PRESS RELEASE

TECHNICOLOR: THIRD QUARTER 2015 REVENUES

- **Revenues excluding exited activities[1]: up 7.5% at current rate, up 3.2% at constant rate**
- **Two strategic acquisitions and major IP transaction announced in Q3 2015**
- **Solid financial situation at end September, with improvement of credit profile**
- **Successful new debt issuance completed in early October**

Paris (France), 20 October 2015 – Technicolor (Euronext Paris: TCH; OTCQX: TCLRY) announces today its revenues for the third quarter of 2015.

Frederic Rose, Chief Executive Officer of Technicolor, stated:

"We are well on our way to achieve our 2015 objectives based on our solid third quarter revenue performance. In addition, while focusing on execution across our businesses, we announced major strategic milestones, with The Mill and Cisco Connected Devices, which will strongly accelerate the delivery of our Drive 2020 objectives."

Key points

- Solid revenue performance in Technology; joint licensing agreement signed with Sony for Digital TV and Computer Display Monitor underscoring Technicolor's IP expertise;
- Double-digit revenue growth in Production Services, driven by Visual Effects and Animation activities; broadening brand portfolio with the addition of The Mill, the world's largest visual effects and content creation studio for Advertising and Brands;
- Revenue growth in DVD Services, driven by strong Blu-ray™ volumes,confirming consumer appetite for packaged media when compelling content is available;
- Revenue decline in Connected Home, as expected, due to ongoing consolidation in North America and tougher market conditions in Brazil, partly offset by double-digit revenue growth in Europe, Middle East and Africa and Asia Pacific; Cisco Connected Devices acquisition well on track, with closing expected before year end;

[1] Exited activities include legacy, Digital Cinema and Media Services activities in the Entertainment Services segment, and IZ-ON in the Other segment.

- Net nominal debt at €946 million at end September, reflecting the acquisition costs of The Mill and higher working capital requirements to support a strong level of activity in the fourth quarter;
- Credit rating maintained (B1 by Moody's, B+ by S&P), with outlook improved from stable to positive by Moody's and confirmed at stable by S&P;
- Successful completion of the syndication of c.€375 million aggregate principal amount incremental term loan to finance the acquisitions of The Mill and Cisco Connected Devices.

2015 objectives

- Technicolor confirms its Adjusted EBITDA and Free Cash Flow objectives for 2015, without including any impact of the acquisition of Cisco Connected Devices that is expected to close before the end of the fourth quarter.
    - Adjusted EBITDA between €560 million and €590 million;
    - Free Cash Flow of at least €230 million;
- The Group now expects to achieve a leverage ratio (Net Debt/Adj. EBITDA) below 1.7x at end December 2015, which includes the impact on its net debt of the acquisitions of The Mill and Cisco Connected Devices.
- Technicolor will update its financial objectives related to its Drive 2020 strategy as part of its full year 2015 results release.

Segment review – Q3 2015 revenue highlights

Group revenues by segment

In € million	Third Quarter 2014	Third Quarter 2015	Change YoY At current rate	Change YoY At constant rate
Technology	116	**121**	+4.6%	+6.9%
Entertainment Services	330	**423**	+28.1%	+18.2%
Connected Home	369	**332**	(10.0)%	(11.4)%
Other	0	**0**	ns	ns
Group revenues (excluding exited activities)	815	**876**	+7.5%	+3.2%
Exited activities	28	**1**	(96.6)%	(96.2)%
Group revenues	843	**877**	+4.0%	(0.1)%

Technology revenues amounted to €121 million in the third quarter of 2015, up 4.6% at current currency compared to the third quarter of 2014. Licensing revenues stood at €117 million in the quarter, up €5 million year-on-year at current currency. This increase reflected higher revenues from the MPEG LA pool, due to favorable €/US$ exchange rate fluctuations, as well as a good performance of the Group's direct licensing programs that benefited from the contribution of new contracts signed in prior quarters.

During the third quarter, Technicolor and Sony announced a joint patent licensing program for Digital TV ("DTV") and Computer Display Monitor ("CDM"). Technicolor will be the exclusive licensing agent of the combined portfolio that covers DTV and CDM. Through this agreement, the Group not only secures long term revenues in its DTV program and will generate incremental revenues in the field of CDM, but also demonstrates its agility to develop ad-hoc partnerships in IP.

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Entertainment Services revenues (excluding exited activities) reached €423 million in the third quarter of 2015, up 28.1% at current currency compared to the third quarter of 2014. This performance resulted from a sustained level of activity in Visual Effects and Animation activities in Production Services, as well as increased volumes related to a strong slate of Studio new releases in DVD Services.

- **Production Services** recorded a strong double-digit increase in revenues in the third quarter of 2015 compared to the third quarter of 2014. Revenues excluding exited activities were up by over 40% year-on-year at constant currency. This performance was driven by double-digit organic growth in revenues, reflecting another record quarter in Visual Effects ("VFX") activities under the MPC brand, and by the additions of Mr. X, OuiDo Productions, Mikros Images, and The Mill (acquired on 15 September 2015). This increased level of activity was supported by feature films, advertising and animation activities, while

Postproduction revenues were broadly stable in the quarter, and slightly lower in North America due to fewer theatrical and TV productions.

In the third quarter, VFX teams completed work on *The Martian* (Fox), *Goosebumps* (Sony), *Fantastic Four* (Fox) and *Pan* (Warner), while pursuing work on a number of Theatrical projects, including *Jungle Book (Disney)*, *Batman v Superman: Dawn of Justice* (Warner), *Monster Trucks* (Paramount), *X-Men: Apocalypse* (Fox), *007 Spectre* (Sony), *The Finest Hours* (Disney) and *Tarzan* (Warner). VFX teams also started working on new projects such as *Independence Day: Resurgence* (Fox) and *Ghostbusters 3* (Sony). In the third quarter, Postproduction teams completed work on Theatrical projects including *Ant-Man* (Disney/Marvel), *Fantastic Four* (Fox), *The Intern* (Warner), *Burnt* (Weinstein) and *Bridge of Spies* (Disney). Postproduction teams also continued work on premium TV series, including *Vampire Diaries* (CW), *Criminal Minds* (CBS), *Scandal* (ABC), *Heroes Reborn* (NBC) and iZombie (CW) for leading TV broadcasters, as well as on original TV content such as *Mozart In The Jungle* (Amazon), *Narcos* (Netflix) and *Sense8* (Netflix) for Over-the-Top ("OTT") services providers.

- **DVD Services** revenues increased in the third quarter of 2015, driven by growth in combined Standard Definition DVD ("SD-DVD") and Blu-ray™ disc volumes of more than 2% compared to the third quarter of 2014. Standard Definition DVD volumes were flat year-on-year, supported by a strong slate of studio new releases in the third quarter of 2015, as well as by the impact of selected new customer additions. Blu-ray™ disc volumes were up c.11%, due to the same factors as SD-DVD, and the positive impact of ongoing growth in Blu-ray™ Xbox One games volumes. Total Games volumes were affected by further decline in SD-DVD games volumes for prior generation Xbox. As expected, DVD Services experienced strong improvement in year-on-year and sequential quarterly volume performance in the quarter, which reconfirms ongoing consumer demand for packaged media when compelling content is available.

  Selected key Theatrical titles produced in the third quarter of 2015 included *Avengers 2: Age of Ultron* (Disney/Marvel), *Inside Out* (Disney), *Jurassic World* (Universal), *Furious 7* (Universal), *Mad Max: Fury Road* (Warner), as well as *Terminator Genisys* (Paramount). Key Games titles produced in the quarter included *FIFA 16* (Electronic Arts) and *Call of Duty: Black Ops III* (Activision).

Volume Data for DVD Services

		Third Quarter			**Nine Months**		
In million units		**2014**	**2015**	Change	**2014**	**2015**	Change
Total Combined Volumes		329.7	**337.1**	+2.2%	894.7	**833.1**	(6.9)%
By Format	SD-DVD	264.8	**264.8**	+0.0%	722.8	**660.9**	(8.6)%
	Blu-ray™	64.9	**72.3**	+11.4%	171.9	**172.3**	+0.2%
By Segment	Studio/Video	299.1	**309.7**	+3.6%	825.6	**776.1**	(6.0)%
	Games	20.1	**20.3**	+1.0%	41.2	**35.7**	(13.2)%
	Software & Kiosk	10.6	**7.0**	(33.4)%	28.0	**21.3**	(23.9)%

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Connected Home revenues amounted to €332 million in the third quarter of 2015, down 10% at current currency compared to the third quarter of 2014. This performance reflected lower total product volumes of 7.7 million units (-14.2%) in the quarter, with a weak level of activity in North America, partially offset by an improvement in overall product mix across most regions, with the exception of Brazil.

As expected, the soft revenue trend experienced by the Connected Home segment in the second quarter of 2015 persisted during the third quarter, almost entirely due to North America, where customer orders continued to be affected by pending industry consolidation, and in Brazil, due to softening macroeconomic conditions. Connected Home recorded however double-digit revenue growth in Europe, Middle-East and Africa and in Asia-Pacific, driven notably by the ramp-up of new higher-end devices during the period.

Technicolor expects overall sales growth to resume strongly in the fourth quarter of 2015, resulting from a number of new awards and customer wins, including high-end products. As a result, Connected Home revenues are expected to grow year-on-year materially faster than the market on a full year basis (at current currency).

Q3 2015 Regional Highlights

- In **North America**, revenues decreased significantly in the third quarter of 2015 compared to the third quarter of 2014. Product deliveries in the period were affected by ongoing cautious customer approach towards orders and inventory management related to pending industry consolidation, particularly in the Satellite segment, as well as by the phasing-out in the first quarter of 2015 of a Cable device that was shipped in large volumes in the third quarter of 2014. Overall product mix improved however strongly year-on-year, driven mainly by an increased contribution of higher-end Cable devices in the sales mix.
- In **Latin America**, revenues declined in the third quarter of 2015 compared to the third quarter of 2014, reflecting a drop in product shipments, after four consecutive quarters of year-on-year growth. Product deliveries in the period were primarily affected by tougher macroeconomic conditions in Brazil, as reflected by the devaluation of the Brazilian real against the US$, which led to high inventory levels.
- In **Europe, Middle East and Africa**, revenues were up double-digit in the third quarter of 2015 compared to the third quarter of 2014, driven by stronger product shipments and significantly improved overall product mix. Connected Home benefited from the ramp-up of a new OTT set top box introduced at a key French customer, a device that the Group has started to ship across additional international markets. The segment's performance was also supported by higher deliveries of OTT and broadband devices to Telecom customers, as well as by increased volumes of Cable gateways, driven by Western Europe.
- In **Asia-Pacific**, revenues rose significantly in the third quarter of 2015 compared to the third quarter of 2014, as a result of a strong double-digit increase in product shipments and a material improvement in overall product mix. Volume growth in the period reflected a rebound in set top box shipments to Indian customers as the digitization program has resumed, as well as higher deliveries of Cable and Telecom broadband devices, notably in China.

Volume Data for Connected Home

In million units		Third Quarter 2014	Third Quarter 2015	Third Quarter Change	Nine Months 2014	Nine Months 2015	Nine Months Change
Total Combined Volumes[1]		9.0	**7.7**	(14.2)%	25.5	**21.4**	(16.0)%
By Region	North America	2.9	**1.6**	(45.5)%	6.8	**4.7**	(31.5)%
	Latin America	2.8	**2.4**	(13.8)%	8.4	**8.4**	+0.6%
	Europe, Middle-East and Africa	1.8	**1.9**	+6.8%	5.8	**5.2**	(10.6)%
	Asia-Pacific	1.5	**1.8**	+18.8%	4.5	**3.1**	(30.2)%

[1] Including tablets and other connected devices.

Segment review – Year-to-date performance

In € million	Nine months 2014	Nine months 2015	Change YoY At current rate	Change YoY At constant rate
Technology	331	**389**	+17.2%	+17.5%
Entertainment Services	909	**1,075**	+18.2%	+5.9%
Connected Home	1,024	**984**	(3.9)%	(9.8)%
Other	0	**0**	ns	ns
Group revenues (excluding exited activities)	2,265	**2,447**	+8.0%	+0.5%
Exited activities	84	**51**	(38.7)%	(49.5)%
Group revenues	2,349	**2,499**	+6.4%	(1.3)%

Technology revenues reached €389 million in the first nine months of 2015, up 17.2% at current currency compared to the first nine months of 2014, as a result of increased revenues from the MPEG LA pool and ongoing solid performance of the Group's direct licensing programs that benefited from the contribution of new contracts signed in prior quarters, particularly in Digital TV.

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Entertainment Services revenues (excluding exited activities) amounted to €1,075 million in the first nine months of 2015, up 18.2% at current currency compared to the first nine months of 2014. At constant currency, revenues increased 5.9% year-over-year, as strong double-digit revenue growth in Production Services, driven by VFX and Animation activities, more than offset lower DVD Services revenues, despite strongly improved volume trend in the third quarter of 2015.

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Connected Home revenues stood at €984 million in the first nine months of 2015, down 3.9% at current currency compared to the first nine months of 2014. Connected Home has outperformed the market in the first nine months of 2015, recording a solid level of activity despite mixed market conditions and persistent weakness in North America, primarily driven by the consolidation movements experienced in the industry. The Group is confident in its capacity to outperform the market on a full year basis.

Financial Calendar

FY 2015 Results	19 February 2016
Q1 2016 Revenues	29 April 2016

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Warning: Forward Looking Statements

This press release contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements. For a more complete list and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des marchés financiers.

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About Technicolor

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

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

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