relations@technicolor.com)